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HOUSE BILL 2856

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State of Washington                      59th Legislature                      2006 Regular Session

By Representatives Blake and Buck

Read first time 01/16/2006.                      Referred to Committee on Natural Resources, Ecology & Parks.

1            AN ACT Relating to the creation of the forest carbon credits study  
2 panel; creating new sections; and providing an expiration date.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4            NEW SECTION.    **Sec. 1.** The legislature finds that:

5            (1) There is a growing interest in the tracking, registering, and  
6 reduction of greenhouse gas emissions at both the state and federal  
7 levels of government.    This growing interest is evidenced by  
8 Washington's creation of the center for climate and rural energy  
9 development at Washington State University in 2002, as well as the 2003  
10 west coast governor's global warming initiative launched by the  
11 governors of Washington, Oregon, and California.

12            (2) Although regulatory regimes will likely be necessary to create  
13 a framework for greenhouse gas reductions, market mechanisms will play  
14 an integral role in any plan to reduce greenhouse gas emissions in the  
15 next century.    Emission credit trading systems provide greenhouse gas  
16 emitting industries with an efficient market mechanism to comply with  
17 greenhouse gas regulations.    Activities that store or trap carbon, such  
18 as growing forests, should be recognized in emission credit trading  
19 systems.

1 (3) Forests and growing trees act as a sink for carbon by removing  
2 carbon from the atmosphere through photosynthesis and storing the  
3 carbon on a long-term basis in the biomass of the tree.

4 (4) The high productivity of northwest forests provide the capacity  
5 to sequester large stocks of carbon as compared to forests in other  
6 less productive parts of the country. Managing healthy forests in  
7 longer rotations also provides greater stores of carbon than in young  
8 trees.

9 (5) The owners of forest lands in the northwest have the  
10 opportunity to participate in carbon emissions trading markets by  
11 making voluntary, long-term commitments to managing their forests for  
12 optimal carbon sequestration.

13 (6) An economic reward to the landowner can be achieved, in part,  
14 by permitting Washington forest owners to earn a tradable carbon credit  
15 that can be exchanged on the state, national, and international level  
16 when the landowner commits to forest management practices that enhances  
17 carbon sequestration.

18 NEW SECTION. **Sec. 2.** (1) The forest carbon credits study panel is  
19 created to study opportunities available to the state of Washington to  
20 develop a robust carbon credit trading market for owners of forest  
21 land.

22 (2) The study panel consists of twelve members as follows:

23 (a) One representative of the governor's office, appointed by the  
24 governor;

25 (b) Two representatives of conservation or environmental groups,  
26 appointed by the governor;

27 (c) Two representatives of industries or businesses that produce  
28 carbon emissions within the state of Washington, appointed by the  
29 governor;

30 (d) One representative of owners of small private forest lands,  
31 appointed by the governor;

32 (e) One representative of owners of large or industrial private  
33 forest lands, appointed by the governor;

34 (f) One representative of the department of natural resources,  
35 appointed by the commissioner of public lands;

36 (g) One representative of the department of ecology, appointed by  
37 the director of the department of ecology;

1 (h) One representative of the department of fish and wildlife,  
2 appointed by the director of the department of fish and wildlife;

3 (i) One representative of the department of revenue, appointed by  
4 the director of the department of revenue; and

5 (j) One representative of the department of community, trade, and  
6 economic development, appointed by the director of the department of  
7 community, trade, and economic development.

8 (3) The study panel shall study and make recommendations on the  
9 following topics:

10 (a) The existence or potential for development of sufficient  
11 regulatory basis for a carbon trading market that can be accessed by  
12 state forest landowners;

13 (b) A definition of the market to which state forest landowners  
14 could access in selling credits;

15 (c) The benefits and drawbacks of existing models in other states  
16 as applied to Washington;

17 (d) Whether the implementation of a consistent protocol in all  
18 western states for the accounting of carbon sequestration capacity  
19 value will enhance carbon trading for the owners of forest lands;

20 (e) What steps are necessary to create carbon credits and implement  
21 a trading market; and

22 (f) Other topics decided by the study panel as necessary to explore  
23 in order to meet the charge of the study panel.

24 (4) The study panel may, as necessary and as funding allows,  
25 contract with the University of Washington's school of forestry,  
26 Washington State University's center for climate and rural energy  
27 development, or other suitable institutions to obtain technical  
28 expertise on relevant forestry and economic issues pertaining to the  
29 establishment of a forest carbon credit and trading system.

30 (5) Each member of the study panel shall serve without  
31 compensation, but may be reimbursed for travel expenses as authorized  
32 in RCW 43.03.050 and 43.03.060.

33 (6) Staff support for the study panel shall be provided by the  
34 department of community, trade, and economic development and the  
35 department of natural resources.

36 (7) The findings of the study panel, along with draft legislation  
37 developed by the study panel, shall be reported to the appropriate

1 standing committees of the legislature by January 2, 2007.

2 NEW SECTION. **Sec. 3.** This act expires July 31, 2007.

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