Greenline Climate

To: Washington Department of Ecology
From: Greenline Climate
Date: August 18, 2025

RE: US Forest Offsets Protocol Comments

Introduction
Thank you for the opportunity to provide informal feedback on the proposed revisions to the Washington Cap-and-Invest Program's U.S. Forestry Protocol. Greenline Climate supports Ecology's efforts to design a high-integrity offset program that delivers measurable climate benefits, contains compliance costs for Washington businesses and residents, and upholds strong commitments to equity and environmental justice.

Greenline commends Ecology for several proposed improvements to the Protocol, including:

- The shift to a risk-based buffer pool that incorporates wildfire and disease models, strengthening scientific rigor and aligning contributions with actual risks.

- Reduced verification frequency for small projects (<4,000 VERs/year), which lowers transaction costs and improves access for smaller landowners.

- Added flexibility for project boundary reductions through the avoidable reversal mechanism, enhancing resilience for long-term projects.

- A balanced approach to modeled or computational reversals, recognizing these do not represent real-world carbon losses and appropriately addressing them in future reporting periods.

At the same time, Greenline has identified three areas where we believe revisions are warranted:

1. The 40-acre clearcut limit, adapted from California, is ill-suited to Washington's forests and duplicates protections already addressed under Washington's Forest Practices Rules. Aligning with existing state rules would reduce inefficiencies without compromising carbon outcomes.

2. A sloped 10-year crediting curve and repeated baseline delays cost recovery, discourage participation, and create disproportionate barriers for small landowners and tribes. An exception is recommended to maintain equitable access and market participation.

3. Applying a global "average" leakage rate and incorporating untested elements from CAR v5.1 add uncertainty and misalign with Washington's conditions. Ecology should retain the current 20% U.S.-based leakage rate and defer CAR v5.1 provisions until verified in practice.

Even-Aged Management and Clearcut Size

The 40-acre clearcut restriction, especially when basal area retention requirements exclude riparian zones, creates inefficiencies and economic barriers for landowners practicing responsible even-aged management in Washington. These limits appear to be adapted from California's forest carbon protocol, but are not well-suited to Washington's forest types or management practices. Washington already has a robust, science-based Forest Practices framework specifically designed for the state's ecological conditions, and layering California-based restrictions does not improve carbon outcomes. Instead, it adds inefficiency and undermines the effectiveness of responsible forest management in Washington. We recommend aligning harvest unit size standards with Washington State Forest Practices Rules, and avoid applying additional restrictions borrowed from other regions that do not reflect Washington's regulatory context or enhance carbon benefits.

Value Proposition for Small Landowners and Tribes

Many small landowners, including smaller tribes, have been evaluating whether the Washington Cap-and-Invest Program's U.S. Forestry Protocol is a good fit for their land management, with some considering deferred harvests based on the current program rules. Under those rules, the 10-year crediting period ultimately delivered the same number of credits, but on a delayed schedule that reduces the near-term incentives needed to cover the costs of long-term monitoring.

The proposed shift to a sloped crediting curve over 10 years substantially alters the expected value proposition for these smaller landowners. The change appears misaligned with two goals Ecology identified at the July 8, 2024 Forest Offset Protocol Technical Working Group Meeting: supporting project feasibility for smaller landowners and ensuring the protocol is well-suited to Washington forest conditions. By lengthening the time it takes for smaller landowners to recover project development costs, the proposal risks discouraging participation even though these landowners collectively hold nearly 3 million acres - about half of the state's private forestland.

The implications for tribal landowners are also significant. Many tribes have expressed strong interest in Washington's cap-and-invest market, yet the proposed changes will likely increase economic barriers. State policy affirms that environmental laws should not disproportionately disadvantage tribes, communities of color, or low-income communities, and that self-determination should be centered in decision-making. By raising costs, reducing revenue certainty, and making participation less accessible, the proposed rule risks undermining these commitments and the objectives of the Environmental Justice Offset Working Group, which aims to elevate underserved voices in rule design. We recommend creating an exception to the 10-year distributed crediting period for small landowners and tribes to support their meaningful participation in the market.

Leakage

The proposed default leakage rate is the average rate taken from a meta analysis that examines forest carbon leakage globally. Leakage is a very difficult variable to quantify and its rate depends on a number of regional factors that can both negatively (other forests increasing harvesting levels in response to a carbon project) and positively (tree planting to capture the increased value of forest land in response to a carbon project) affect the climate. The same study that notes an “average” leakage rate of 39.6% also notes that leakage rates have varied from - 10% to 100%. Therefore, it is difficult to understand how an average value that incorporates timber products from markets Washington state forestlands do not compete in and carbon project types such as REDD+ projects in tropical countries is applicable to Washington state forests. Greenline recommends Ecology maintain the 20% leakage rate that is the current default rate in California’s US Forest Projects Protocol. Although Ecology has noted some concerns regarding this rate, it is derived from academic studies focusing on U.S. forests. This rate is much more reflective of circumstances facing Washington forestlands. The basis for the proposed rate is also inconsistent with Ecology’s objective of Increasing Methodological Rigor, especially when considering that this is an average rate that is subject to a significant standard deviation and that incorporates studies on leakage associated with activities such as forest degradation due to subsistence agriculture and stopping illegal logging; two activities with limited to no applicability to Washington state forests

Market Impact of Adopting Untested Protocol Provisions

Greenline questions the incorporation of elements of Climate Action Reserve’s (CAR) US Forest Protocol v5.1. This protocol was released two years ago and there are no projects that have undergone third party verification and by extension review by the Reserve. This process is essential for gaining real world experience for applying theoretical protocol guidelines on the ground and testing how that application is viewed by third party auditors and the standards body itself. Protocols are often updated after a new version undergoes its first set of verification and issuance based on learnings from the landowners applying the protocol, verifiers reviewing a project; and standards bodies reviewing the verification report.

The incorporation of a protocol that has yet to issue any certified emission reductions needlessly introduces an element of risk and uncertainty to the cap and invest market. Forestland is expected to be a major supplier of offsets to the program, but introducing untested requirements will likely disincentivize participation resulting in significantly higher compliance costs given that total issuances through July 2025 represent 0.3% of the program’s first compliance period cap. Greenline recommends that Ecology strike and revisit the CAR v5.1 protocol insertions until after several projects have completed third party verification and CAR as issued offsets from this protocol.

Thank you for the opportunity to provide feedback.

Sincerely
Tim Kramer