



Audra Gordon, Manager, Commercial Services
 Strategic Acquisitions and Technology Procurement
 Pacific Carbon Trust
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May 13, 2009

Dear Ms. Gordon

Re: Request for Information to assist the Pacific Carbon Trust (PCT) in the development of future forest GHG offset procurement

Our organizations wish to provide comments and concerns related to the Request for Information #PCT-2371 - Forest Greenhouse Gas Offsets. We, the undersigned, recognize the leadership the provincial government has shown by taking action on many climate-related issues. While direct reductions in GHG emissions remain the top priority in meeting the provincial government's commitment to a carbon neutral public sector and meeting provincial GHG targets, we acknowledge that some emissions will remain to be offset. In this context, we support the PCT's mandate to provide *quality BC-based offsets that are of high environmental integrity.*

In our submission, high quality forest-based offsets would be those that provide both real greenhouse gas (GHG) reduction benefits and biodiversity co-benefits. High quality forest-based offsets should provide incentives for forest conservation initiatives as a first priority, both to reduce greenhouse gas emissions and to give species and ecosystems the best chance in the face of climate change.

We believe that the proposed silvicultural programs as described in the Request for Information (RFI) will compromise the ability of the PCT to provide high quality forest-based offsets due to:

- 1. Negative ecological impacts in intensively managed forests**
- 2. Tenuous GHG benefits**
- 3. Lack of clarity as to how intensively managed forest offset projects can be financially viable while also being of 'high quality'**

Specifically, the PCT focus on promoting a silviculture regime of fertilizing and using superior seed stock to improve volumes and growth rates, without extending rotations, implies that the PCT would grant offset credits to intensively managed forests that will eventually be logged.

Such projects will certainly have negative ecological impacts. Managing an area intensively for the sole purpose of increasing volume will provide little benefit in terms of biodiversity, and does not guarantee that ecosystem functioning and complexity will be restored to its natural state. The impact of chemical input to the environment from fertilizer application is ecologically questionable. Moreover, as

fertilizers have a considerable carbon footprint unto themselves, this carbon input would need to be accounted for in the verification process.

Modified forests and plantations are not as effective at storing carbon or providing ecosystem services, and support less biological diversity.¹ As the Pacific Institute for Climate Solutions recently noted: “While vigorous young stands have high NEP, they never achieve the C stocks that were contained in original primary and old-growth forest (e.g. Janzen 2006, Smithwick et al. 2002). This is particularly important where natural disturbances are infrequent and rarely stand destroying, such as coastal BC.”²

While not explicit, the RFI implies that the proposed projects are not intended solely for the purpose of meeting climate mitigation goals, but also to “harness the economic potential of carbon offsets” and “generate revenue”. We understand this to mean the stands could be logged, and are unclear as to how this is expected to result in net greenhouse gas removal from the atmosphere. Put another way, while we understand that forest-based offsets would need to meet the *Emission Offsets Regulation* with respect to measures such as permanency and additionality, it is not at all clear how the intensive forestry approaches proposed in the RFI could do so. In addition, under the current model of industrial forest management and operations, it does not appear feasible that intensively managed forests could be logged in a manner that is both economically viable for a licensee, while also meeting requirements for high quality offsets, even taking into account potential revenue from carbon offsets.

Afforestation of marginal land or not-sufficiently-restocked forest lands that have been without forest cover since 1989 may have a role to play in restoration-focused forest carbon projects, but it is not clear from the RFI that these would not eventually be logged as well. Furthermore, with respect to afforestation projects, due to the time lag between when stands are planted and when they begin to remove carbon, revenue for projects will have to be received in installments over time, as PCT is only permitted to purchase ex-post credits. The time frame would surely be longer than the term of any current forestry tenure, and as such, the financial viability (or time value of money) of such a project is questionable.

Conclusion

Ambitious, immediate efforts to reduce our reliance on fossil fuels and resulting greenhouse gas emissions should be the highest priority for meaningful action now on climate change, both in achieving a ‘carbon neutral’ public sector and in meeting short term GHG reduction targets.

Where emissions remain that are difficult or impossible to reduce, high quality offsets have a role to play.

High quality forest carbon offsets must both

- a) provide real and immediate GHG emission reductions (result in an absolute net reduction of greenhouse gases after accounting for all greenhouse gas sources, sinks and reservoirs; measurable; verifiable; additional; permanent); and,**
- b) have demonstrable benefits for biodiversity and resilience.³**

¹ Secretariat of the Convention on Biological Diversity, *Draft Findings of Ad Hoc Technical Expert Group (AHTEG) on Biodiversity and Climate Change* (UN Environment Programme, 2008) at 6-7.

² T. Andrew Black and Rachhpal S. Jassal, *Carbon Sequestration in British Columbia’s Forests and Management Options* (Pacific Institute for Climate Solutions, November 2008) at 7-8.

³ And at a minimum have no net negative impacts on biodiversity and ecosystem function.

Conservation of intact ecosystems, old-growth and low-disturbance forests, and other carbon-storing ecosystems such as grasslands and wetlands, should be prioritized for immediate gains in carbon storage/avoided emissions and biodiversity co-benefits.

Offsets, forestry-based or otherwise, may be useful interim strategies. However, only robust, short term emissions reductions programs will provide the magnitude of greenhouse gas emission reductions required to avoid potentially catastrophic impacts of climate change that may result from crossing critical temperature increase thresholds.

We encourage you to centre a forest-based offset program on reduced emissions from avoided forest conversion (measures that prevent the conversion of forests to non-forest uses) and avoided degradation (measures that protect primary forests from logging). While 'avoided conversion', part of the proposed California Climate Action Registry Forest Project Protocol, is critical for the immediate and ongoing carbon storage contribution, given the realities of BC's forest sector the highest impact strategy for reducing emissions from a forestry perspective is 'avoided degradation' of the forest carbon stores in our primary forests.

Furthermore, enhanced nature protection is an imperative to boost species' resilience, and support ecosystem integrity and functioning in the face of climate change. We recommend prioritizing the identification and mapping of forested ecosystems of highest conservation and climate mitigation values. This would be a beneficial decision-support system that could identify priority areas in which to implement forest conservation offset projects with dual carbon/biodiversity benefits.

Robust forest offset projects, such as we have described, coupled with prioritizing reduced emissions from fossil fuel manufacture/use and other greenhouse gas-emitting activities, would better position British Columbia to continue to be seen as a global leader in climate change mitigation and adaptation.

We believe that forest-based carbon offset projects could be high quality and enjoy broad-based support and credibility. To support this, we propose a protocol development process with ENGO representation that would address the issues and priorities set out in this letter. In doing so, we note the need to address the full range of carbon-related phenomena that occur in the categories of carbon removal, storage, and emissions that occur, e.g., emissions associated with forestry operations, inputs from chemical fertilizers, etc.

Finally, development of offset protocols will need to be embedded in a more comprehensive dialogue involving other government agencies (Ministry of Forests and Range, Ministry of Environment, Climate Action Secretariat), ENGOs and other sectors to:

- identify optimal land use choices for BC to both reduce GHG emissions and support ecosystem/species adaptation in the face of climate change; and,
- recommend legal/policy and market mechanisms to incentivize these choices.

Thank you for considering our comments, concerns, and recommendations. See contact information below.

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