

FOREST PRACTICES BRANCH
MINISTRY OF FORESTS AND RANGE

DRAFT FOREST OFFSET PROTOCOL v1.0 FOR REVIEW AND
COMMENT

FOREST OFFSETS

What are offsets?

- Offsets represent a net reduction in emissions created when an organization invests in another organization's emissions-reducing activities or sink-increasing activities.

What are forest offset projects?

- A planned set of forestry management or land-use change activities designed to remove, reduce or prevent carbon dioxide emissions in the atmosphere by conserving and/or increasing forest carbon stocks.

What is role of forests in climate change?

- Forests have the capacity to both emit and sequester carbon dioxide (CO₂), a leading greenhouse that contributes to climate change
- Trees naturally absorb CO₂ from the atmosphere and store the gas as carbon in their biomass (trunk, leaves, branches and roots).
- Additional CO₂ is stored in the forest floor, debris and soil.
- When forests are disturbed, though events like fire, insects or harvest, some of their stored carbon may oxidize or decay over time releasing CO₂ and other greenhouse gases into the atmosphere.
- Thus depending on how forests are managed or impacted by natural events, they can be a net source, net reservoir, or net sink of CO₂.

BC FOREST OFFSET PROTOCOL v1.0

What is the BC Forest Offset Protocol v1.0?

- The BC Forest Offset Protocol v1.0 provides direction to project proponents regarding eligible projects and how to account for and report greenhouse gas (GHG) removals (sinks) and emissions reduction associated with forest offset projects.
- The goal of the Protocol v1.0 is to facilitate the creation of GHG removals and emissions reduction and ensure that they are calculated in a complete, consistent, transparent, accurate and conservative manner.

- The Forest Offset Protocol v1.0 is designed to address the forest sector's unique capacity to sequester, store and emit CO₂ and to facilitate the positive role that forests can play to address climate change.
- The Ministry of Forests and Range will periodically review and improve Protocol v.1.0 considering with experience gained applying this version, feedback received, and as new information becomes available.

What is the role of Forest Offset Protocol v1.0 relative to BC's Climate Action Plan?

- The BC Government's Climate Action Plan has set a target of reducing GHG emissions by at least 33% below 2007 levels by 2020.
- BC has made that target a legislative requirement through the *Greenhouse Gas Reduction Targets Act*.
- The Act requires that the public sector become carbon neutral by 2010 by: (i) reducing emissions; and (ii) offset the remainder.
- To support the carbon neutral goal, the Ministry of Environment developed the *Emission Offsets Regulation*, and the Pacific Carbon Trust was formed to deliver quality GHG offsets.
- Along with the regulation, Protocol v1.0s are designed to ensure high quality offsets by providing detailed project specific set of instructions on how to carry out specific offset activities.
- The Forest Offset Protocol v1.0 is one of several Protocol v1.0s completed or under development that assist offset project proponents and the Pacific Carbon Trust who collectively play a key role towards the implementation of BC's Climate Action Plan.

What activities are eligible for forest offset projects?

- The Protocol v1.0 addresses afforestation, use of select seed, and fertilization projects that are above levels defined by 'common practice'.
- 'Common practice' refers to activities that are expected to occur without the offset project.
- Activities incremental to 'common practice' ensure that the 'additionality' test integral to international standards (e.g. ISO 14064) for offset projects are met.
- Other forest-sector based offset activities may be covered by other Protocol v1.0s (e.g. related to fuel switching) or new ones in the future.

What is the status of Forest Offset Protocol v1.0?

- A draft of the Forest Offset Protocol v1.0 has been prepared and released for public review and comment over a consultation period ending July 10th, 2009.
- On April 3, 2009, the Pacific Carbon Trust released a request for information to develop forest-based carbon offsets. Those that responded to the request will be contacted and encouraged to provide review and comment on the draft Protocol v1.0.
- The draft Protocol v1.0 will also undergo further peer review and is also publicly available for review.

Why the time-frame for review of the draft Forest Offset Protocol v1.0?

- The Pacific Carbon Trust intends to commence a ‘request for qualifications’ (RFQ) phase in summer/fall 2009 that will involve a formal request for proposals.
- The Protocol v1.0 is needed to support the RFQ phase as proponents will need to know the requirements associated with undertaking forest offset activities.
- The initial version of the Protocol v1.0 will enable proponents and government to gain experience with its use.
- It is intended that the Protocol v1.0 will be improved over time as experience is gained in proposing and implementing forest offset projects and as new information becomes available.

Who is responsible for the BC Forest Offset Protocol v1.0?

- The BC Ministry of Forests and Range, Forest Practices Branch.
- The Forest Offset Protocol v1.0 was developed with the assistance of a Working Group that included staff from the Ministry of Forests and Range, the Ministry of Environment, the Ministry of Agriculture and Lands, and the Pacific Carbon Trust.
- The Working Group reviewed other international, national and provincial offset protocols when developing the BC Forest Offset Protocol v1.0 to help ensure consistency in approach.
- The Ministry of Environment could establish or designate the Protocol v1.0, or aspects of it, as required through under the authority of the *Emission Offsets Regulation*.

Where can forest offset projects occur under Protocol v1.0?

- The Forest Offset Protocol v. 1.0 was designed to support the current call for forest offset proposals by the Pacific Carbon Trust including the specific land areas identified in the April 2009 request for information.
- Private land including privately managed forest land, land held by local governments, Indian Reserves and treaty settlement lands; and
- Crown land that is under long-term area-based tenures (e.g., tree farm licences, woodlot licences, community forest agreements, and long-term *Land Act* leases).
- A proponent may also bring forward a forest offset project proposal in a protected area or park provided that all the necessary licences/permissions from the relevant agencies (e.g., Ministry of Environment) for operating on the land are obtained.

How will the environment be protected in forest offset projects?

- Forest offset projects must comply with all applicable federal, provincial and municipal laws.
- Key applicable provincial legislation for Crown land includes the *Forest and Range Practices Act*, and for private land this includes the *Private Managed Forest Land Act*.
- Other provincial legislation such the *Water Act*, *Wildlife Act*, *Drinking Water Protection Act* and *Fisheries Act* also apply and help ensure the environment is protected.

How will the public be consulted about individual projects?

- The project plan must contain a description of any consultations undertaken respecting the project and a summary of the results of the consultations. This may include First Nations, organizations or individuals that may be affected by the offset activity.

Can we get credit for projects that are already underway?

- Protocol v1.0 only applies to new projects. Credit for early action may be considered in the future by the Pacific Carbon Trust.

PROTOCOL v1.0 FRAMEWORK

How will the proponent know if their proposal is acceptable?

- The Protocol v1.0 specifies what sinks, sources and reservoirs (SSRs) must be reported on in the project.
- The Protocol v1.0 often provides a ‘default’ approach or method that if followed by the proponent and validated is deemed acceptable.
- For example, the acceptable models to estimate the growth of forests under baseline (e.g. considering common practice) and project conditions over time are provided.

Does the Protocol v1.0 provide some flexibility?

- Yes. In most cases, the proponent can provide an alternative approach (to the default) provided that they demonstrate it is more appropriate than the default.
- The Protocol v1.0 also notes some aspects that are at the discretion of the proponent to report on, for example, quantification of carbon in the soil.

How does the Protocol v1.0 compare to other similar protocols in other jurisdictions?

- The Working Group that helped prepare the Protocol v1.0 reviewed international, national and provincial offset protocol approaches and adapted those features that are most applicable to BC conditions.
- The basic framework for quantifying baseline and project removals is similar to credible systems in Canada and the USA.
- The province has ‘made in BC’ models that forecast forest growth over time, and standards for inventory and monitoring, that are referenced in the Protocol v1.0.
- National ecosystem carbon models developed by the Canadian Forestry Service for forest carbon accounting in Canada (CBM-CFS3) and FORECAST are both pre-approved as these models have been parameterized using field data from BC ecosystems.
- The ‘afforestation’ eligibility criteria developed by the Canadian Forestry Service was adopted in the Protocol v1.0.
- The Climate Action Reserves’ Forest Project Protocol v1.0 developed in California provided a framework for how a forest project carbon inventory should

be conducted; the Protocol v1.0 adapts this framework to existing inventory and monitoring standards developed in BC (e.g. for BC's Vegetation Resource Inventory).

PROTOCOL v1.0 PROVISIONS

How does the Protocol v1.0 address the project's effect on the atmosphere?

- The *Emission Offsets Regulation* requires that biological projects (such as forest offset activities) must store carbon away from the atmosphere for 100 years or more, or the equivalent.
- The Protocol v1.0 requires taking the average of a timber growth curve rather than the peak at rotation.
- If rotations are less than 100 years long, the carbon stored is 'normalized' to 100 years.
- For example, a 70 year rotation with 400 cubic metres per hectare at harvest age would get credit for 70% of roughly 200 cubic metres per hectare, or about 140 cubic metres per hectare.

How does the Protocol v1.0 address risk due to disturbances such as wildfire?

- The *Emission Offsets Regulation* handles risk by: (1) requiring that the proponent prepare a risk-mitigation and contingency plan; and (2) factoring risk in the determination of project reductions.
- Approaches to addressing the risk of reversals (due to disturbances) in three other Protocol v1.0s are reviewed in the Protocol v1.0
- This draft Protocol v1.0 does not recommend an approach to the risk of reversals but one is expected to be developed after consultation on the Protocol v1.0.
- While adoption of an approach to the risk of reversals will provide greater certainty upon which to base project proposals, subsequent procurements may provide an opportunity for proponents to propose an alternative approach in their project plan if justification is provided

How does the Protocol v1.0 address GHG effects outside of the project's boundary?

- The unanticipated decrease or increase of GHG benefits outside of the project's accounting boundary as a result of project activities is referred to as 'leakage'.
- The Protocol v1.0 discusses three potential kinds of leakage: (i) deforestation, (ii) the allowable annual cut (AAC) effect, and (iii) select seed supply shortages inadvertently stemming from forest offset projects.
- The Protocol v1.0 does not require that the project plan address leakage but does describe how government can address these concerns.
- For example, MFR routinely monitors select seed use and changes in seed inventories, and may therefore be able to detect leakage issues stemming from offset projects that use select seed.

Does the *Chief Forester's Standard for Seed Use* apply on all private land?

- The *Chief Forester's Standards for Seed Use* is a requirement under the *Forest and Range Practices Act* for using tree seed when reforesting Crown land and private land under a *Forest Act* agreement.
- The purpose of the Standards is to maintain the identity, adaptability, diversity and productivity of the province's tree gene resources.
- The Protocol v1.0 requires the Standards to also apply to other private land (not subject to a *Forest Act* agreement).
- Given the public role in offset credits and payments via the Pacific Carbon Trust, assurance the projects use select seed in accordance with the Standards for all offset projects is considered appropriate.

Can the Protocol v1.0 assist third part assurance?

- Yes. The Protocol v1.0 can serve as a tool that assists project validation and verification – in addition to proponents who prepare project plans.
- Validation is the process used to determine that a proposed project meets the offset eligibility criteria.
- Verification is the process for evaluating GHG assertion of emission reductions or removals.