IT guidance on organizing the incentives list

1. Articulate the definition of ‘carbon reducing program’ that was used to build the initial list
2. Add a category for harvested wood products
3. Delineate between programs that are carbon-focused and non-carbon focused (but provide carbon benefits)
4. Delineate between barriers common across programs and barriers that are specific to programs.

Definition used to build incentives list

- Proviso terms:
  - ‘Carbon compensation services’
  - ‘Incentive based carbon reducing programs’
  - ‘Voluntary, incentive-based carbon reducing or sequestering programs’

- Working definition used to build the list
  - Any voluntary funding, payment, rebate, tax break, market, technical assistance, or promotion program that provides a direct or indirect incentive to owners of private and other nonstate owned or managed forestland in Washington State to sequester or store carbon

Incentives with an Explicit Carbon Focus

Carbon nexus	Incentive type	Length of landowner commitment	Common barriers	Barriers to specific incentives
Reforestation	Carbon offset methodology	25 years; +30 years; +100 years	Limited landowner payment amounts Limited program funding relative to demand Lack of technical assistance Difficult payment procedures Lack of training for TA providers Funding for ongoing maintenance	Technical complexity Low carbon price relative to high transaction costs Limited options for upfront (ex ante) crediting Limited demand for ex ante credits Limited demand for voluntary credits
	Practice cost-share	1 - 5 years		Limited landowner outreach and education about new programs Limited understanding within agencies about how to implement Need for 3rd party funding for implementation (e.g. non-profit, state or local agency)
Avoided conversion	Grants for easement or acquisition	10 years; 30 years; 50 years; +100 years; Permanent	Limited program funding relative to demand	Term-easements via HFRP are new and lack funding; limited portion of WWRP funding available for forests
	Carbon offset methodology	100 years; Permanent		Technical complexity Low carbon price relative to opportunity costs and transaction costs Time commitment for some project types (100 years +) Viable project size (at least several thousand acres) California ARB "invalidation rule" Limited flexibility in natural forest management rules
Forest management	Carbon offset methodology	1 year; 5 years; 20 years; 40 years; +100 years	Limited landowner payment amounts Limited program funding relative to demand Lack of technical assistance Difficult payment procedures Lack of training for TA providers	Technical complexity Low carbon price relative to opportunity costs and transaction costs Time commitment for some project types (100 years +) Viable project size (at least several thousand acres) California ARB "invalidation rule" Limited flexibility in “natural forest management” rules
	Practice cost-share	1 - 5 years; 10 years; 30 years		Limited landowner outreach and education about new programs Limited understanding within agencies about how to implement Need for 3rd party funding for implementation (e.g. non-profit, state or local agency)
Harvested Wood Products	Building certification	NA	Multiple steps to link programs to landowners	Variable requirements on the wood sourcing requirements program to program
	Promotion	NA		Carbon-focused efforts are still new; limited linkages to landowners
	Technical assistance	NA		Limited technical assistance linking architects/builders to landowners

Incentives *without* an Explicit Carbon Focus

Carbon nexus	Incentive type	Length of landowner commitment	Common barriers	Barriers to specific incentives
Reforestation	Annual rental payment	10 - 15 years eligible for re-enrollment	Limited program funding relative to demand Limited funding for ongoing maintenance Limited landowner outreach and education Limited technical assistance	Limitations on landowner activities imposed by contract terms; landowner payment amounts
	Practice cost-share	1 - 5 years		Limitation on funding for certain management activities
Avoided conversion	Grants for easement or acquisition	10 years; 30 years; 50 years; +100 years; Permanent	Limited program funding relative to demand; Technical complexity	Limited eligible entities for certain programs; geographical limitations
	TDR market	Permanent		Limitations on RCO and USDA grant funds for TDR projects; TDR availability tied to the market demand for development rights in urban areas
	Public debt finance for acquisition	Permanent		Limited eligible entities; need for funding for debt service
	Tax incentive	Annual		Lack of technical capacity for county implementation; Variable support among counties for utilizing authority granted by state.
Forest management	Forest certification	Variable	Limited landowner education and outreach about programs Limited landowner knowledge of how carbon can be integrated into management	Financial commitments required for certification; Inconsistency in market premium or market access; How carbon is addressed varies
	Practice cost-share	1 - 5 years; 10 years; 30 years		Limited program funding relative to demand; limited landowner payment amounts; difficult payment or reimbursement procedures; variability in agency willingness to implement; limited agency expertise in forest carbon management, incentives, and markets
Harvested Wood Products	Grants for market development	NA	Multiple steps to link programs to landowners	Limited program funding relative to demand
	Technical assistance	NA		Limited technical assistance linking architects/builders to landowners
	Tax incentive	NA		Technical complexity
	Regulatory norm/codes	NA		Limited code specifications that link building projects to landowners

Incentives IT Recommendation for CSAG discussion - #1

Support further analysis to identify useful information in addition to program barriers.

Helpful analysis might identify:

- Which programs are appropriate for specific landowners types
- Situations in which a landowner would use one of the programs
- How entities could use the programs to increase carbon in the system

Incentives IT Recommendation for CSAG discussion - #2

Turn the list into a resource for landowners.

This could include:

- Technical assistance
- Education and outreach
- Organizing the list as a searchable tool