

DNR's Carbon Project

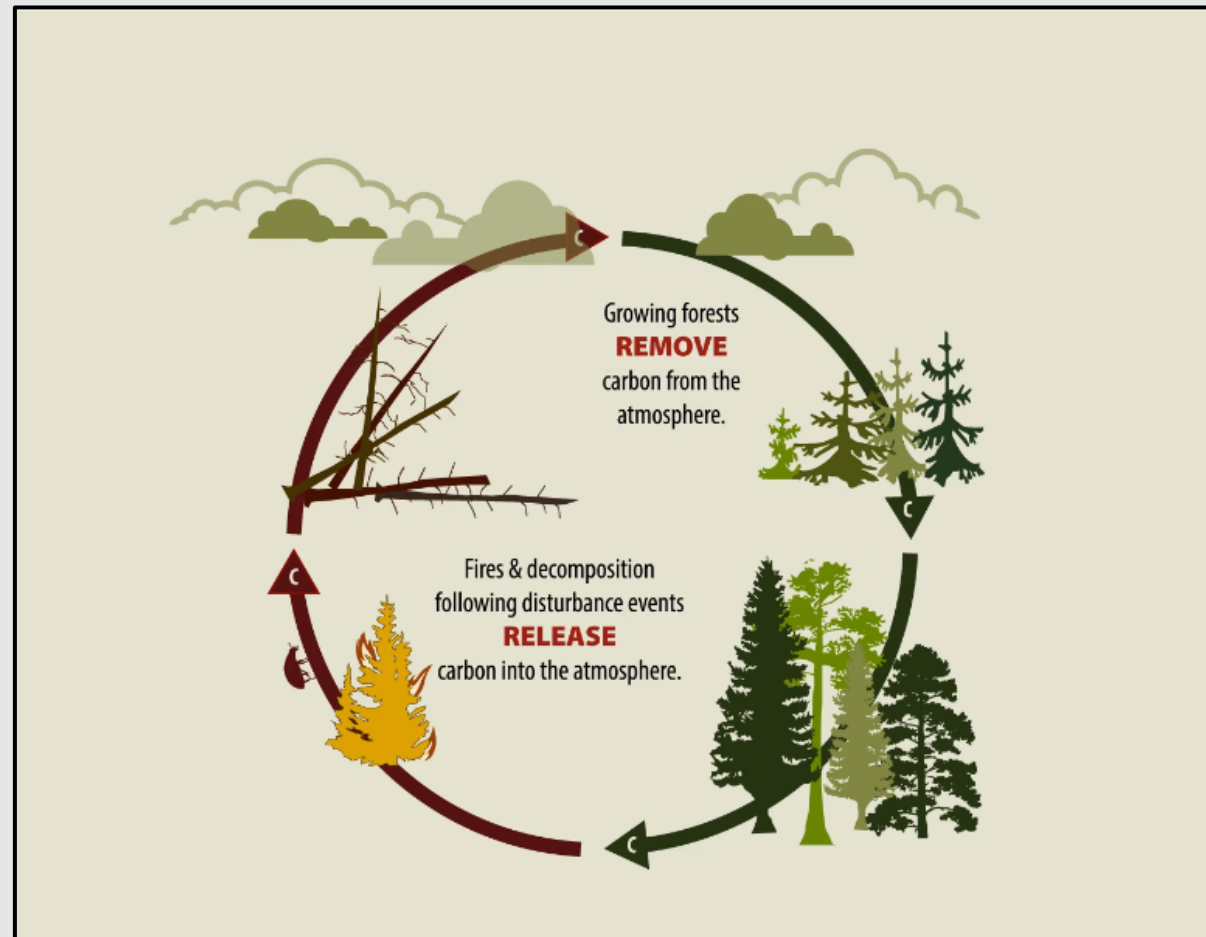


Agenda

- Forest carbon 101
- How do carbon markets work?
- DNR's carbon project
- Questions



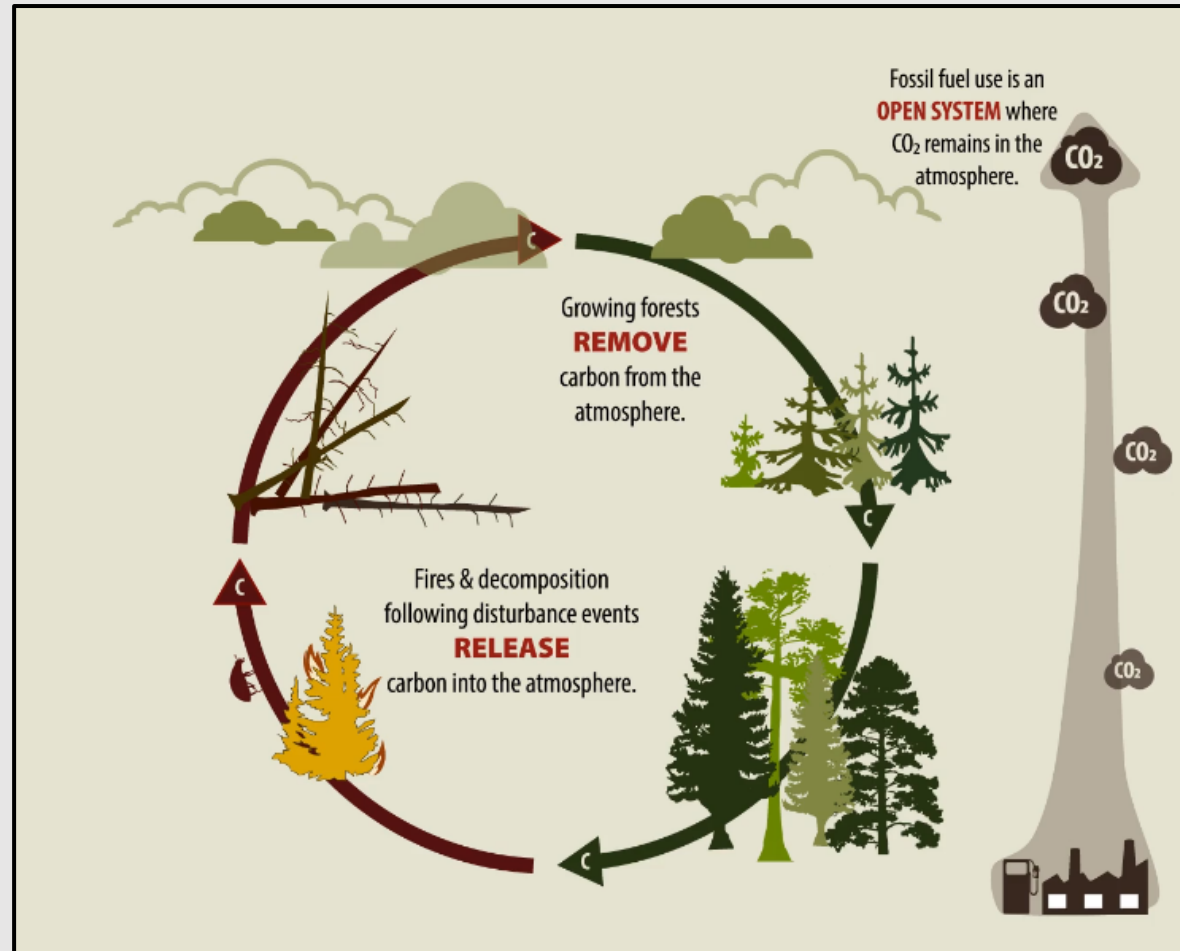
Forest Carbon 101



Source: Michigan State University Forest Carbon and Climate Program https://mediaspace.msu.edu/media/Carbon+CycleA+The+Closed+Loop+of+Forest+Carbon+in+the+Atmosphere/1_xpkuuqid



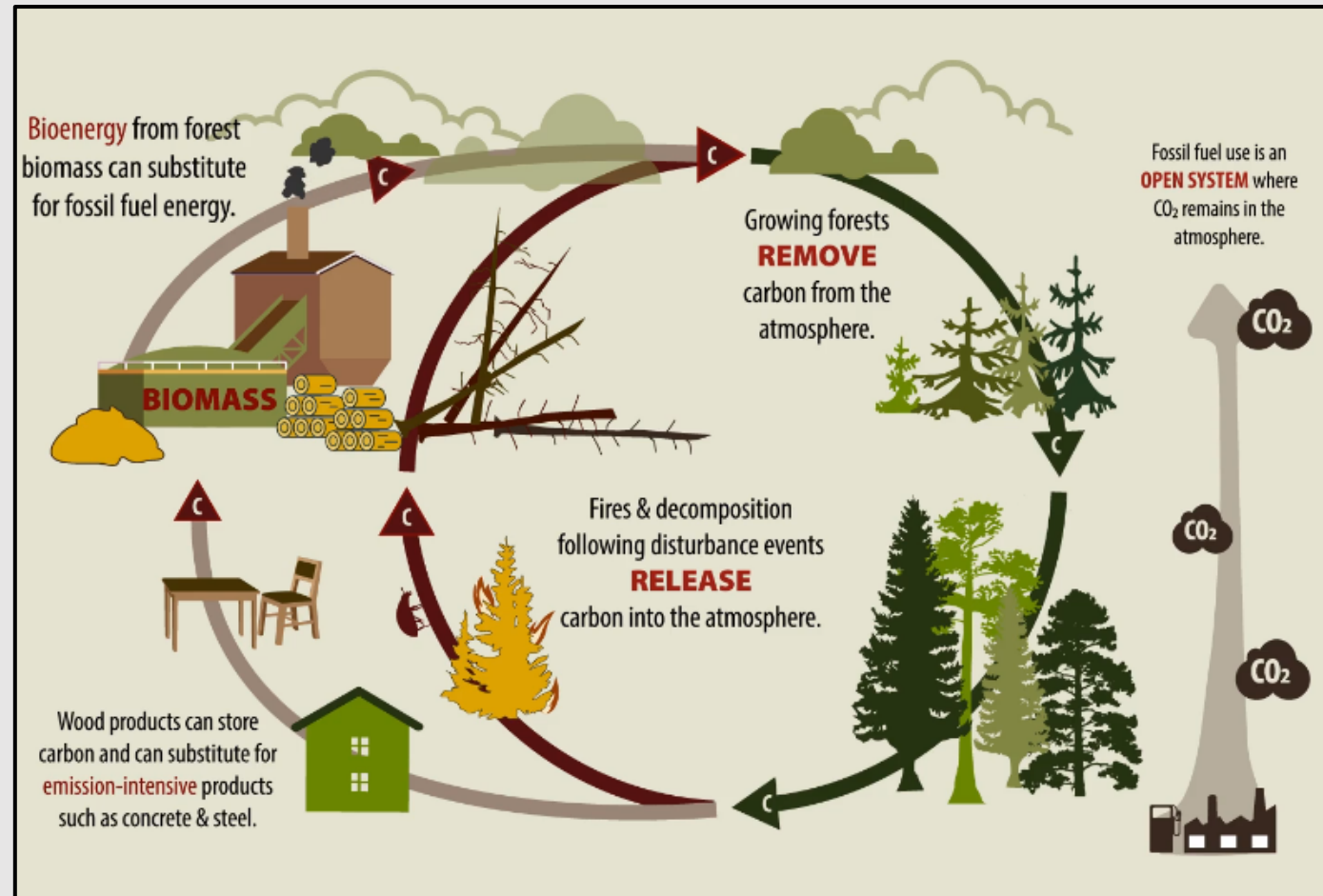
Forest Carbon 101



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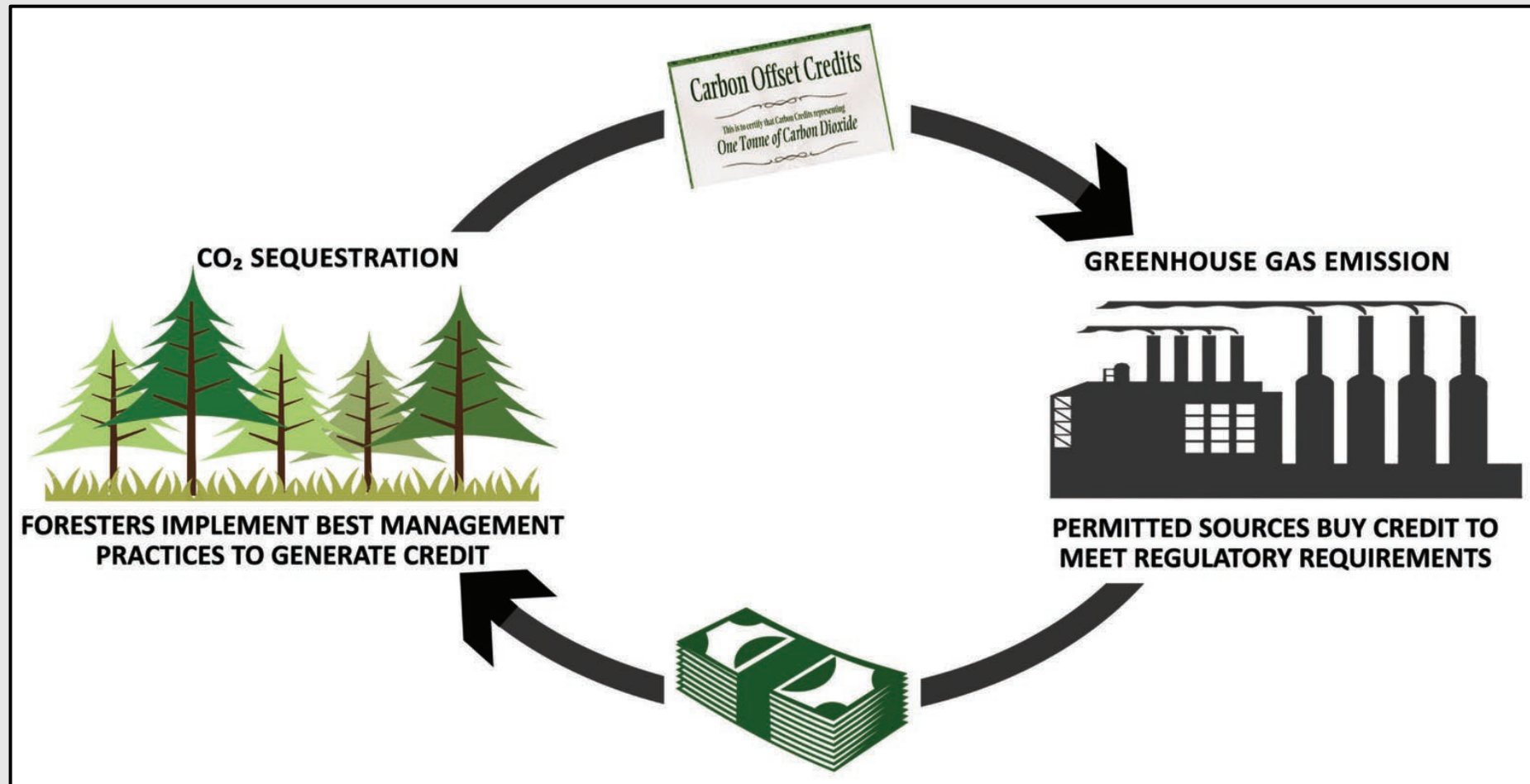
Forest Carbon 101



Source: Michigan State University Forest Carbon and Climate Program



How do carbon markets work?



Carbon markets: Key terms

- **Additionality:** carbon emission reductions or removals that are additional to the reductions that would have taken place in the absence of the carbon project (i.e. the baseline).
- **Baseline:** the emissions that would have occurred in a “business as usual” scenario in which the project was not implemented.
- **Carbon credit:** standardized unit that equals one metric ton of CO₂e from a carbon offset project.
- **Carbon offset:** reducing sources of GHGs, or increasing storage of GHGs, to compensate for other GHG emissions.
- **Leakage:** an increase in emissions outside of the project boundaries, due to the reductions resulting from the project (leading to no net increase in carbon sequestration).

Ten thousand acres conserved

DNR is committing to utilize carbon markets to conserve 10,000 acres of forests.

These forests:

- Are part of existing timber harvest schedules— but will be immediately removed for conservation;
- Represent special ecological and cultural values;
- Are exceptionally carbon dense;
- Will continue to generate revenue for our beneficiaries.

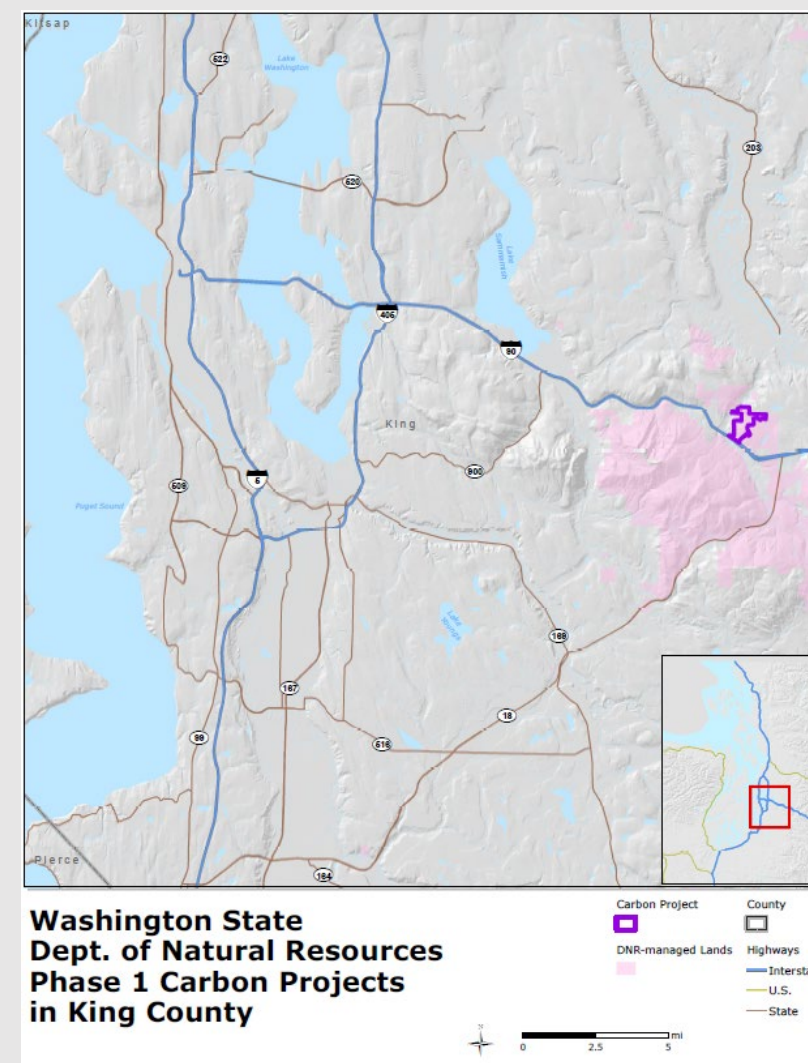
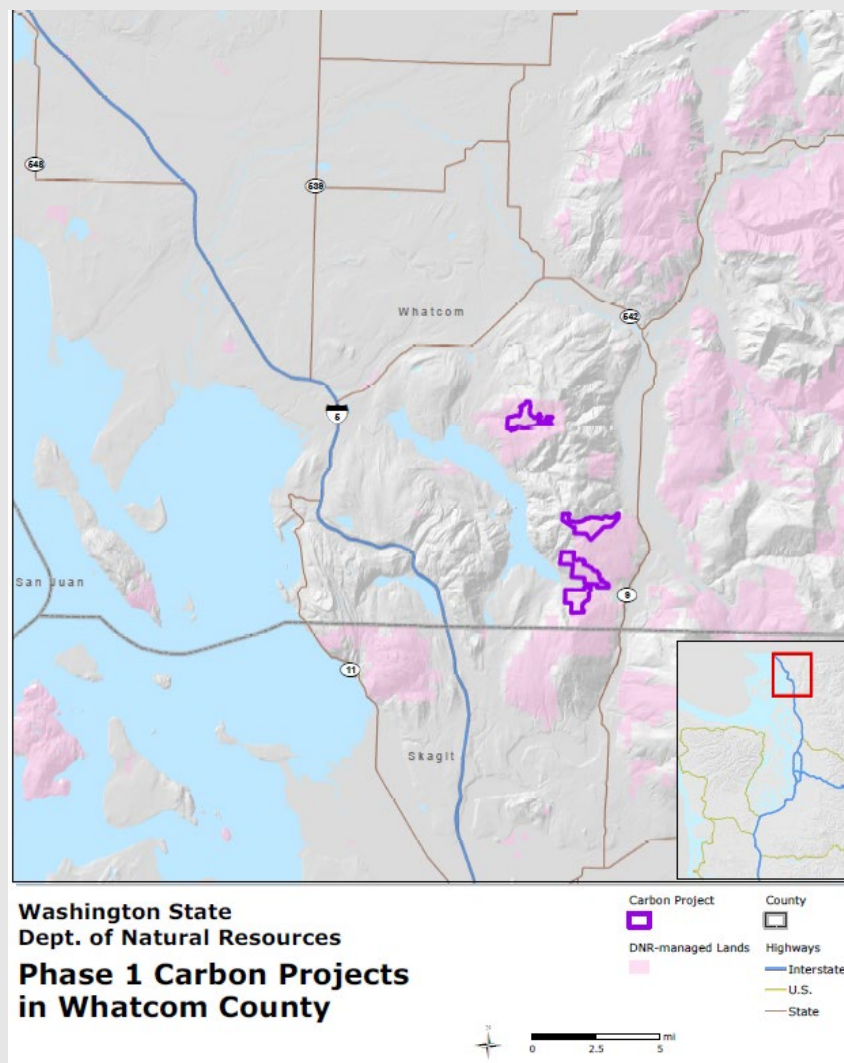
Phase 1

Phase 1 identified roughly 2,500 acres to be included in the project.

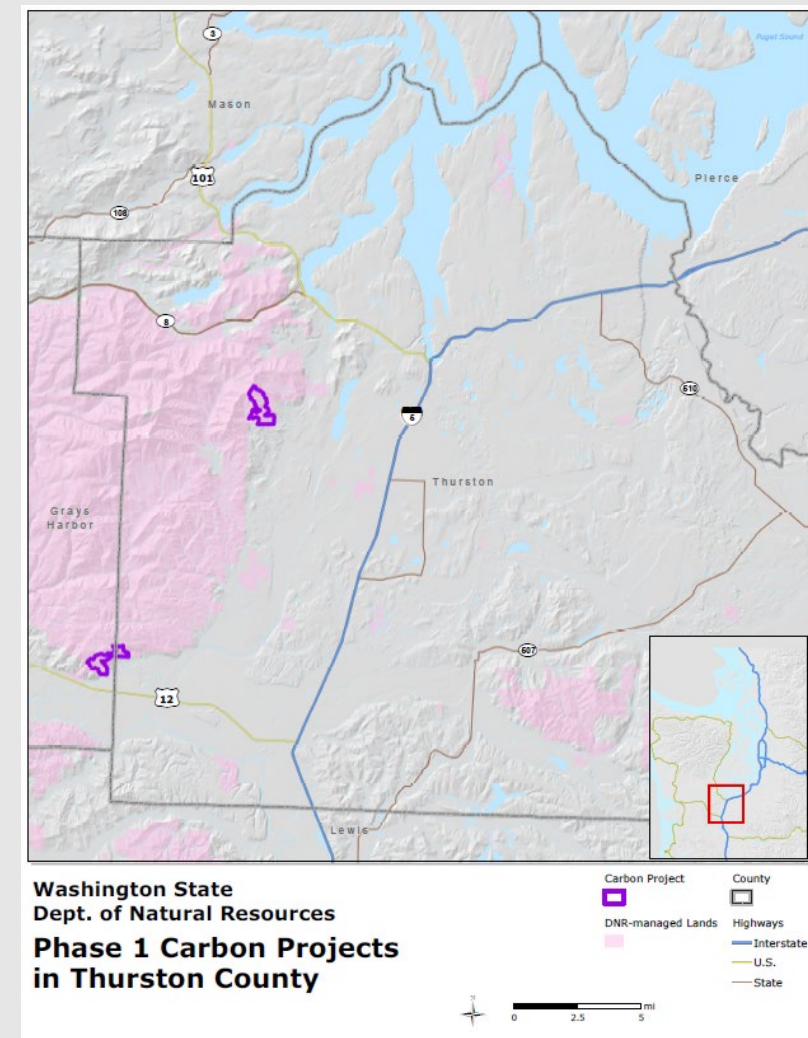
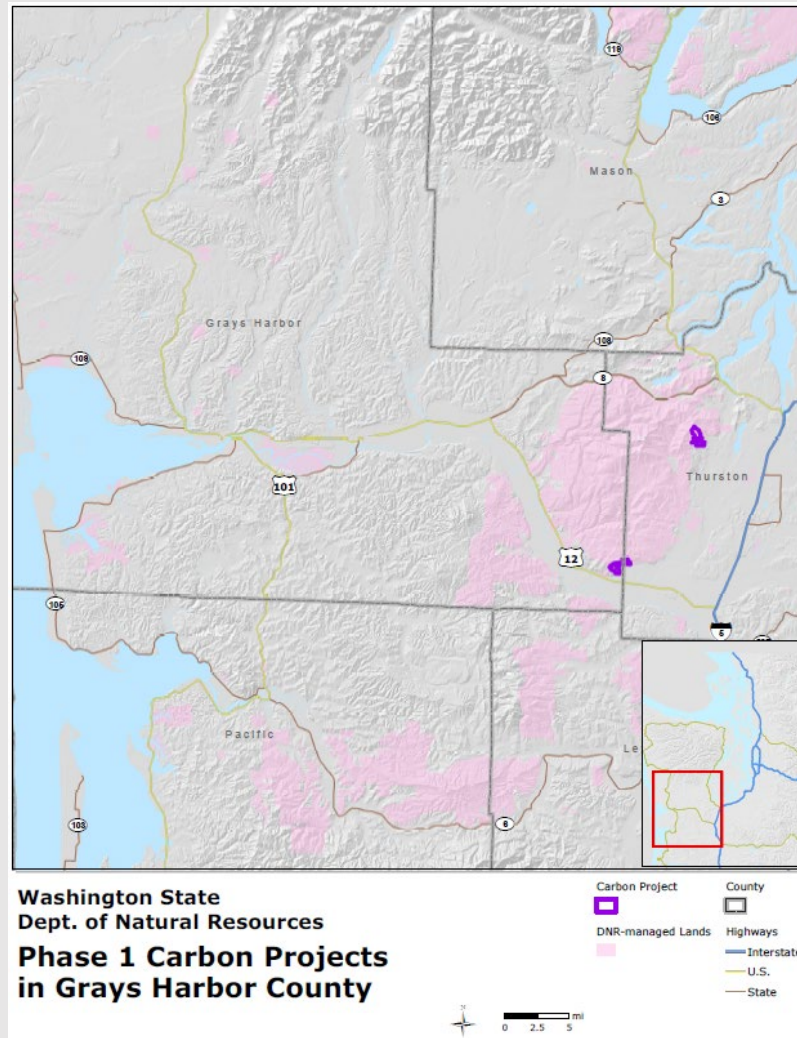
County	Operable	Total
Grays Harbor	279	287
King	272	390
Thurston	563	591
Whatcom	1,398	2,481
Total	2,512	3,748



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Phase 2

DNR will use the High Conservation Value criteria as a framework to identify the remaining 7,500 acres.

- Significant concentrations of biodiversity
- Significant landscape-scale ecosystems and ecosystem mosaics
- Rare, threatened or endangered ecosystems and habitats
- Basic ecosystem services in critical situations (e.g. watershed protection, erosion control)
- Areas or resources fundamental to meeting basic needs of Indigenous populations and local communities (e.g. subsistence)
- Areas or resources critical to Indigenous populations and local communities' traditional cultural identity

Mechanism

Commercial leases will be the mechanism by which we enter the carbon market, and generate revenue.

- Contracts will provide rights exclusively to keep the trees standing and generate revenue through the sale of carbon credits
- Will provide a consistent, on-going source of revenue for beneficiaries
- Will not interfere with Tribal access or DNR forest health management

Next Generation of Carbon Projects

Together with our partner, Finite Carbon, we have developed a project with a strong emphasis on generating high quality credits.

- Extremely robust calculation of additionality
- Baseline calculated with data from known alternatives
- Incorporates consideration of riparian buffer zones, leave trees, and other conservation measures
- Hope to set a new standard for the price of carbon

Questions?

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