

Report to the Interagency Forestry Working Group

From the Committee on Landowner Incentives and Barriers

Presented by Jim Pena, Committee Chair

October 27, 2009

The Committee on Landowner Incentives and Barriers met twice since the last meeting of the IFWG. The goals for the meeting on July 8th were to discuss the purpose for this committee and develop a plan to accomplish its tasks. Subcommittees were formed at the first meeting to develop assessments for potential landowner incentives related to 1) conservation easements, 2) biomass, and 3) forest stand improvements. The primary goal for the meeting on July 29th was to discuss the assignments for the subcommittees. The committee has not met again because the last IFWG meeting was cancelled>

Participating with this committee are Paul Mason (PFT), Steve Jones and Cathy Bleier (CalFire), Richard Bode and Webster Tasat (ARB), Bruce Springsteen (Placer Co), Michelle Passero (TNC), Bruce McLaughlin (CMUA), Chris Clavin and Fred Tornatore (TSS), Steve Smith (NRCS), George Gentry (BoF), Paul Eichenberger (WSP), Garland Mason (PSW), and Jim Pena, Bruce Goines, and Mike Chapel (FS).

Summary of the First Meeting.

Jim Pena opened the July 8th meeting by providing an overview of the IFWG and the assignments for this committee. He explained that the purpose for this committee was to develop recommendations on ways the Board of Forestry and the State of California can provide incentives for landowners to contribute to the AB 32 annual goal of 5mmt of carbon sequestration from forests. Jim also reviewed the preliminary work plan that was presented to the IFWG. The committee then discussed the assignment and identified a rough framework for assessing potential landowner incentives as follows:

One goal for incentives is to minimize the conversion of forest lands to other uses that have fewer climate benefits. Providing incentives for landowners to keep their lands in forests should be the focus for this goal. One example of a potential incentive might be to provide funding for more conservation easements to private landowners.

A second goal for incentives should be to encourage forest landowners to improve carbon sequestration on their property. This can be done by focusing on three broad objectives: 1) avoiding carbon emissions from wildfire and other sources; 2) improving the capacity of forest stands to sequester carbon; and 3) finding uses for forest wastes that have climate benefits.

Many incentives programs already exist to encourage these activities. CalFire staff summarized these programs for the committee. The committee concluded that biggest opportunity for improving landowner participation was to provide more funding for technical assistance and completing forest improvements. Everyone agreed that significant supplemental funding from state and federal sources was unlikely. There was considerable discussion about the potential for supplemental funding for landowner incentives from mitigation credits, offset market credits (regulatory and voluntary), market auction revenues and other climate-based funding sources.

Everyone agreed that a monitoring program is needed to judge the effectiveness of incentive programs. However some felt that an emphasis on project-level monitoring was needed while others believe that larger scale monitoring was the most economical approach.

The Committee decided to form small teams to start their evaluation. Each team was asked to identify the status of existing incentive programs and consider recommendations for improvement. The three teams were:

Conservation easements – Paul, Chris and Michelle

Stand improvements, fuels reduction, reforestation – Steve J., Steve S. & Cathy

Biomass - Bruce and Webster

At the conclusion of the first meeting, Michelle Passero presented a conceptual model for the relationship of the forest sector to other elements of the AB 32 scoping plan.

Summary of the Second Meeting

The committee devoted the second meeting to discussing reports from the subcommittees.

Conservation Easements - Paul Mason

Paul reported that the subcommittee evaluated conservation easements as a viable tool for retaining forests and securing additional forest carbon sequestration. The evaluation concluded that conservation easements are a valuable approach for avoiding forest conversion as well as securing additional forest carbon. The subcommittee also concluded that there are adequate programs to administer conservation easements, but funding for the programs is consistently far below demand and potential. The carbon benefits of conservation easements are rarely reported and requiring this information could be a useful improvement to existing programs.

Stand Improvements – Cathy Bleier and Steve Jones

Cathy and Steve presented a matrix that described the variety of existing state and federal programs to help landowners complete stand improvement projects including fuels reduction, forest health improvements, and reforestation. The committee suggested some additional information for the matrix. Cathy is working with Steve Smith and Jim Pena to gather additional information on grant programs administered by NRCS and the California Fire Safe Council/ California Fire Alliance Clearinghouse.

This subcommittee also concluded that existing programs should be sufficient to provide incentives for landowners to complete stand improvements that will provide climate benefits. This subcommittee also found that the challenge for incentive programs is securing a reliable funding stream to support the demand for stand improvement work. One additional observation was that there is no record for the decision-making process that is used to fund projects that are submitted for federal funding to Washington DC. This sometimes leads to last minute changes in grant decisions and confusion in the field regarding federal priorities and desired projects. This could be improved by strengthening communication between staff working at the national and state levels.

Biomass – Bruce Goines

Bruce reported that most of substantive work related to landowner participation in biomass projects is occurring in the “Biomass Committee” being led by the CEC and ARB. Bruce recommended that the Landowner Incentives committee advise the Biomass Committee about the potential landowner incentives and disincentives. He also recommended that the Biomass Committee do the more rigorous assessment of biomass opportunities. The committee agreed.

The committee suggested that the IFWG may wish to advise Congress on several active federal bills that address biomass. These measures seek to define sustainable biomass and determine who is eligible for assistance in related programs. The decisions on this legislation will clearly influence the incentives and disincentives for landowners wishing to participate in biomass projects.

Fred Tornatore presented a summary of a project to develop protocols for converting biomass waste to energy in Placer County. When finished, this project will use funds produced from the sale of carbon offset credits derived from using slash piles for bioenergy that would otherwise be burned. The revenues will be reinvested in forest health projects within the County. The local Air Pollution Control District will administer the program. The project is under way, but no carbon offsets have been marketed yet since protocols have not been finalized.

The committee then discussed all of the reports and concluded that there is no critical need to develop new incentive programs to encourage landowners to complete work that has climate benefits. Everyone agreed that the challenge is to secure more reliable sources of funding to supplement traditional state and federal allocations. They also agreed that sources such as voluntary carbon offsets, cap and trade revenues, renewable energy credits and increased state/federal contributions to landowner assistance programs all have potential for improving funding. These options may differ in whether or how they can fund forest activities, what activities they might fund, and whether activities funded by those sources could then be counted toward the forest sector GHG target or in other sectors (eg energy).

The committee concluded that they do not have the capacity to complete a rigorous assessment of potential new sources of revenue. All agreed that Jim Pena should identify the need for the analysis in his report at the next IFWG meeting. Analysis might include applicability and feasibility of using different sources, including economic realities such as carbon prices needed to cover forest mgmt activities.

Next Meeting

The Landowner Incentives and Barriers Committee will set another meeting after guidance is provided on follow up on assignments from the IFWG.