

Outreach for Terrestrial Sequestration Afforestation/ Reforestation Projects

### Lessons Learned from Efforts in Shasta County, CA



### **Multiple Audiences**

o Landowners

- Land Managers
- General Public
- Local Government
- o Agencies
- Local and Regional Organizations
- Environmental Advocates
- Education Community

### **Initial Outreach**

- Stakeholder Meeting
- More than 400 Landowners Contacted
   Through Letters Sent to Landowners With 100+ Acres in Priority Areas
- Presentations at Local and Regional Meetings
- Word of Mouth

# Let's Talk... Is there really anything Is it true? we can do about it? Isn't it too late? Isn't it natural? Is it really a problem? Carbon Sequest...what?

## OK, Maybe I'm Interested... Survey Me!

### + 50 Landowners Interested & Interviewed

- Willingness
- Cost-sharing
- Site Conditions
- Acres
- Species Preferences

# **Formal Surveys**

#### Interview Data Sheet Shasta County Landowner Willingness to Participate Survey

Interviewer name:	
Date of interview:	

#### This section to be completed before the interview:

Landowner name: Site identifier: (RCD to use their own resources to positively identify the parcel(s) the owner(s) will discuss during the interview) Land holding size: Ownership strata: Gwnership strata: Family-owned (A) Absentee/part-time occupant (B) Full-time occupant, first-generation (C)

#### Following information to be collected during the interview:

Question	Response
1. Confirm parcel information noted above, correct as needed	
2. What would you need in order to be willing to plant additional lands to trees on your land?	<ul> <li>Circle all that apply:</li> <li>A. Nothing needed, plan to do anyway</li> <li>B. Cost-sharing for planting cost</li> <li>C. Cost-sharing for planting and maintenance cost</li> <li>D. Cost-sharing for irrigation, tree protector systems, or associated costs</li> <li>E. Opportunity to market wood products from project</li> <li>F. Opportunity to market carbon credits from project</li> <li>G. Seedlings</li> <li>H. Additional information</li> <li>I. Other:</li> </ul>
<ol> <li>If cost-sharing is required: What level of cost-sharing would you require?</li> </ol>	S per acre or % of total cost
4. If everything specified above was provided (e.g. cost-sharing, information, seedlings, etc) how much land would you potentially be willing to plant with trees?	acres or % of total holding
5. Willingness to participate in annual photo documentation and 2 page survey for 10 years	Yes or No

6. Landowner Objectives	Record landowner objectives in rough order of priority: A. Income production B. Aesthetics C. Recreation D. Timber production E. Homestead F. Other (list here):
<ol> <li>If interested and prepared to do so, can you designate which parts of your land you would be willing to plant? [OPTIONAL]</li> </ol>	[This question should only be asked if the landowner is strongly interested and ready to designate on the map of their landholding specific areas/vegetation types they would be willing to plant. Otherwise, this step can be done in a follow-up meeting with interested landowners.]
8. What is the current state of the proposed site?	Record any site description information available such as accessibility, slope, existing vegetation, etc.
9. Which tree species would you most like to plant on your lands?	Circle all that apply: A. Commercial hardwoods B. Commercial softwoods C. Mixed hardwoods/softwoods D. Non-commercial hardwoods E. Non-commercial softwoods F. Brush species to improve wildlife habitat and privacy G. No preference H. Not sure I. These species (list here):
10. What concerns do you have about tree planting on your property?	Circle all that apply: A. No Concerns B. Decreased forage C. Increased fire risk D. New Federal or state regulations E. Increased land management costs F. Other (list here):
11. Please feel free to add any other comments.	Record landowner's comments or concerns.

### Landowner Outreach

- +50 interest surveys resulting in majority desk review for consideration
- o 20 site visits resulting in 17 plans
- Contract negotiations including amendments adding additional acreage, revising herbicide prescription and extending agreements
- Measuring, site prep, planting, and monitoring activities
- Scheduling field trips and interviews
- Project updates individually and via landowner meetings

## Involved Discussion: Site Visits, Telephone, Email

How much will it cost? What's it going to look like? What will it look like 5, 10, 50+ years from now? What's a carbon credit?

### Variety of Sites = Variety of Landowners



### Landowner Education

- O Climate ChangeForestry 101
  - Site Conditions
  - Species
  - Site Prep
  - Herbicides
  - Maintenance





# **Continuing Communication**



# **Community Outreach**

- Local/Regional Meetings
  County Fairs and Festivals
  WSRCD Website
- Newsletter Articles
- Newspaper Articles
- Prairie Public PBS Documentary
- Natural Resource Conservation Service Success Story



### Local and Regional Government and Organizations

- County Board of Supervisors
- City Council
- Electric Utilities
- Fire Safe Councils
- Local Forest Education Council
- Watershed Groups
- Local and Regional Land Management and Conservation Organizations

# Each Landowner/Group is Unique

Values
Understanding of Natural Systems
Concerns
Goals





### Challenges

- o "Us against them" mentality
- Language barriers
- Passed down beliefs
- Landowners Individual ownership / family trust
- Time investment

# **Traditional Outreach**







#### Volume 4, Issue 11 October 2007

#### What is a Local Watershed Group?

ronment.

#### Inside this issue:

- Stillwater-Churn-Clover 2 **Creek Watershed**
- Bear Creek Watershed 2 has Newly Formed Sub-Committees
- WSRCD Introduces 3 A Mitigation Library Program
- Notes from the GIS 4 Desk
- Employee Highlight 5
- Manton Bridge, Team-6 work Pays Off.
- Climate Change Research- A West Coast Carbon Sequestration Partnership (WESTCARB)

drinking water, flood protection, and healthy resources that improve the quality of life. Most people forget that the activities of people upstream from where you live impact the lives of people fisheries and wildlife downstream. The characteristics of each watershed are unique, which is why the trend across the nation is to bring residents, landowners and other interested agencies and parties together at the watershed level to make it healthier and sustainable in the long run. Forming watershed groups is one way of organizing everyone in a watershed to work cooperatively to conserve and improve the health of the environment, the overall knowledge of the watershed and ensure that humans, plants, and animals have good quality clean water. The goal is to create a sustainable

We all depend on watershed health for

Watershed Group Interests





 Above and Underground Water Quantity and Quality

Appropriate Recreation

Wildlife Habitat and Corridors

physical, biological and human envi-

To learn more , please contact Kelly

A Watershed

Miller, Western Shasta RCD at

530.365.7332 x-205 or email

Kelly@westernshastarcd.org.

Watershed

Divide

River

Mouth

- Invasive Species
- Planned Development



Bear Creek Watershed Watersheds and You October 2007

Churn Creek Watershed Lower Clear Creek Watershed Here are a few of the beautiful watersheds in our area.

Ground Water (Aquifer)

Can you name the watershed you live in?

## Non-Traditional Outreach "The Times They Are A Changing"~ Bob Dylan

o Website

- Festivals Video Contests
- You Tube
- Facebook
- Webzines
- Blogs



### 2009 Whole Earth Festival Watershed Festival

#### Celebrating Earth Day ! Saturday April 25, 2009 Redding City Hall and Sculpture Park 10am to 3pm

#### **Free Admission!**

Over 60 Exhibitors, great food, live music, interactive presentations, a recycled Art Show, children and youth activities including a Watershed Passport and Student Video Contest !!

#### www.seancplanet.org



	2009 Whole Earth and Watershed Festival Event Schedule
8:00am	Site opens for Exhibitors and Vendors
9:45am	Exhibitors and Vendors are ready for the public
10:00am	Main Stage: Whole Earth and Watershed Festival Opening Ceremony
10:15am	Main Stage: Frank Meek, Meeks Lumber
10:30am	Community Room: Documentary Film: "The Bounty of Marin"
11:00am	Community Room: Meet your Local Farmer
11:30am	Main Stage: Jeff Lewis, Shasta College: "Sustainability"
12:00pm	Main Stage: Live Music begins
1pm	Community Room: Documentary Film: "State of Resolve: California Environmental Law"
1:30pm	<b>Main Stage: Dr. Raymond L. John</b> "Animal Recycling: The Role of Haven Humane"
1:45pm	Community Room: Student Video Contest Viewing
2pm	<mark>Community Room: Documentary Film:</mark> "Out of the Air-Into the Soil: Land Practices That Reduce Atmospheric Carbon Levels"
2:30pm	Main Stage: Shasta Conservation Fund Awards and Student Video Awards
3pm	2009 Whole Earth and Watershed Festival Closing







### **Education Community**

- Community College
- ROP and Environmental Education Advisory Groups
- Local Museums
- Forest Foundation's Talk About Trees
   Program
- American Forest Foundation's "Project Learning Tree" Program

### Common Issues Important To Landowners/Community

- Privacy
   Government
   Involvement
   Restrictions
- Ecosystem Integrity



# **Increasing Interest**

- Biomass/Fire Safety (Maintenance)
- Reducing Footprint
- Carbon Markets
- Climate Stewardship Partnership
- Education

### Message and Motto: *"Listen"* and *"All Together Now"* ~ Beatles

- Tailor Message to Audience
- Develop Relationships
- Be open to mutual conversation
- Invest time for project success and ongoing far into the future for sustainability



# Thank You





**Forest Carbon** 

### **Basics of Terrestrial Offset Projects**



### **Global Carbon Cycle**



West Coast Regional Carbon Sequestration Partnership



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West Coast Regional Carbon Sequestration Partnership



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### Carbon

- Carbon is a part of all living and dead biomass
- Biomass pools are comprised of consistent proportions of carbon (~50%)
- Carbon can be accurately estimated by establishing the mass of organic material



### Carbon = 1/2 Biomass (Dry Weight)



# For example: 4 tons Biomass → 2 tons Carbon

West Coast Regional Carbon Sequestration Partnership



### **Carbon Dioxide (CO<sub>2</sub>)**

- Carbon dioxide is a greenhouse gas comprised of carbon and oxygen
- Trees use CO<sub>2</sub> during photosynthesis, releasing oxygen and storing carbon.
- The amount of carbon in a tree can be converted to CO<sub>2</sub> by multiplying by 44/12 or 3.67.





Photosynthesis exceeds respiration, resulting in storage of carbon

West Coast Regional Carbon Sequestration Partnership



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# What is a Terrestrial Carbon Sequestration Project?

- Activity focused on ecosystems resulting in less greenhouse gases (primarily CO<sub>2</sub>) in the atmosphere
  - Avoid new emissions
  - Remove CO<sub>2</sub> from the atmosphere
- Project-based carbon benefits are the difference between the selected "carbon pools" in the with-project and without-project cases


# Forestry Practices that Sequester or Preserve Carbon

- Afforestation: tree planting on lands previously not in forest
- Reforestation: tree planting on previous forest lands
- Forest preservation or avoided deforestation: protection of threatened forest lands
- Forest management: modification of management practices



#### Where is Carbon Sequestered?

- Live biomass
  - Trees
  - Understory
  - Roots
- Dead biomass
  - Standing
  - Down
    - Coarse
    - Fine
- Wood products
- Soil

# "Carbon Pools"



#### **Carbon Pools**



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### **Carbon Storage in Trees**



Source: US EPA http://www.epa.gov/sequestration/local\_scale.html



### **Carbon Pools**

- Selection of pools depends on:
  - Expected rate of change
  - Expected magnitude and direction of change
  - Availability of methods, accuracy and cost of methods to measure and monitor
- For A/R, REDD:
  - Always measure AG+BG biomass
  - Other pools: dependent on project



### **Current Land Use Dictates Sequestration Potential**

- Sequestration is most attractive where lowvalue land is readily availably and has a high capacity for additional carbon storage (i.e. nonforest land)
- Co-benefits can be wide-ranging and add commercial value to sequestration projects as well as elevate project visibility and improve public perception
- Risks: Environmental factors can lead to lowerthan-expected yields for sequestration projects



# **Offset Project Elements**

- Additionality
- Baselines
- Leakage
- Reversibility (Permanence)
  - Duration
  - Risk of Loss
- Measurement and Monitoring



# **Additionality**

A project activity is additional if the activity only takes place **because of the anticipation of a potential sale** of carbon credits

- e.g. An activity such as forest restoration would not have taken place without outside funds paying for the planting, etc. in anticipation of receiving carbon offsets
- e.g. If an enforced law prevents deforestation, credits should not be available for avoiding deforestation



### **Baselines**

- Setting a baseline requires projecting future activities in the absence of a project = What would have happened in the absence of the project activity
- Baseline has two components—land use/cover and corresponding carbon
- Must be prepared in a transparent and conservative manner



### **Baselines: Reforestation**

Credits from a project is:

Difference between C stocks with project and baseline C stocks



TERNATIO

# **Baselines: Forest Management**

Credits from a project is:

Difference between C stocks with project and baseline C stocks



### **Developing a measurement plan**





# **Principles of monitoring carbon**

- Methods for measuring carbon credits are based on measuring changes in carbon stocks
- Not practical to measure everything so we sample
- Sample subset of land by taking relevant measurements of selected pool components in plots
- Number of plots measured predetermined to ensure both *accuracy* and *precision*



### **Ecosystem benefits**

- Forest conservation
- Wildlife habitat
- Water quality
- Timber management



### **Standards and Registries**

### Include:

- American Carbon Registry (ACR)
- Climate Action Reserve (CAR)
- Voluntary Carbon Standard (VCS)
- Regional Greenhouse Gas Initiative (RGGI)
- Chicago Climate Exchange (CCX)
- Section 1605(b)
- USEPA Climate Leaders
- Georgia Carbon Sequestration Registry
- WRI GHG Protocol





## Reforestation Pilot Projects in Shasta County







### Introduction to WESTCARB Afforestation

#### Project aims were to:

- Determine feasibility of producing carbon offsets from afforestation of private lands in Shasta County
- To enable maximization of land potential, additional income streams while not foregoing existing streams
  - Plus gives landowners the chance to impact climate change
- Encourage afforestation of rangelands
- Examine costs associated with afforestation
- Examine costs of monitoring plantings for carbon credit





# **1. Mixed Conifer Forest**

- On lands currently dominated by shrubs such as manzanita
- Shrubs preventing return of forest
- Project will involve substantial site preparation: killing and removing shrubs
- High carbon yield expected



### 2. Native oak species

- The aim of this form of project was to return to an historic land cover without reducing forage yield
- No opportunity cost as grazing can continue both during establishment and beyond







### Office Evaluation of 50 Potential Projects Criteria for Feasibility & Selection:

- CCAR Forestry Protocol eligibility (pre-2009):
  - < 10% Tree Canopy (used NAIP or GE photos)</p>
  - > 10 yr. out of forest cover
- Seed Zone & Elevation
- NRCS Soil Surveys: Depth & AWC etc.
- Slope
- Access Roads (for equipment & crews)
- Easements & Property Corners/Lines
- Landowner's objectives
- Regulatory constraints: T& E, 1600 permits etc.
- Other Misc.

#### .....20 out of 50 selected for Site Visits





12 projects / Landowner Agreements totaling 470 acres.



### **Shasta Afforestation Projects**

98 ac	Ponderosa pine afforestation, brush removal for bioenergy
7 ac	Mixed conifer afforestation – ponderosa pine and red fir
20 ac	Ponderosa pine afforestation, easement on property
60 ac	Mixed conifer afforestation – ponderosa pine, Douglas fir, incense cedar; past fire site
50 ac	Mixed conifer afforestation – ponderosa pine, Douglas fir; past fire site (1992)
43 ac	Ponderosa pine afforestation, affected by copper smelting in 1910
51 ac	Mixed conifer afforestation, - ponderosa pine and Douglas fir, past fire site (1992)
46 ac	Ponderosa pine afforestation
20 ac	Oak/pine afforestation
14 ac	Ponderosa pine afforestation
60 ac	Ponderosa pine afforestation, recent fire (2007)
7 ac	Oak woodlands



# Mediterranean Climate

Cool/wet Winters

 Competing vegetation/fuel

### • Warm/dry Summer

- Annual fire season
- Soil moisture is limiting factor for conifer seedling survival

# • Lightning



tates/u/3.pdf INTERIOR-GEOLOGICAL SURVEY, RESTON, VIRGINIA



#### Conifer Seed from: CAL FIRE, W.M. Beaty & SPI

#### Various:

- Species
- Elevations
- Seed Zones





CAL FOREST NURSERY Sowing seeds into styroblock containers

Seeds germinate into seedlings & grow for one season at the nursery

Seedlings "lifted" from styroblocks after growing season

(CI:



**EATY: RED RIVER FOREST** 

Court 320 9-PP-13 523-5.0

17-13-17-28

Seedlings must be kept in cold storage from lifting/packing until they are planted in the field

#### 800' Elevation Whiteleaf manzanita etc. on eroded soils w/ low AWC





#### 2008 Spray to prep site for planting in 2009





1/3 of project area burned 8 months prior to planting



How would soil & seedlings respond to loss of "mulch" on shallow soils at very low elevation w/ very high summer temps?





Planted: Feb 2009; picture: Sept 11, 2009 No rain from mid June through mid Sept 2009





> 95% Survival w/ weed control




#### Masticated unburned area > 95% Survival





PP seedling under "sparse" canopy are less vigorous than....





....open grown ponderosa pine seedlings

























2008 Planting - Climatic Conditions During 1 <sup>st</sup> Year of Seedling Establishment											
			Precip.	Sept-June	Precip. March-June						
Project	<u>Elev.</u>	Date <u>Planted</u>	<u>Normal</u>	<u>2007/08</u>	<u>Normal</u>	<u>2008</u>	% of <u>Normal</u>				
HP	2,300	March 7	52.75	34.08"	16.17	2.29	14.2%				

PPT Data from: PRISM Group, Oregon State University, http://www.prismclimate.org, created 23 Sep 2008



### Seedlings @ end of summer 2008 > 90% survival







2 <sup>1</sup>/<sub>2</sub> years after planting











#### Site Prep 2008 & Plant Feb. 2009





Ponderosa Pine seedling one month after planting & Just prior to weed control treatment













Ponderosa Pine seedlings 18 months after planting











### 1992 Fountain Fire: 65,000 acres

•Timber companies replanted within 5 years after fire: now ~ 20 ft. tall conifers & some re-sprouted oaks

 Most "small" non-industrial landowners did not replant: now brush and re-sprouted oaks



#### 1992 Fountain Fire @ 4,000' elev. site prepped in 2008 & planted in 2009













#### 1982 Chalk Fire / 2007 Power Fire

NRCS Soil Survey:
forest soil (pond. pine)
Low AWC (2"-3")
Low PPT (normal: 20"/yr)

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### Power/Chalk Fire Test Planting - March 20, 2008





## 2008 Planting - Climatic Conditions During 1<sup>st</sup> Year of Seedling Establishment

			Precip. Sept-June		Precip. March-June		
<u>Project</u>	<u>Elev.</u>	Date <u>Planted</u>	<u>Normal</u>	<u>2007/08</u>	<u>Normal</u>	<u>2008</u>	% of <u>Normal</u>
(Test - Power fire)	3,400 3,800	Mar. 20	20.03" 19.85"	13.89" 12.96"	6.74" 6.67"	1.99" 1.59"	29.5% 23.8%

PPT Data from: PRISM Group, Oregon State University, http://www.prismclimate.org, created 23 Sep 2008





### March 20, 2008 Test Planting











## Power/Chalk Fire Project 2009 Operational Planting







# Power/Chalk Fire Project Seedling in Sept (3 months after last rain)













BLM – Redding – 500' Canyon Live Oak

Gravelly sandy loam 24" – 60" deep Low/Mod AWC (3.6"-6.6")





Poor weed control = poor survival (~ 5%)

Canyon Live Oak 2009 Planting (one acorn / spot) Survival ~ 5% (~ 40% no germ & ~ 55% seedling died during summer)







2 acorns per spot Good weed control

Good Survival: ~ 86% spots w/ at least one oak seedling

# 1,600' elev Blue Oak 2009 Planting



# SOME LESSONS LEARNED (OR RE-CONFIRMED)

- Must have a good plan & the commitment of all "partners" to follow through with the timely implementation of each sequential step over a multi-year project.
- Quality control and oversight at each step is critical to success.
- Need good seed that is adapted to the site. Access to a well supplied and diverse seed bank is important.
- Need good quality nursery stock and quality control during storage, handling and planting of seedlings.
- Control of competing vegetation is critical to success.
- Cannot rely on "normal" rainfall patterns.
- Non-industrial ownerships: higher costs/acre for many reasons. Many willing to pay 25% for conifers but not oaks



# SOME LESSONS LEARNED (OR RE-CONFIRMED)

- Reforestation Project = Long term fuel management project
- Timely reforestation after wildfire:
  - Reduces costs
  - Reduces impacts to soils and environment
  - Increases the available acres (e.g. steep & rocky sites)
  - Faster net carbon gained in most accounting protocols
- Opportunities for artificial regen. of blue & live oaks (on nonconifer sites), but not needed for black oak (conifer sites).
- Mastication is viable alternative to clearing on sites w/ erodible soils and/or non-sprouting brush species
- Ponderosa pine success is good over wide range & variability in PPT and site conditions (w/ weed control!).
- Active management is needed to increase (or even maintain) acres of conifer forests in interior California



#### 15 YEAR-OLD PLANTATION Established after wildfire in Northeastern California\_

#### Both areas were planted after the same wildfire but:

NO WEED CONTROL

WEED CONTROL



For the first 10 to 15 years both sites have equal amounts of total carbon, so there is a long wait to re-coup investment even though long term carbon/ climate benefits are huge: Brush/burn/brush etc. cycle vs. Fire resilient forest w/ large trees



Mature PP forest = High carbon storage resilient to fire

89 year-old Show Plantation












#### **Afforestation Baseline and Project Stocks**





2<sup>nd</sup> year seedlings @ end of dry 2009 summer

W. M. BEATY & ASSOCIATES, INC.





#### **General Growth Projections**

	tons CO <sub>2</sub> /ac				
	Pine	Fir	Pine/Fir	Pine/Oak	Oak
Year	300 tpa	300 tpa	200/85 tpa	100/50 tpa	100 tpa
0	18	18	18	18	18
10	19	17	18	18	18
20	61	29	50	32	18
30	136	79	121	66	19
40	203	159	191	108	20
50	259	256	255	155	22
60	305	353	308	202	23
70	336	441	346	246	25
80	361	514	374	287	28
90	379	571	393	322	31
100	394	618	412	351	34







#### 51 acres, greenleaf & deerbrush





#### **Costs for Carbon Management Projects**

#### Establishment costs

- Site preparation
- Buying and planting seedlings
- Easements
- Validation
- Maintenance costs
- Measurement costs
  - Registry
  - Variability
  - Project area
- Opportunity costs



Carbon alone rarely covers all costs



#### **Afforestation Costs**

\$2,000 \$1,800 \$1,600 \$1,400 \$1,200 \$1,000 \$800 \$600 \$400 \$200 **\$0** oak woodands (1 ac) ac) ine (14 ac) (2 ac) (18 ac) (18

#### Cost/ac



14 acres, manzanita baseline, \$1,300/ac, ponderosa pine planted

46 acres, manzanita baseline, \$778/ac, Ponderosa pine planted



#### **Overview of Forest Carbon Project**

- Determine most likely "without project" activities
- Identify baseline condition for "without project" scenario
  - Forest inventory
  - Analysis to determine carbon stocks
- Site preparation
  - A loss in carbon will occur with the removal of shrubs and grasses
- Replant with mixed conifer species
- Determine projected growth and resulting "with project" carbon stocks
- Site maintenance
- Re-inventory approximately every 5 years



#### **Contact info**

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# Developing and Registering a Forest Carbon Project in Northern California



- 1. What is an offset?
  - Offset quality criteria
  - What does an offset "registry" do?
- 2. Developing and registering a forest carbon project
  - Focus on ACR and CAR
- 3. Legislative and market update



## What is an offset?

- Greenhouse gas emission reduction or removal used to compensate for emissions that occur elsewhere
- Project-based GHG reductions occurring in unregulated sectors, used by regulated entity for compliance
- Measured change vs. a baseline scenario
- Specific project type and vintage



# Voluntary and precompliance offsets

#### Voluntary

- Value based on perceived quality
- Buyers want "the story" behind the project
- Marketing or reputational benefit
- Regulatory approval not necessary
- May not be verified, registered or retired
- Variable quality

#### Pre-compliance

- Value based on compliance recognition
- Registered in approved early action program
- Meet rigorous set of standards
- Independently verified
- Players want to gain experience, hedge against future requirements, help shape regulations



## What is cap-and-trade?

Market-based mechanism to efficiently reduce emissions

- Government sets declining cap on emissions
- Program administrator (EPA, CARB) creates allowances and distributes via allocation or auction
- Each year capped entities must hold allowances = prior year emissions
- Compliance:
  - Reduce GHG emissions at covered facilities
  - Purchase allowances from other regulated entities
  - Purchase allowances from Government at auction
  - Purchase offsets



#### **Offsets in cap-and-trade**





# **Offset quality criteria**

Additional	Reductions are beyond regulations, beyond common practice, beyond business-as-usual
Real	After-the-fact, measurable GHG reductions
Permanent	Atmospheric benefit is permanent, or reversal risk is assessed and mitigated to make non-permanent offsets fungible with other offsets, on-system reductions and allowances
Net of leakage	Emission increases outside project boundary, due to project, are mitigated
Verified	Reductions are verified by an approved, accredited third party Rules complied with and GHG assertion is without material discrepancy
Serialized	Transparent accounting and tracking ensures same reduction used only once



# What does a registry do?

- Publish/approve standards, methodologies, tools
  - Public consultation and scientific peer review (ACR)
  - Stakeholder work groups (CAR)
- Act as gatekeeper on quality
  - Set standards and certify they have been met
  - Sellers know what is required, buyers have confidence offset is real/ has compliance value, public has confidence in results
- Provide transparent serialized tracking of issuances, transactions, retirements
- Make project documentation publicly accessible
- Oversee third-party verification



## **American Carbon Registry**

- First U.S. private voluntary GHG registry
  - Founded 1997 by Environmental Defense
     Fund and Environmental Resources Trust
  - 30 million tons issued
- Pioneered system of transparent on-line reporting and serialization of verified project-based offsets – now the industry standard
- Joined Winrock International in 2007
  - Founded 1984 as a "public benefit corporation" under Arkansas state law











# What does developing a forest carbon project mean to you?

- Steps in the process
- Key players and their roles
- Basics of ACR and CAR forest carbon protocols
- Eligible activities
- Additionality
- Permanence and risk mitigation
- Aggregation



## **Steps in the process**





## **Parties involved**

Party	Basic roles
Landowner	<ul> <li>Title to lands; offset title until transferred to proponent or buyer</li> <li>May be required to sign long-term agreement</li> <li>May have monitoring, verification, risk mitigation obligation</li> </ul>
Proponent	<ul> <li>Project design, interface with registry</li> <li>Take offset title, incur costs, market offsets many models</li> <li>May have monitoring, verification, risk mitigation obligation</li> </ul>
Aggregator	<ul> <li>Aggregate landowners to spread transaction costs and diversify risk</li> <li>Educational and organizational role</li> </ul>
RPF	Project design assistance
Offset program or registry	<ul> <li>Publish/approve protocols</li> <li>Gatekeeper on quality</li> <li>Transparent serialized tracking</li> <li>Oversee verification</li> </ul>
Verifier	<ul> <li>Third-party auditing against requirements of program</li> <li>Opinion on whether GHG assertion is without material discrepancy</li> </ul>
Offset buyer	<ul> <li>Entity purchasing and using offsets for voluntary, pre-compliance, or speculative purposes</li> </ul>



## **Basics: ACR and CAR**

	ACR	CAR
Scope	Worldwide	United States Mexico, Canada in future
Land ownerships	Private, all public, Tribal	Private and public (non-federal) for reforestation and IFM; private for avoided conversion
Eligible activities	<ul> <li>Afforestation/Reforestation</li> <li>Improved Forest Management</li> <li>Reducing Emissions from</li> <li>Deforestation (Avoided</li> <li>Conversion)</li> </ul>	<ul> <li>Reforestation</li> <li>Improved Forest Management</li> <li>Avoided Conversion</li> <li>Urban Forestry</li> </ul>
Minimum term	40 years from start date	100 years after last credits issued
Risk mitigation	Buffer contribution (any ERTs) Insurance and other financial options	Buffer reserve



## **Basics: ACR and CAR**

	ACR	CAR
Agreement with	Proponent	Landowner
Additionality	"Three-prong test" or performance standard	Performance standard approach Automatic for reforestation Based on baseline stocks for IFM
Crediting period (baseline validity)	20 years for A/R and most IFM	100 years
Other requirements		Sustainable harvesting, "natural forest management," age classes, max. 40-acre clearcuts
Verification	By independent third-party verifiers accredited by ANSI for relevant sectoral scope	



# **Afforestation/Reforestation**

- Establishing, increasing and restoring vegetative cover through the planting, sowing or humanassisted natural regeneration of woody vegetation
- Targets eventual establishment of forest
- Carried out on marginal agricultural or rangelands, brush fields, buffer areas, windbreaks, etc.
- Not cleared of forest in last 10 years solely to implement A/R project
  - Exceptions for fire, natural disturbance, brush removal for site preparation



## **Improved Forest Management**

- Activities to reduce GHG emissions and/or enhance GHG removals, implemented on lands designated, sanctioned or approved for forest management
  - Extending rotation lengths in managed forest
  - Increasing forest productivity by thinning diseased or suppressed trees
  - Managing competing brush and short-lived forest species
  - Increasing buffers or other set-asides
  - Increasing the stocking of trees on understocked areas
  - Increasing carbon stocks in harvested wood products
  - Improving harvest or production efficiency
  - Shifting from shorter- to longer-term wood products



# Additionality

- GHG reductions and removals exceed those that would have occurred under current forestry laws and regulations, current forest industry practices, and under a business-as-usual scenario
  - Regulatory surplus and exceeds performance standard
  - Three-prong test:
    - Regulatory surplus
    - Exceeds common practice for area, forest type, similar landowners
    - Faces at least one implementation barrier: financial, technological, institutional



### **Baselines** and additionality

#### **Project-specific**

- More subjective, open to ۲ gaming
- Less efficient project approval ۲ process
- **Rigorous tools available**
- Less danger of over-crediting •



#### Performance standard

- Less subjective •
- Efficient to apply
- Heavy up-front data requirements
- Potential for over-crediting without under-crediting to balance





# Permanence and risk mitigation (ACR)

- Minimum Project Term of 40 years
  - Ensure project activity maintained, monitored and verified over relevant timeframe
  - Balance time commitment with broad landowner participation
  - Required of Project Proponent only
- Risk assessment and mitigation makes forest offsets effectively permanent and fungible with other offsets, allowances and emission reductions
- Focus on mitigating reversals so atmosphere "made whole"



# **Risk mitigation options (ACR)**

- Project-specific risk assessment
- Buffer contribution
  - From project itself
  - ERTs of any other type and vintage
- Unintentional reversal:
  - Proponent pays "deductible"; ACR retires buffer tons for remainder; "premium" goes up
- Intentional reversal ("buy-out option"):
  - Proponent replaces all issued ERTs for that portion of project
- Alternate risk mitigation options accepted
  - Insurance or other financial assurances to replace losses



# Permanence and risk mitigation (CAR)

- PIA obligation of 100 years after last credits
  - Project monitoring, verification, reversal liability, harvest guidelines and "natural forest management"
  - Required of landowner (and successors, heirs, assigns, and new owners)
  - Superior to all other claims unless additional buffer contribution made
- Buffer CRTs canceled in event of reversals
  - Avoidable vs. unavoidable reversals
  - >1:1 penalty for any avoidable reversal before 50 yrs
- Focus on monitoring carbon stocks on site



# Aggregation guidance (ACR)

- Key for transaction cost efficiencies (inventory, monitoring, verification) and risk diversification
- Agreement is still with Proponent (here aggregator)
  - Proponent commits to reversal risk mitigation, including exit of participating landowners
- For inventory and monitoring, precision targets applied at overall project level
  - ±10% of the mean at 90% confidence
  - Use stratification; does not require plots on every landholding
- Verification (reasonable assurance; ±5% materiality) also at project level
  - Risk-based approach and not all properties necessarily visited


# **Aggregation guidelines (CAR)**

- "Aggregate" capped at 5,000 acres, 2 or more Forest Owners
- Each Forest Owner still has own PIA, liability for reversals, CAR account, baseline inventory, annual reports, etc.
- Aggregator provides services; may act as agent in transactions
- Goals:
  - Fewer plots to achieve ±5% at 90% confidence sampling error
  - Only half of properties verified each 6-year interval
- Constraints on leaving aggregate



# Legislative and regulatory landscape

- No U.S. federal climate legislation
  - Scaling back from economy-wide cap-and-trade, to power sector cap-and-trade, to RES, to offshore oil etc., to nothing
  - Bills generally friendly to offsets, recognize cost containment and political value... but no bill
- EPA proceeds with regulation under Clean Air Act
  - Endangerment finding, mobile sources, stationary sources
  - Offsets and other market mechanisms unclear



# Eligible offset types (Stabenow and Kerry-Lieberman)

- Projects that reduce, flare or use methane:
  - Methane from mines, landfills, natural gas
  - Reduce fugitive emissions in oil & gas sector
  - Manure management, anaerobic digestion, waste aeration
- Projects that reduce CO<sub>2</sub> emissions or increase sequestration in agriculture, livestock, forestry, land use:
  - Afforestation/reforestation, improved forest management, reduced deforestation, urban forestry
  - Agricultural, grassland, and rangeland sequestration and management
  - Avoided conversion of grassland/rangeland/forest
  - Management/restoration of peatlands and wetlands
  - Conservation of marine coastal habitats
  - N<sub>2</sub>O emission reduction (fertilizer production and/or use)
  - Biochar production and use
- Recycling and waste minimization
- Carbon Capture & Storage (with or without enhanced oil recovery)
- Destruction of ozone-depleting substances
- Small off-grid renewable electricity
- Projects reducing the GHG intensity of agricultural production



- Established before January 1, 2009
- Offset standards/methodologies/protocols must:
  - Be developed through public consultation or peer review
  - Require offsets be measurable, additional, verifiable, enforceable, permanent
  - Be made available to the public
- Require verification by accredited verifier
- Publicly accessible registry, serialized tons
- Financial assurance requirements
- No program involvement in project development



# Legislative and regulatory landscape

- Focus shifts (back) to states and regional programs
- California AB32 cap-and-trade rule by end 2010
   Proposition 23
- WCI released final cap-and-trade design
  - Not all original members participating
- Offsets seen as key
  - No clarity yet on which protocols will be recognized
  - Forestry a safe bet



## Market landscape

- Marked decline in transaction volumes and prices
  - Voluntary activity down
  - Pre-compliance demand awaiting more clarity
  - U.S. carbon market
     players temporarily close
     U.S. desks
  - Scandals in CDM market
  - Uncertainty in post-Kyoto negotiations





# Still... forest carbon remains a relatively safe bet

- Protocols are well established
- Generally cost-effective → offsets at an attractive cost per ton
  - Large potential supply
  - Attractive to both voluntary and pre-compliance buyers
- State and regional programs likely to recognize
  - Key to register on an established program
  - ACR, CAR, possibly VCS, possibly others
- Has become central to federal discussions
- Project development timeframe may be a year, more or less... pays to start now



### **Further Information**

### Nicholas Martin

### Chief Technical Officer, American Carbon Registry

<u>nmartin@winrock.org</u> <u>www.americancarbonregistry.org</u>

(703) 842-9500



## Protocol development: ACR and CAR

	ACR	CAR			
Established	1997 (Merged with Winrock 2007)	2008 (CCAR established 2001)			
Protocol development process	<ul> <li>Both external (bottom up) and internal</li> <li>Public consultation</li> <li>Scientific peer review</li> <li>Final approval and publication</li> </ul>	<ul> <li>Top-down only</li> <li>Protocol scoping</li> <li>Multi-stakeholder workgroup</li> <li>Public comment</li> <li>Board adoption</li> </ul>			
	<ul> <li>Transparently developed, regulatory-quality protocols meeting criteria of federal legislation</li> <li>State and regional approvals in process</li> </ul>				

# Protocols (existing and in progress)

American Carbon Registry

PI051000/	
ACR	CAR
<ul> <li>Forestry <ul> <li>AR</li> <li>IFM</li> <li>REDD</li> </ul> </li> <li>N<sub>2</sub>O from fertilizer</li> <li>Livestock methane</li> <li>Landfill methane</li> <li>Fugitive methane in oil &amp; gas sector</li> <li>Improved grazing land management</li> <li>Wetland restoration and evaluated lage</li> </ul>	<ul> <li>Forestry <ul> <li>Reforestation</li> <li>IFM</li> <li>Avoided conversion</li> </ul> </li> <li>Urban forestry</li> <li>Landfill methane</li> <li>Livestock methane</li> <li>Coal mine methane</li> <li>Organic waste digestion</li> <li>Ozone-depleting substances</li> <li>Agriculture sector protocols under consideration</li> </ul>

Reforestation: A Case ual Study of CAR Meeting Registration

**Bob Rynearson** W.M. Beaty and Associates, Inc. <u>bobr@wmbeaty.com</u>

### W.M. Beaty & Associates, Inc. Climate Action Registry (CAR) Reforestation Projects

- 4 Reforestation Projects totaling 16,470 acres
- sizes: 191 acres to 11,637 acres
- 191 acres reforestation after clearing old brushfield
- 16,279 acres reforestation after wildfire
- Very early stages of registration w/ CAR
- Also exploring other registries e.g. ACR
- Maybe a 5th project for a 2008 wildfire on > 2,100 acres?

Climate Action Reserve (CAR) Forest Protocol Version 3.1 www.climateactionreserve.org

- Conservation Easement not required. However, requires a 100 Yr PIA
- 1:1 buy out to terminate Reforestation PIA
- Reforestation Project no longer required to be unstocked for 10 years

 For Reforestation Projects: verification can be postponed until Climate Reserve Tonnes (CRTs) are registered

#

Climate Action Reserve (CAR) Forest Protocol Version 3.1:

- Harvested Wood Products (HWP) now eligible for CRTs
- Natural Forest Mgt. restrictions allows for even age management
- Buffer pool for involuntary CRT reversals
- Only discretionary Reforestation projects qualify for CAR

3 CAR Forest Protocol Project Types Improved Forest Management Avoided Conversion Reforestation:

- CRT start accumulating later (~ 10 years after planting) but increase at much higher rate than IFM over time.
- Much lower baseline than IFM so far greater % of tree biomass is "additional" for CRT credit
- Lower "risks", costs & commitment of forest assets than IFM

5

### 5.1. Overview of the Project Submittal Process

Projects that result in the issuance of CRTs follow a number of steps that involve project developers or their authorized representatives, verifiers, and the Reserve administrator. Steps or other actions to be taken by a project developer under these Operating Procedures may generally also be taken by an account holder that is authorized to act on behalf of the project developer, as described in the Terms of Use agreement for the Reserve.

The general steps are:

1.	The project developer or its authorized representative submits project and pays submittal fee
2.	The Reserve reviews and approves the project
3.	The project developer selects an approved verification body in the Reserve
4.	The verifier submits a Notification of Verification Activities/Conflict of Interest
	(NOVA/COI) form
5.	The Reserve approves the verification body
6.	The project developer enters project data and submits the project for verification
7.	The verifier completes the verification activities and submits project verification
8.	The Reserve reviews and approves the project
9.	The project developer pays the CRT issuance fee
10.	The project developer transfers or retires CRTs

Climate Action Reserve Operating Procedures

May 22, 2009



Revised 09/02/09

#### Forest Project Submittal Form

Instructions: Please complete all fields as thoroughly as possible. If the project in question is still in the planning/ development phase, all fields must be completed using best available data and estimates based on the proposed system design. This is an interactive Word form. Upon completion, please save this form as a PDF prior to uploading it to the Reserve. This will lock your answers and protect the document from any further changes. All fields must be completed, even if the answer is also provided elsewhere; if a field is not applicable insert N/A in the space provided. Please note this project submittal form is only for project submitted under Forest Project Protocol, Version 3.0.

Section 1: Project Contact Information

Project Name: Shingletown Reforestation

Forest Owner (name of business entity as corporation, partnership, or individual): Red River Forest Partnership

Forest Owner Contact: Robert Rynearson, W.M. Beaty & Associates, Inc.

Technical Consultants who have assisted in Project Development (name of business entity as corporation, partnership, or individual): n/a

Technical Consultant Contact: n/a

Other Parties with a Material Interest: n/a

Date of Form Completion: 03/11/10 (revised on 4/12/10 to address CAR staff comments)

Form Completed By (name, organization): Robert Rynearson, RPF # 1921, W. M. Beaty & Associates, Inc.

#### Section 2: Ownership and Organization Summary

1. List the fee title owners of this land:

Names on Fee Title Record	% of Timber Ownership*	Management Role
Red River Forest Partnership (a California General Partnership)	100%	All Management Decision- making
*If ownership < 100%, list other of	wners and their respective ownership (%	6)



### http://www.climateactionreserve.org/how/projects/

#

# >140 year-old brush site >Forest soils, deep but low AWC

2005 NAIP Photo 1:6,000 BLM (cleared & planted in 1980's w/out weed control & failed)

### Project Area

### Cleared 2007 & Planted 2008

1. 300

2008 WBA Photo 1:6,000

### D7 Cat w/ Brushrake





### 20 acres of brush ground into wood-fuel













Estimated fossil fuel displacement benefit ~ 489 tCO2e (year 1) ...But no offset credit w/ CAR forestry



### 2008 Planting - Climatic Conditions During 1<sup>st</sup> Year of Seedling Establishment (>95% survival)

			Precip. Sept-June Precip. March-June				
<u>Project</u>	<u>Elev.</u>	Date Planted	<u>Normal</u>	<u>2007/08</u>	<u>Normal</u>	<u>2008</u>	% of <u>Normal</u>
RRFP	3,880	April 1	47.63	30.60" 🔇	15.07	2.91"	19.3%
			"				

PPT Data from: PRISM Group, Oregon State University, http://www.prismclimate.org, created 23 Sep 2008





Ponderosa pine seedling at the end of a long, dry summer five months after planting on soils w/ low AWC





2<sup>1</sup>/<sub>2</sub> years after planting. At this stage there is less carbon than brushfield, but will result in significantly more long term, stable carbon storage

W. M. BEATY & ASSOCIATES, INC.

### 15 YEAR-OLD PLANTATION Established after wildfire in Northeastern California

### Both areas were planted after the same wildfire but:

**NO WEED CONTROL** 

WEED CONTROL



For the first 10 to 15 years both sites have equal amounts of total carbon, so there is a long wait to re-coup investment even though long term carbon/ climate benefits are huge: Brush/burn/brush etc. cycle vs. Fire resilient forest w/ large trees

# 28 year old pine plantation north of Shingletown

After pre-commercial thin



W. M. BEATY & ASSOCIATES, INC.



42 year old USFS pine plantation – 135 trees / acre Challenge Experimental Forest



42 year old USFS pine plantation @ 1,210 trees / acre Challenge Experimental Forest

### 5-year Growth Increments



### 89 year-old USFS Plantation near McCloud

Managed mature pine forest = High carbon storage + resilient to fire

### Very Rough Estimates based on modeling, CRTs sold on actual

### Shasta Co. | Project 191 Acres

Planted	Est. sta	nding @ en	d of 5 yr			(avg. for preceding 5	(avg. tor preceding 5
2008-09	period:			Assume	Estimated	yr period)	yr period)
	tree+roots	baseline**	net	buffer***	net	Annual Net	Total net
Period	tCO2m/ac.	tCO2m/ac.	tCO2m/ac.	%	CRTs/ac	CRT/ac/yr	CRTs/yr
2011	2.8	11	-8.2	25%		0.00	0.00
2012-2016	5.3	11	-5.7	25%		0.00	0
2016-2021	16.3	11	5.3	25%	4.0	2.19	419
2022-2026	30.6	11	19.6	25%	14.7	2.87	548
2027-2031	61.8	11	50.8	25%	38.1	6.23	1,190
2032-2036	94.1	11	83.1	25%	62.3	6.47	1,235
3037-2041	143.7	11	132.7	25%	99.5	9.92	1,894
2042-2046	185.3	11	174.3	25%	130.7	8.31	1,588
2047-2051*	<u>195.0</u>	11	184.0	25%	138.0	1.95	372
2052-2056	208.3	11	197.3	25%	148.0	2.65	507
2057-2061	238.5	11	227.5	25%	170.6	6.04	1,154
2076	320.5	11	309.5				
2106	437.6	11	426.6				

\* includes tCO2m from HWP generated from thinnings along with "tree+roots"

\*\* baseline based upon Winrock measurements prior to clearing

\*\*\* buffer contribution can range from 18% to 30+%

### Cost & Revenue "Guesstimates" through 2036 For 191 acre project in Shasta County

Establishment 2007-2010: Follow up release 2010 & 2011: Misc. plantation maint.: Subtotal

Inventories/annual reporting: CAR submittal & annual fees: CAR Variance fee: Initial partial Verification: 4 Verifications @ 6 yr. intervals: Subtotal

\$109,000 \$ 19,000 \$ 20,000 \$148,000 \$ 26,000 \$ 14,000 \$ 1,500 \$ 16,000 \$ 80,000 \$137,000 \$285,000

\$570/ac \$100/ac \$105/ac \$775/ac \$136/ac \$71/ac \$ 8/ac \$84/ac \$419/ac \$712/ac \$1,492/ac

Cumulative Project Revenue through 2036: @ \$6.50/CRT = \$110,00 \$575/ac @ \$15.00/CRT = \$254,350 \$1,331/ac @ \$25.00/CRT = \$423,900 \$2,220/ac
## 2007 Wildfire Red River Forests > 11,000 acres

11,637 acres Planting: 2008-2011

> Pond Pine Jeff Pine Doug fir White fir Red fir Sugar pine **Incense Cedar**



#

#### Comparative Cost & Revenue Estimates through 2036

Project Site: Project Size: Establishment : Follow up release: Misc. plantation maint.: Subtotal

Inventories/annual reporting: CAR submittal & annual fees: CAR Variance fee: Initial partial Verification: 4 Verifications @ 6 yr. intervals: Subtotal TOTAL COSTS

	Ŭ		
Brushfield	Wildfire		
<u>191 ac</u>	<u>11,637 ac</u>		
\$570/ac	\$250/ac		
\$100/ac	\$ 80/ac		
<u>\$105/ac</u>	<u>\$ 50/ac</u>		
\$775/ac	\$380/ac		
\$136/ac	\$ 17/ac		
\$ 71/ac	\$ 1.20/ac		
\$ 8/ac	\$ n/a		
\$ 84/ac	\$ 1.35/ac		
<u>\$419/ac</u>	<u>\$ 10/ac</u>		
\$712/ac	\$ 30/ac		
\$1,492/ac	\$ 410/ac		

## **Comparative Cost & Revenue Estimates through 2036**

Project Site:	Brushfield	Wildfire
Project Size:	191 ac	11,637 ac
Planting yrs:	<u>2008-09</u>	<u>2009-11</u>
TOTAL COSTS	\$ 1,492/ac	\$ 410/ac
Est. Revenue:		
@ \$6.50 / CRT	\$400/ac	\$575/ac
@ \$15.00/ CRT	\$1,331/ac	\$932/ac
@ \$25.00/CRT	\$2,220/ac	\$1,540/ac
	#	

# CONCLUSIONS

- Reforesting brush-fields and/or wildfire damaged areas provide significant long term carbon sequestration benefits
- Financial attractiveness for landowners is limited by:
  - High upfront reforestation costs
  - Revenue stream starts much later (10 to 30 years into the future)
  - High uncertainty in future market value of CRTs
  - Uncertainties in CAR protocol interpretation & verification costs
  - Very long term PIA (> 100 years)

#### **Obstacles for small landowner CAR Reforestation Project**

- No annual income from timber to support Project development costs which cannot be recouped for a decade or two for revenue from CRTs
- Higher per acre fixed costs for reforestation activities
- Very high per acre fixed costs for CAR registration & verification
- Uncertainties in CAR protocol interpretation & verification
- Obligations of PIA very cumbersome
- Limited availability to a seed bank, reforestation expertise etc.
- CAR's "one size fits all" species diversity requirements disqualify most projects or require an expensive "variance"
- Uncertainty in market value when CRTs accrue (10 to 30 years into future)

