

Breakout Group 1

Facilitator: Dan Siemann, DNR

Participants: Patti Case, Ara Erickson, John Henrikson, Mark McPherson, John-O Niles, and Max Webster

- Looking at acres, the programs were dominated by the CA program. This suggests that most other programs are not having the impact that could or should.
- The amount of dollars going through publicly funded vs private market are at two different scales.
 - Not a lot of voluntary dollars in there.
 - Which ones will be most useful going forward?
- Need to think about the style or type of transaction, and how that relates to how it is being used. And how effective they can be; this could help us fine tune how we market the programs to potential users.
 - Could identify range of potential users, and then identify programs that might fit best for those groups.
 - Consider time frames, etc.
- We may have multiple goals: increasing carbon stocks; or increase flux, based on different types of forests.
 - Should look at how affective each of these are to each of the goals. Sort programs to identify
- Some programs have long waiting list, like CREP, because they compensate highly.
- Other programs have complexity or other barriers, like low compensation. Note how much demand there is.
 - Consider matrix for ease of access and compensation. ** This is like a cost benefit analysis.
 - Need to filter this for the variety of land owners. Highlight easy ones and clarify ones that aren't worth going for.
- Didn't see a WA-state based, Chehalis basin program, that pays 100% or close to it.
- Often, the barrier to entry is the complexity and cost of applying. Goal is to keep it simple.
- Demand side needs clarity about what is needed to access programs and funding. Are these things equal across suppliers and users.
- Purchasers want to understand where the good opportunities
- Tax incentives
 - Big opportunities,: land use sales tax, excise tax, etc.
 - Substitution value for wood and steel

Breakout Group 2

Facilitator: Dan Stonington, DNR

Participants: Cody Desautel, Kathleen Farley Wolf, Joe Kane, Gary Morishima, Skip Swenson, and Bill Turner

- What jumped out:

- Lots of options, and lots that are under used. Many that landowners would not know how to find. How compatible are programs so that landowner can take advantage of more than one?
- Given how many options, would expect lots of participation.
- Barriers: many are addressable. Education. Structural issues w programs. Political issues. Could start to increase participation.
- Many of these are not carbon specific programs, like NRCS. If reimbursement, need the \$ up front.
- TDR does not protect carbon, just remove development rights.
- Most of the programs are non-carbon, with carbon as a tag-along.
- HWP is not in the incentives picture and should come into play.
- On HWP, LCA-type info could help identify incentives. Some current research is helping get to this.
- Should be recognition that forest health and resilience can protect carbon over long-term, in both forest ecosystem pool, and the HWP pool.
- How can incentives list add value for landowners?
 - Details on these programs matter. Many landowners could be eligible in principle, but projects might not be viable. This level of detail is what will ultimately help landowners – potentially convey this thru case study examples.
 - What is practical and how to take first steps. Landowner education. State could think about multiple levels of engagement.
 - Cost to some of these programs is as high or higher than the benefit. When enter these programs, can face burdens and restrictions, and need to evaluate whether to go there.
 - Program needs to have enough incentive to justify changes in management. Takes a big project to cover costs. If state wants more participation, WA could make it simpler.
 - Could make other programs simpler, too. TDR.

Breakout Group 3

Facilitator: Lenny Young, DNR

Participants: David Diaz, Cherie Kearney, Julius Pasay, Edie Sonne Hall, and Mike Warjone

- C: scale—what are we achieving with the programs, how could that change with a change of scale?
- C: term, perpetuity—assurance of follow-through
- C: who are we reaching
- M: sense of urgency to get something going—prioritizing by how soon they could have meaningful impact (length of time to positive outcome), the problem is immediate, prioritize with that in mind, where can investment be quickly repaid? Timing important.
- D: a lot of programs! Overwhelming! And still more programs being created. Which program are effective for different types of landowners? Perhaps unneeded complexity.
- D: relative payment rates for different programs: some mis-match between service provided and worth
- D: what types of programs for industry? What types for non-industry? Very different drivers—don't muddle them together.

- B: (affirms complexity as a barrier for some programs)
- E: federal SAM system (govt. Payment system) is a barrier—complex, hard for landowners
- E: sheer variability and number of programs, need to uncover everything, recognize most of these programs not developed for carbon, how could programs be enhanced from a climate perspective?
- E: why aren't some programs being used? Need to find out why.
- E: funding categorization: what's the real source of funds? Categorize by funding source (e.g., private market, property tax, what?)
- D: part of bottleneck is agency capacity or willingness to expand; some good programs understaffed or unclear—lots of buck-passing when it comes to delivering services; could DNR help with under-staffed programs?
- C: what's the scope of what we're inventorying? Only direct C seq efforts, or programs that de facto seq C—indirect outcomes?
- J: we have better info. On direct, targeted C seq programs, less info/harder to evaluate indirect programs
- J: try to nail down why many SFLs haven't been able to enter C market
- D: jurisdictional C offset programs (more prevalent in S hemisphere), state reports at an aggregate scale as to benefits achieved, report to funder, not evaluating/reporting project-by-project—allows administrator flexibility to determine best way to achieve C outcome
- J: some programs very short-term, others long—need to recognize this
- B: how critical is knowing how much C seq last 10 years?

Breakout Group 4

Facilitator: Rob Willis, Ross Strategic

Participants: Joseph Donnegan, Indroneil Ganguly, Mo McBroom, Steve Rigdon, Jason Spadaro, and Mark Wishnie

- A lot of choices and a lot of incentives types. How do you help potential user's sort through all the options? Can you create a web "wizard" to help them match with the best opportunities. How can you streamline?
- One of the big picture things – there is so much more that we could know about the incentive types that we could know to make policy decisions
 - Co-Benefits
 - Relative Costs
 - Efficacy/Demand (where is the low hanging fruit – biggest bang for the buck in the short term? prioritize enhancement in those)
 - Help with the prioritization
 - Large variation in acreages – why?
 - How cumbersome?
 - Funding availability
 - Job Creation
 - Carbon Benefit (this is different than # of acres)
 - Impacts on Timber supply, mill viability, system impacts
 - Social acceptability

- Tax incentive
- Almost everything we learned in the first presentation are ignored in the second presentation. Implies that carbon matters that are only in the forest. This will reflect an anti-forestry type incentives. Critical point. When we think about policies to support healthy forests + climate mitigation – have to think across the life of the carbon.
 - Where is the disconnect? What is the mechanism?
 - We have to think about joint optimization – carbon in the standing forest, carbon in the ‘market’.
 - Scope definition issue did we ask them to look at this. Constructed to maximize forest carbon. In a perfect world it would be ideal to maximize the downstream. (Note to rob: Could this be an Iteam). Failed Carbon Washington Bill on half-life of products.
 - Wood product side is missing incentive the market to do the work for us. If it is not in the scope look into this.
- It weighted heavily forest conservation time. Want incentives that active forest management. Ought to be a footnote that recognizes a regulatory scheme that achieves some of these objectives (Forest Practices Act.)