

These comments are from the position of a scientific peer review by Jim Cathcart. The comments do not reflect a position of the Oregon Board of Forestry nor the Oregon Department of Forestry.

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1. Inclusion of wood products:

While it is understood that the workgroup is continuing to discuss how wood products will be included, the proper accounting of offsets accruing to forest management projects must include wood products. The fatal flaw with the current protocol in making wood products optional is that by excluding wood products from the “without project” baseline (which is usually more harvest intensive) will overcredit the offset accruing to the “with project” forest management alternative since ignoring wood products treats all harvest as an emission and credits this as avoided emission stored on the stump. The concern over wood products expressed in Pacific Forest Trust’s issue paper is misdirected since this is not an issue of crediting wood products as an offset activity in and of itself, but rather accounting for effects (both baseline and “with project) to the wood products carbon pool so as to properly account for the offset accruing to the forest management alternative. The adjustments due to concerns over lack of precision in measuring the wood products pool – to be conservative – so err on the upper confidence interval (i.e., more wood products being stored) so as to not overcredit the offset accruing to the forest management alternative. In other words, the emphasis should not be in attempting to credit wood products, but rather how to account for forest carbon benefits appropriately for forest management projects. Inaccurate measures of reductions will result otherwise.

2. The use of The Reserve’s protocols outside of California:

It is not clear what the intent of the Reserve is with the protocol update. Language within the draft update indicates that projects may be developed outside of California under this protocol. Is the intent for these projects to meet California compliance, to be a compliance tool under the Western Climate Initiative (WCI), or be used at a national/broader scale?

If the intent is for the protocols to be used for compliance under WCI or national schemes, then additional discussions with a broader participation across states are warranted. Otherwise, it seems other states feel as if they were pulled into California policy making efforts without participation.

3. Co-benefits

The Oregon Forest Carbon Stakeholder Workgroup could not reach consensus on the role of co-benefits in forest carbon projects and this topic still stands as a pretty divisive issue I would anticipate, Oregon will have concerns with the natural forest management co-benefit emphasis. The Oregon discussion is that protocols should strengthen focus on accounting that allows for direct carbon benefits to the atmosphere to be correctly determined (i.e., a ton is a ton) rather than placing the emphasis on the co-benefits.

Additionally, some feel forcing the inclusion of co-benefits into a carbon program undermines the development of an ecosystem asset market.

It seems to me that one goal of 'Natural Forest Management' scoring is to ensure forest carbon offsets arise from sustainably managed forestlands. Yet, participation in certification programs this is only scored 1 point. It may be a lot simpler by requiring that all projects be conducted on forestlands that are certified by the Sustainable Forest Initiative (SFI), the Forest Stewardship Council (FSC), American Tree Farm System or any other recognized third-party certification programs.

In the context of wanting to reward 'Natural Forest Management' (not that I am agreeing that this is good policy for a forestry protocol), it would seem the scoring tool should also include points for actions that go above regulation such as voluntary Stewardship Agreements (in Oregon), Habitat Conservation Plans, Forest Stewardship Plans, Safe Harbor Agreements, etc. In general, to be consistent with the purpose of the scoring, the threshold levels for "passing" should be set such that some level of activity in each sub-category of desired activity is met.

4. Annual Reporting

In the absence of natural disasters, forests do not change rapidly from one year to the next. Verification efforts should acknowledge this and simplify annual reporting and verification efforts. Field verification of annual reporting should be done at intervals of no less than 5 years.

5. Post-dating of Projects

It is understandable the importance of ensuring that a project meet additionality requirements and that historical legally binding agreements create a baseline for determining additionality. However, there are certain projects in Oregon that were developed with explicit language that state the intent of the project to engage in activities that yield climate benefits and that they are awaiting an appropriate protocol to provide the accounting mechanism. Projects with explicit language as such should be allowed to post-date the project's initiation. In general, non-additional voluntary activity that provides the desired carbon outcomes similar to projects being developed and proposed that do meet the additionality test should not be penalized. These should be recognized as 'early adopters' regardless of carbon intent. While accepting these projects may not be considered as additional, acceptance ensures that early activity does not become reversed. In my opinion – the best incentive policy is to reward those who are doing what is desired regardless so those that could change and follow suit follow the reward. Otherwise, the early adopters get kind of screwed and may end up reversing their activity – so rigid adherence to an additionality standard results in carbon being reversed from non-eligible lands. Better to accept a phase of non- or weak additionality first as the means to encourage the true additionality (changed behavior) from beyond the early adopters.

6. Secondary Effects and Leakage.

Section 6.2.2 should treat secondary effects separately from leakage. The text is confusing and it appears duplicated under Section 6.3.2.

7. Forest Management Leakage.

The 2% estimate of leakage for the creation of preserves should be based on the carbon in the wood products (with calculations for decay) this growth would create rather than on the forest growth itself.

8. The Baseline for Avoided Conversion Based on Risk of Conversion.

A 'bona fide offer' should not be listed here as evidence of demonstrating market value. The requirement for an appraisal is the best approach since it addresses value and is conducted by a third party.

9. Leakage Estimates for Avoided Conversion Projects

The example provided in the paragraph above Table 6.4 is incorrect. It doesn't match the value in the table. Additionally, the values in the table are generalized across all forestland acres and don't reflect the higher risk associated with lands that may have attributes that lend themselves to conversion.

10. Check the use of acronyms throughout the document, ensure that the use is consistent throughout and that the acronym is defined in the glossary.

11. The Risk Matrix

It is my impression that there is way too much discussion around the social risks which amount to a very small risk indeed (especially anywhere in the developed world). My advice is to reduce this discussion to a paragraph, require a 3% buffer for social risk, and be done with it.

12. The definition of 'Assessment Area' should include how the regulatory and political stratification is done at a high resolution (state – level), and subsequent levels of stratification are conducted to a point that retains a reasonable level of statistical confidence.

13. Section A.5. Wood Products

- The reference to the 1605b guidelines should be to the DOE, not EPA.
- The reference to Section 1 should be to Part 1 Appendix: Forestry.
- There is a reference to the wood products within your 'entity' which should be project area.
- Change the term 'discounted' (best used in financial analysis) to 'adjusted'.

- The guidelines are not accurately described in the protocol. There are incorrect units, no guidance on converting log volume to lumber volume, incorrect guidance on computing specific gravity (the units of measure (ft³, for example, must be balanced with the weight of water for the same volume- 1 ft³ of H₂O = 62.41 pounds. This is not described here). The roundwood conversion from 1605b is not described in the protocol. Mill efficiency is introduced as a concept, but is not really a concept in the 1605(b) guidelines. Example 1.4 on pp. 25-26 of the 1605(b) technical guidelines for forestry is the methodology that should be used – since it converts growing stock volume to wood products storage directly – bypassing the need to convert growing stock volume to wood products scale volume.