

WA Forest Protection Association

Re: Comment Period on Climate Commitment Act Program, Chapter 173-446 WAC, Offset Protocols

Please accept these comments on behalf of the Washington Forest Protection Association (WFPA) as part of the ongoing Climate Commitment Act rulemaking process regarding the adoption of offset protocols.

The WFPA is a trade association representing private forest landowners with over 40 member companies and individuals who collectively own nearly four million acres of private forestlands in Washington. Although our membership is diverse in terms of size, management structure, and forest management approaches, we are unified behind a commitment to engaging proactively in helping Washington craft forestry offset rules that capture the potential value of our state's forests. These comments are limited to the forestry offset portion of the current rulemaking process addressing new and revised cap and invest offset protocols found in WAC 174-446.

As we pointed out in our initial response in 2022, we remain concerned about the incorporation of California's existing offset protocols as a starting point for Washington's process. Therefore, we are appreciative of this new effort to refine the existing forest offset protocols and are hopeful that the result will be an updated protocol that acknowledges our state's different forest landscape, history of forest management, forest ownership portfolio, and underlying regulatory baseline. It is worth repeating that, for forestry offsets to work in Washington, the protocols need to reflect Washington's regulatory system and forest conditions. Our earlier comments that the California model is simply not transferable, in whole cloth, to Washington have proven to be accurate. Forest landowners have not participated in the new offset market due to the California-based rules. But we are hopeful this may change if the new rules are written correctly.

We offer the following recommendations with the goal of helping to craft Washington's rules in a manner that may induce landowner participation.

1) RCW 70A.45.100 (2) declares that "Any state carbon programs must support the policies stated in this section and recognize the forest products industry's contribution to the state's climate response."

As Department of Ecology staff work to develop the new offset protocol rule language, we would encourage them to be ever-mindful to Subsection (1)(c) of this same section that states:

It is the policy of the state to support the contributions of all working forests and the synergistic forest products sector to the state's climate response. This includes landowners, mills, bioenergy, pulp and paper, and the related harvesting and transportation infrastructure that is necessary for forestland owners to continue the rotational cycle of carbon capture and sequestration in growing trees and allows forest products manufacturers to store the captured carbon in wood products and maintain and enhance the forest sector's role in mitigating a significant percentage of the state's carbon emissions while providing other environmental and social benefits and supporting a strong rural economic base. It is further the policy of the state to support the participation of working forests in current and future carbon markets, strengthening the state's role as a valuable contributor to the global carbon response while supporting one of its largest manufacturing sectors.

2) Specific protections should be embedded in the new rule language to limit the number of Washington-based carbon credits that can be purchased by out-of-state carbon emitters.

3) Based on the mandate found in RCW 70A.45.100, the new regulations should put in place restrictions that the proceeds from carbon credits sold in Washington cannot be used to purchase working forests unless it can be shown the purchase would "maintain and enhance the forest sector's role in mitigating a significant percentage of the state's carbon emissions while providing other environmental and social benefits and supporting a strong rural economic base."

4) We believe the development of the rules related to market linkage and forest offsets are inextricably linked and should not be moved forward as separate, distinct rule development packages. To be successful, it is essential that the state's forest offset rule language be pragmatic, practical and reasonable to encourage landowners to participate in the program. Efforts in other jurisdictions, such as Quebec, reveal that impractical rule language discourages participation. Specifically, Quebec's offset protocols are limited to afforestation and reforestation on private timber land and contain requirements and restrictions that landowners have found to be unworkable. This is a result that we should seek to avoid. The development of Washington-based forest offset protocols that landowners can and will participate in should be the primary goal of the Department. Only after that has been achieved should Ecology then move forward with the development and approval of the market linkage regulations.

5) The state's small forest landowners (SFLO) face constant pressure in our growing state to convert their lands to residential development. A recent report by the SFLO Carbon Workgroup stated "Washington's 218,000 SFLO own nearly 2.9 million acres of forest, which annually sequester the CO₂ output of 875 thousand automobiles. This acreage corresponds to 15% of Washington's forests and is typically located low in the watersheds near towns and cities, with ample opportunity for higher and better use (HBU) as development." This important report, "Small Forest Landowner Carbon Workgroup Established Under Section 21 of SB 5126 (2021) Climate Commitment Act Legislative Report" can be found at: https://app.leg.wa.gov/ReportsToTheLegislature/Home/GetPDF?fileName=2022%20SFLO%20Carbon%20Workgroup%20Legislative%20Report_114469ba-d50f-4333-81a2-21096e377f0d.pdf

The recommendations section begins on page 76 and may prove very useful to your research and development of the rule package.

Sincerely,

Jason Spadaro
Executive Director



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