

A summary of the sixteenth meeting of the ODF Forest Carbon Stakeholders (FCS) Working Group - Monday September 8, 2008 in Portland, OR.

Present: Jay Morey – ODF, Jim Cathcart – ODF, Cameron Smith – Oregon Governor's Office, Mike Schnee – Michael Schnee Consulting (Facilitator / Mediator), Mike Cloughesy – OFRI, Linc Cannon – OFIC, Adrian Miller – WFPA, Steve Brink – CFA, Scott Zimmerman – Oregon Woodland Cooperative, Ralph Saperstein – Conkling, Fiskum & McCormick, Keith Balter – Forest Capital Partners, Brian Kernohan – Forest Capital Partners, Jake Gibbs – Lone Rock Timber Company, Greg Miller – Weyerhaeuser, Alex Schay – Carbon Solutions NW, John Audley – The Nature Conservancy, Bettina Von Hagen – Ecotrust, Wolfgang Ortloff – Equator Environmental, Rick Brown – Defenders of Wildlife, and Bob Deal – USFS PNW Research

Via Conference Call: Rachael Katz – The Pacific Forest Trust and Mike Gaudern – OSWA

WCI / Policy Updates from Oregon Governor's Office:

- Forestry is anticipated to stay in as an offset type for priority consideration when the WCI Recommendations are released late September 2008.
- Changes in the final recommendations from the July 23rd draft WCI recommendations may contain more clarity around limits and focus on where the reductions come from.
- Much regional work will continue after the recommendations come out. WCI will still need to develop a process to flesh out the specifics of an offset system based on the partners' recommendations. Stakeholder opinions on this process have ranged from recommending WCI plug into national discussions like ANSI to setting up an independent group of offset experts. Some stakeholders also have recommended WCI consider having a regional committee just on forestry
- Oregon agriculture is forming a workgroup to provide input to the WCI. This effort will start in October 2008.
- Protocol development within the WCI will likely be a regional process and accept input from the various state working groups.
- Governor's office has been working on a range of legislative concepts to build a climate package for the 2009 session; areas include cap and trade, energy efficiency, renewable energy and sustainable transportation. People are paying attention to energy and climate change issues. The Governor's office will continue to work with legislators, stakeholders and the public to build a robust climate package for '09 that supports both our economic and environmental goals.

Updates on the Washington State Workgroup Process:

- The Washington Department of Natural Resources and Department of Ecology are preparing a report for the WA state legislature and this report should be completed before the end of the year. It is anticipated that the report will serve as a guide for WA recommendations to WCI.
- Avoided Deforestation has received a lot of group time and there is general agreement on an offset project dealing with transfer of development rights (TDR). The state would take ownership of the offsets and those would go to the counties to develop a TDR program. Questions remain of who would pay for the calculation of the carbon credit.
- Regional Inventory Approach is getting some discussion. This avenue may not be available for awhile so BAU approaches are being discussed for the interim.
- Forest products have been discussed and the group is still working on this project type.
- An urban forestry protocol or project type has received some group time and general agreements are afforestation is not worth the time and reforestation can be part of a forest management protocol. In addition, tracking and reporting of emissions for urban forestry projects could be removed due to their relatively small impacts in the larger scheme.

- Recommendations are being made on changes to the Washington State Environmental Policy Act.
- There will likely be a lot of climate change legislation during the next legislative session.

Updates on California Process (AB32 & CCAR):

- AB32: the scoping plan should be on track for release late this month; this sets emissions reductions goals by sector. Forestry has been identified as a net carbon sink. The Board of Forestry has said they can keep forestry at 5% by 2020.
- AB32: 6 diesel engine regulations are in place, 7 will be in place by December. Smoke emissions from wildfire continue to not be part of the discussion.
- AB32: No progress has been made thus far to meet 20% renewable electricity by 2010 (Renewable Portfolio Standard). Actually this amount went down to 12% in 2008. Biomass is now being discussed extensively as wind and solar can only offer a few percent to the overall grid.
- CCAR: Workgroup will report on revisions to design elements by December 2008. Draft papers on protocol revisions are now available.
- CCAR: FIA data for CA has been split out; the numbers are fairly tight and detailed.
- CCAR: The Voluntary Carbon Standard (VCS) has accepted 4 registries and CCAR is not one of them.
- Legislation will most likely be coming in to change or redirect the California Air Resources Board (CARB) regulating body.
- CA is committed to cap/ trade statutorily.
- For further information or clarification on the California AB32 or CCAR processes, contact Steve Brink with the California Forestry Association at steveb@foresthealth.org

Discussion on the workgroup's direction and purpose:

Due to the currently undetermined WCI process for 2009, and the numerous other workgroups and efforts ongoing regarding carbon and climate change on state, regional, and national levels, the group felt strongly about taking some time to look at options for future work and direction. As a result, the group spent a significant portion of the meeting discussing where the group should go from here, where we would provide input, and what our overall purpose is from here forward. Some thoughts presented during the discussion include:

1. Taking a pause to see where the WCI process goes.
2. Should the group stay a regionally represented effort or should the group's focus shift specifically to Oregon?
3. The group could provide the Oregon Legislative process with guidance and expertise on decisions around legislative proposals.
4. Provide guidance of where the Regional Inventory Approach works but also provide alternatives to where it does not.
5. There is a need for economic analysis to any approaches being considered. How would this be accomplished?
6. Continue moving forward providing input to the Oregon Legislature, WCI, and other processes such as the national ANSI workgroup being formed.
7. Should the group spend some time and effort reviewing work done in other states (CA/WA) to avoid reinventing the wheel?
8. The main focus of the group should be to determine the project types that are acceptable in forest management?
9. Should the group member composition change?

Next Steps/ Next Meeting:

- Throughout the discussion on the workgroup's direction and purpose, group members unanimously agreed it would be a great idea to have Oregon State Forester Marvin Brown and representatives from the Oregon Governor's Office and Global Warming Commission come in and speak with the group. The idea being this would be a forum for them to share their perspectives on how and where the group's efforts could be most

effectively utilized. Jay Morey and Mike Schnee are working on ***tentatively*** having Marvin and at least one Oregon Governor's Office representative attend our next meeting if possible to share their perspectives on the workgroup's direction and purpose. Prior to the meeting Mike Schnee will develop the group's draft purpose statement and a set of questions to be approved by the core group in which Marvin and other guest speakers could review prior to the meeting and use as a framework for their discussion.

- Other topics TBD.

When: Wednesday September 24, 2008 (TENTATIVE) from 9:00 am to 3:00 pm.

Where: Oregon Department of Forestry – State Forester's Office located at 2600 State Street, Salem, OR 97310. (TENTATIVE)

Conference Call Option: TBD

Future Meetings Scheduled:

When:

- Mondays October 6th and 20th (TENTATIVE) from 9:00 am to 3:00 pm.

Where: Portland - Board Room (Third Floor) at the US Bank Building located at 625 SW Stark Street, Portland, OR 97205.

Jay C. Morey

Forester - Astoria District - Sunset Unit

Chair - Astoria District Safety and Wellness

Office - (503) 325-5451 ext. 306