

## Carbon Sequestration Advisory Group Meeting 2 Summary

### MEETING INFORMATION

**Date:** May 8, 2020  
**Time:** 9:00am – 2:00pm  
**Location:** Zoom virtual meeting

#### 9:00 AM: Opening remarks and introductions

- Welcome from Lenny Young
- Throughout the meeting, CSAG members were encouraged to use the Zoom virtual meeting chat box to ask questions and make comments. The group chat transcript is included at the end of this summary.
- CSAG Members in attendance (listed alphabetically by last name):

Patti Case, Green Diamond	Cody Desautel, Colville Tribes
David Diaz, University of Washington	Joseph Donnegan, US Forest Service
Ara Erickson, Weyerhaeuser	Kathleen Farley Wolf, King County
Indroneil Ganguly, University of Washington	John Henrikson, Wild Thyme Tree Farm
Joe Kane, Nisqually Land Trust	Cherie Kearney, Columbia Land Trust
Mo McBroom, The Nature Conservancy	Mark McPherson, City Forest Credits
Gary Morishima, Quinault Indian Nation	John-O Niles, Salesforce (alternate for Max Scher)
Julius Pasay, The Climate Trust	Steve Rigdon, Yakama Tribe
Edie Sonne Hall, Three Trees Consulting	Jason Spadero, SDS Lumber
Skip Swenson, Forterra	Bill Turner, Sierra Pacific Industries
Mike Warjone, Port Blakely	Andrea Watts, Wildcat Tree Farm
Max Webster, Washington Environmental Council (alternate for Lisa Remlinger)	Mark Wishnie, BTG Pactual
Lenny Young, DNR (CSAG Chair)	

- CSAG Staff:

Dan Siemann, DNR	Dan Stonington, DNR
Shelby Thomas, Ross Strategic	Rob Willis, Ross Strategic

- Other Attendees:

Mike Anderson, The Wilderness Society	Glen Christensen, USFS-FIA
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Brian Cochrane, SCC	Grant Domke, USFS (presenter)
Ben Donatelle, RCO	John Hagan, Maine Climate Table
Heath Heikkila, AFRC	Brian Kittler, American Forests (presenter)
Mike Nichols, USFS (presenter)	Representative Bill Ramos, 5 <sup>th</sup> Legislative District
Jasmine Reppen, DNR	Nadia Tase, Cal Fire
Seth Zuckerman, NNRG	

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### 9:30 AM: Presentation 1: Overview of Washington’s Harvested Wood Products Assessment

- Grant Domke, USFS, presented the methods used to determine carbon stocks and fluxes associated with harvested wood products.
- The presentation slides are available on the [CSAG website](#).
- Discussion themes and topics addressed in questions and answer session:
  - *Life Cycle Analysis vs HWP stocks and flux*: Washington DNR’s approach to creating a carbon inventory of harvested wood products is not the same as a life cycle analysis (LCA). DNR is using this HWP analysis approach in order to be consistent with recent inventories in California and Oregon, and for consistency with international reporting standards for carbon stocks and fluxes. The State of Washington already gathers certain components of an LCA through the GHG emissions inventory that the state Department of Ecology is required to perform every two years. That said, there are still numerous gaps in data availability for LCAs.
  - *Wildfires*: Emissions estimates from wildfires are calculated through a variety of reports. Wildfire emissions are reported on a national scale, including CO<sub>2</sub> and non-CO<sub>2</sub> emissions. Wildfire emissions are also captured in stock changes in the forest ecosystem estimates presented by USFS at CSAG meeting #1. In addition, DNR is refining the agency’s more detailed model for annual wildfire emissions estimates as part of the carbon budget proviso, and will have results to share with the group at future CSAG meetings.
  - *Salvage harvest*: Salvage harvests and the carbon from these harvests would be included in the HWP estimates in the same way as carbon from other harvests.
  - *Recycling*: Factoring in recycling that happens in a different country is a national-level challenge for HWP analyses.
  - *Production Method*: This project uses the IPCC Production method which has also been adopted by US EPA and used in recent analyses by California and Oregon. For the most part, there’s not much controversy with the production approach at the state level. The controversy that does exist has been around biomass and concern that wood emissions from biomass are not captured in the inventory. If wood is cut in the US and then burned for energy in England, then England is utilizing that wood and the US is paying the emissions price. There are also some related questions about substitution effects.
  - *Landfill methane*: The question of how to factor in landfill management or recovering methane emissions is being explored at the national scale. Non-carbon emissions have changed over time and are regionally specific, so relying on national trends may not be appropriate. There’s a data opportunity for time series information at the state level.

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- *Washington-specific data, support from CSAG:* In order to get the best results, improve sensitivity analysis, and reduce uncertainty, USFS welcomes input from CSAG members on what information is available for use in the HWP model at each phase such as primary product ratios, conversion factors, end-use ratios, and the fate of wood in landfills.
- *Storage projections:* Projections are an interesting data point to consider; it connects the land today with the wood products pool that will occur in the future. Projections are not within the USFS HWP scope for this project.
- *Regional variability in the state:* USFS has an opportunity to recognize the interest in the LCA community and building community in information to differentiate regional variability in wood supply. Also, note that if USFS does look to provide info on regional variability, county-level data may not create an accurate picture because HWP do not stay within county boundaries; wood supply boundaries should be considered instead.
- *Substitution:* The substitution impact of harvested wood products (increased/decreased emissions attributable to the use of wood products rather than alternative materials) is not included in the scope of the USFS HWP assessment.
- *NASA carbon info:* CSAG should look at the Carbon Monitoring System by NASA

### 10:45 AM: 10-minute break

### 10:55 AM: Presentation 2: Forest Carbon Incentives in Washington

- Brian Kittler, American Forests, presented an initial compilation of information on existing opportunities for carbon compensation services and other incentive-based carbon reducing programs for landowners who are interested in voluntarily engaging in carbon markets.
- The presentation slides are available on the [CSAG website](#).
- Topics addressed in question and answer session:
  - *Number of WA projects:* The information on the number of projects/acres under each program is specific to Washington state.
  - *Forest health:* The incentives list includes DNR, NRCS, and other programs related to cost-share for thinning for fire resiliency or other forest health objectives.
  - *Application info for landowners:* For the next version of the spreadsheet, there's information being compiled about how to apply to the various listed programs, such as contact information, application procedures, and amounts of funding available.
  - *Landowner types:* The next version of the spreadsheet will specify landowner types (industrial, family forest, NGO, tribes, etc.) that are accessing the different types of incentives/funding.
  - *Incentives for wood products:* American Forests would benefit from discussion among CSAG on the question of whether incentives for the use of wood building products should be identified (if existing) and considered as having carbon nexus.
  - *Sequestration potential:* The incentives list and CSAG discussion should focus more on sequestration potential and the contribution we are making to global GHG reductions. Which programs really move the needle in terms of additional sequestration? It would be helpful to put our state in the global context of the role that our state and lands can play.
  - *Washington Wildlife and Recreation Program:* The incentives list does include WWRP grants and projects but was filtered to exclude projects with less than 95% forest cover.

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- *Multi-purpose programs vs carbon explicit programs*: The incentives list is not currently organized to identify whether more generalized forest stewardship, conservation, and protection programs are more or less effective or accessible than carbon-explicit programs.
- The CSAG split into four breakout groups (facilitated by Dan Stonington, Dan Siemann, Lenny Young, and Rob Willis) to discuss what jumped out to them about the incentive types. After 20 minutes, the groups reconvened to share the results of their conversation. Breakout group notes are available on the [CSAG website](#).

### 12:20 PM: 30-minute lunch break

### 12:50 PM: Introduce Incubator Teams and Round-table Discussion

- Lenny opened the round-table discussion by explaining that this time is designed to provide CSAG members with an open-ended opportunity to share their perspectives:
  - An opening comment highlighted that the CSAG's dialogue is important and timely, given the Legislature passed a net zero bill acknowledging the role of sequestration and also passed the forest products and climate bill. At the same time, there is an opportunity to get sequestration considered in the state energy policy. There should be robust engagement around these opportunities so that the net zero conversation in the state reflects the perspectives of CSAG.
- Facilitators shifted the conversation to introduce Incubator Teams to CSAG, which sparked discussion around what an appropriate and effective Incubator Team process would look like. CSAG members discussed topics including approach, scope, organization, workload, and representation. Ultimately, the CSAG decided:
  - There will be two Incubator Teams:
    1. Actions to improve carbon inventories
    2. Barriers to the use of incentive-based carbon reducing programs
  - The Incubator Teams will have a divide-and-conquer approach to take advantage of limited time and allow the CSAG to tackle several topics within their teams (including how HWP fits in).
  - Membership will be balanced and reflect the perspectives of the CSAG as a whole.

### 2:15 PM: Next steps

- CSAG regrouped to cover next steps and logistics for Meeting 3.
  - Meeting 3 will be on July 9, 2020. Anticipated meeting topics include:
    - Results from HWP
    - Follow up on Incentives spreadsheet
    - Discuss CSAG's policy interface
    - Wildfire emissions
    - Non-forest ecosystems
  - The agenda for Meeting 3 will be distributed two weeks prior to the meeting.
  - A draft Meeting 2 Summary will be distributed within ten business days. CSAG will discuss any needed changes and approve a final meeting summary at the group's third meeting.
  - All materials will be posted online on the CSAG website.

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**2:30 PM: Adjourn**

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### Transcription of Substantive In-meeting Chat

10:01:05 From Gary Morishima, Quinault Management Center to Shelby Thomas, Ross Strategic(Privately) : (1) Why isn't a formalized Life Cycle Analysis employed to provide a better picture of the net role of forests & forest products in the carbon stocks-flux balance? (2) Where do biomass from wildfires & salvage fit into the inventory?

10:02:39 From Indroneil Ganguly, UW : How do you factor in the recycling of paper, etc, when most of the recycling happens in a different country?

10:02:52 From David Diaz, UW : Assuming they will be using the annual county-level timber output reports organized by DNR (and also collated by BBER), can Grant point to the place in the flowchart that went from felling to roundwood to industrial roundwood, etc. where the reported MBF volume is represented?

10:05:23 From Edie Sonne Hall, Three Trees Consulting : Thanks for a great overview. It seems like we should be discussing whether or not WA has more refined data to put into the accounting model related to primary product ratios, conversion factors, end-use ratios and the fate of landfills. Should we open up for discussion about each on of these separately (as you have introduced in slides 15-20?

10:05:28 From David Diaz, UW : Can Grant describe the major points of departure between an LCA approach and the Production approach?

10:05:41 From Indroneil Ganguly, UW : will you be factoring in the landfill management, recovering methane emissions, etc?

10:08:23 From Edie Sonne Hall, Three Trees Consulting : Just to add to the LCA vs. HWP. Grant I believe is JUST tackling the HWP carbon pool. He is not incorporating emissions from manufacturing, production. We can discuss about connection to forest as this method incorporates past harvests but our inventory report only looks at recent change in stocks.

10:13:08 From Gary Morishima, Quinault Management Center : Regarding Indroneil's comment on paper recycling an Edie's comment regarding landfills, how is wood left in landfills or recovered from municipal waste streams and used for other purposes, such as energy production accounted for?

10:35:28 From Mark Wishnie, BTG Pactual : Will there be any consideration of the substitution impact (increased/decreased emissions attributable to the use of wood products rather than alternative materials) in this assessment, or other work commissioned by CSAG?

10:36:34 From Gary Morishima, Quinault Management Center : Regarding Edie's comment on trying rely on current data to forecast 100 years in advance. There are so many unknowns regarding effects of climate change, technological innovation, demographic and consumption patterns that I fear that such an exercise would constitute little more than speculation.

10:41:57 From Edie Sonne Hall, Three Trees Consulting : Hi Gary- just as a clarification- it is just forecasting the fate of the wood product that is produced today. The end-use distribution also happens relatively quickly. The one thing that you rightly point out is that it assumes the wood will stay in

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buildings the same amount of time as they are doing today. This is typically considered a conservative assumption because buildings are continually being better built and there is more consideration of recycling reusing etc...

10:42:50 From Gary Morishima, Quinault Management Center : Data on forest land inventories (e.g., industrial forests, small forest land owners, Public state, county, public federal, tribal, etc) would be helpful additional information to complement production stats.,

10:43:14 From Cody Desautel-Colville Tribe : This may be outside the scope of the harvested wood products discussion, but there are forest health benefits to commercial harvest operations that include improved forest health and in many cases adding growing and carbon storage capacity with a reduced risk.

10:46:18 From Bill Turner - Sierra Pacific Industries : Item to follow up on - Substitution effects - can we quantify the how much more carbon would be released if we did not use harvested wood products in construction but steel/brick/concrete? What about how much carbon usage to import wood products instead of using WA grown wood products?

10:53:15 From David Diaz, UW : @Ara, thanks for your clarifying comment. I completely agree that definition of regional woodsheds or market areas would be a valuable organizing principle for this accounting work. Acknowledging that wood flows freely across county boundaries, we definitely could benefit from using some level of summarization between state and county that can help capture how the very different markets, supply chains, and forest regions of Washington (and the PNW more generally) have evolved and continue to evolve over time.

11:21:47 From Mark Wishnie, BTG Pactual : Was the information on number of projects/acres under each program specific to Washington State, or national data?

11:27:13 From Gary Morishima, Quinault Management Center : Are you collating information regarding specifics of the various programs, such as contact information, applications procedures, the amounts of funding available for WA - including how amounts are determined, eligibility criteria, cost-sharing requirements, mandatory participation in risk pools, monitoring, auditing and reporting requirements, ability to opt out and consequences?

11:27:29 From Julius Pasay, Climate Trust : Similar to Mark's question, which landowner types (industrial, family forest, ngo etc.) are accessing these different types of funding? What is driving this?

11:27:52 From Jason Spadaro - SDS Lumber Company : Should incentives for use of wood building products be identified (if existing) and considered as having carbon nexus through their preference to alternatives and created demand for wood that economically incentivizes timber stand improvements, maintenance of forestland in forest use, etc?

11:28:20 From Cherie Kearney : What about programs such as Washington Wildlife and Recreation Program which has several grant categories for avoided conversion and forest management. Also other federal programs - characteristically used by land trusts and community forests?

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11:28:58 From Edie Sonne Hall, Three Trees Consulting : Have you included any programs related to cost-share for thinning for fire resiliency or other forest health?

11:31:07 From Max Webster, Washington Environmental Council : More of a general statement to follow up with folks about: Curious how the group feels about incentive opportunities related to taxes and current use taxation as an approach for encouraging carbon smart practices

11:32:28 From David Diaz, UW : What is your sense as to whether more generalized forest stewardship, conservation, and protection programs have been more or less effective or accessible than carbon-explicit programs at engaging different types of landowners and enrolling more acres?

11:32:35 From Edie Sonne Hall, Three Trees Consulting : Do you have information on how much funding each program has (relative to how much is being currently deployed)?

11:32:36 From Jason Spadaro - SDS Lumber Company : Related to my last question, are there existing tax incentives, or tax treatment, for forest land owners and/or wood product manufacturers that incentivize maintaining and enhancing forests and forest growth?

11:37:05 From Ara Erickson - Weyerhaeuser : This might have been covered and I could easily have missed it, but just in case: are there examples of other programs that are working well in other states (not federal programs)? What about ones that are being explored or proposed? This is likely not a question for Brian, but perhaps something for our group to discuss.

11:37:23 From Mike Warjone : Will an attempt be made to organize these programs in order of short term (over the next decade) sequestration potential ?

11:39:20 From Skip Swenson, Forterra : I'm impressed by your work thus far. A comment regarding barriers to scale: In my view, this is the critical matter for the state to consider. In similar exercises regarding incentives, I've used a useful framework for analyzing barriers to incentives: landowner education, mechanical/structural issues, and political issues. That framing in my experience supports solution-generation, and I think it would be useful for the CSAG. You may consider it or something similar as you continue with the analysis.

11:43:43 From David Diaz, UW : Particularly as it relates to the taxation discussion, it would be worthwhile to mention the New Zealand Emissions Trading Scheme approach in terms of regulatory credits and debits for forest carbon stock change. I don't imagine it's politically palatable for Washington, but it is a comparatively much simpler program focused on industry participation compared to voluntary offsetting programs that are more common the emphasis in the USA.

12:13:18 From Gary Morishima, Quinault Management Center to Shelby Thomas, Ross Strategic(Privately) : The rules under which these incentives operate are subject to change. Information on how "grandfathering" is handled would be helpful for understanding by potential participants.

13:30:15 From David Diaz : I'm on phone, but my zoom connection keeps going in and out. my question is how these breakout groups would function given that these are supposed to be public meetings.

13:32:26 From David Diaz : oh, ok. I misunderstood that it was the opposite.

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13:38:26 From Gary Morishima, Quinault Management Center : I am concerned that landowner perspectives may dominate the CSAG - I think a global perspective needs to be brought into the picture - i.e., what policies result in or encourage net gain in GHG sequestration globally.

13:41:13 From Gary Morishima, Quinault Management Center : Incubator groups also raise questions regarding structure - e.g., is guidance and protocols be provided regarding how incubator group deliberations are to be reported presented to the CSAG?

13:44:07 From Gary Morishima, Quinault Management Center : I don't recall seeing the four areas proposed or the incubation team memo. Please provide

13:47:29 From Gary Morishima, Quinault Management Center : I propose that an incubator team be established to deal with the issue of net global gain in GHG sequestration.

14:00:00 From Patti Case, Green Diamond Resource Company : Gary makes a good point with respect to the exhaustive list of incentive programs - it's one thing to know which programs are most attractive to landowners, but which ones really move the needle in terms of additional sequestration? It sometimes becomes a judgment call.

14:01:44 From David Diaz, UW : This report might be helpful analog about how to address CSAG's charge for carbon reductions, barriers, and policy-relevant considerations in the land sector -- Deep Decarbonization Pathways Analysis for Washington State:  
[https://www.governor.wa.gov/sites/default/files/Deep\\_Decarbonization\\_Pathways\\_Analysis\\_for\\_Washington\\_State.pdf](https://www.governor.wa.gov/sites/default/files/Deep_Decarbonization_Pathways_Analysis_for_Washington_State.pdf)

14:01:58 From Max Webster, Washington Environmental Council : Just building on what Patti and Gary are pointing out, in regards to incentive programs, there are different needs and different goals related to those on different sides of the incentive equation. Whether those are large landowners, small landowners, carbon purchases, public agencies etc. There are different levels of access and complexity that work for these different players that I think often creates a mismatch in terms of how we address what programs work for whom

14:03:21 From Gary Morishima, Quinault Management Center : Governor Inslee's executive Order 18-01 would be useful to provide to CSAG

14:06:17 From David Diaz, UW : Another research effort that would be worthwhile to hear from is TNC Washington's effort to quantify the potential for Natural Climate Solutions in Washington State. I saw a presentation from a couple TNC folks over the winter that put some helpful numbers on the table regarding scale of reductions, costs, etc. for different types of activities.

14:07:27 From Skip Swenson : x2

14:07:54 From John-O Niles, Salesforce : @David Diaz, I agree re: TNC's research into potential mitigation in WA. Do you know someone who could share with us preliminary results?

14:09:22 From Max Webster, Washington Environmental Council : Just to put a fine point on it, some of the policy updates that were put in place this past legislative session weren't necessary there when this

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group was formed. So acknowledging those updates so that we're are operating from a common place of understanding would be helpful

14:09:23 From David Diaz, UW : The presentation I saw was delivered by Jamie Robertson <jrobertson@tnc.org>.