



The Washington Forest Protection Association

**Forestry's Role in Climate Change Policy;
Economics, Science, and Agendas.**

**Western Forests Economists
Annual Meeting, May 6, 2008.**

Economics

- Carbon Tax
- Cap and Trade
- Voluntary Market



Carbon Tax

- Potentially regressive.
- Needs to be big to be effective.
- No opportunities for the forest sector.
- Little political support.



British Columbia's Carbon Tax

- Revenue Neutral.
- Initially at 2.4 cents per liter (9 cents per gallon) and increasing to 7.24 cents per liter (27 cents per gallon) by 2012.

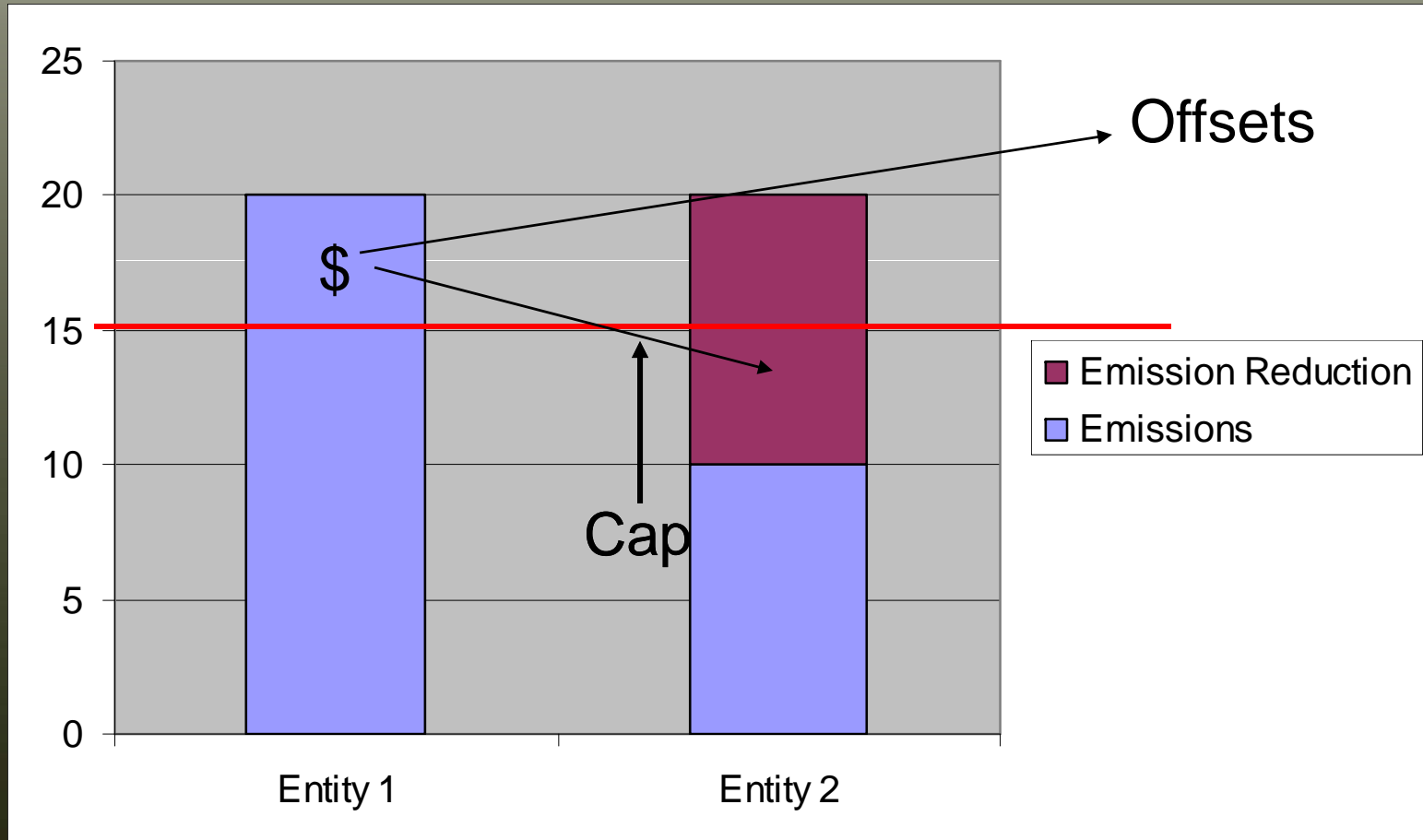


Economics

- Carbon Tax
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Cap and Trade



We are all going to get RICH!!!

- Current International Carbon trading is a \$60 Billion Market.
- Estimates of the American Climate Security Act in a potential \$150 Billion Market.



Don't Believe the Hype

- Kyoto Protocol limits forestry projects to afforestation and reforestation.
- American Climate Security Act adds increasing standing inventory.
- Both limit use of forestry offsets to 1 and 5 percent of the compliance obligations respectively.



Economics

- Carbon Tax
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- Voluntary Market



Voluntary Market

- Chicago Climate Exchange
 - 2008 Vintage
 - April 28, 2008



Voluntary Market

- The Conservation Fund sold 200,000 tons of offsets to Pacific Gas and Electric Company for \$10 per ton using the California Climate Registry Forestry Protocol.



Science

- Forests can be sources.



Science

- Forests Can be Sinks



Science

- Quantifying avoided emissions
 - Surrendering development rights
 - Fire or disease risk reduction
- Quantifying carbon storage
 - Timber
 - Other above ground biomass
 - Wood Products



Science (well kind of)

- All offsets must meet the following criteria to be “accepted” by the markets:
 - Additional
 - Permanent
 - Leakage



Agendas

- Washington State
- Regional
- National



Washington State Legislation

- Provide recommendations to the legislature on how the following can be integrated into a cap and trade system:
 - Commercial and other working forests
 - Forest Products
 - Forest Conservation Set a Sides
 - Reforestation and Afforestation

Washington State Legislation

- Consider biomass power carbon neutral.
- Should not disadvantage Washington.



Agendas

- Washington State
- **Regional**
- National



Western Climate Initiative

- Made up of 10 western states and provinces.
- Forestry and Land Use outside the cap.
- Potentially a role for forestry in an offsets market.



Agendas

- Washington State
- Regional
- National




National Climate Change Policy

- Climate Change Security Act
- Integration of regional cap and trade programs
- Role of federal lands



Agendas

- Co-benefits.
 - Cap and Trade is only one part of good climate change policy for forestry.
 - Sustainable forestry needs to be recognized as part of the global solution to climate change.
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Offsetting Vehicle Emissions With Wood Products

