

HOUSE BILL REPORT

HB 2047

As Reported by House Committee On:
Rural Development, Agriculture, & Natural Resources
Appropriations

Title: An act relating to carbon sequestration on natural and working lands as part of the state's climate change response.

Brief Description: Concerning carbon sequestration on natural and working lands as part of the state's climate change response.

Sponsors: Representatives Ramos, Springer, Lekanoff, Shewmake, Doglio, Pettigrew, Fitzgibbon, Frame, Chapman, Senn, Tharinger and Leavitt; by request of Department of Natural Resources.

Brief History:

Committee Activity:

Rural Development, Agriculture, & Natural Resources: 2/20/19, 2/22/19 [DPS];
Appropriations: 2/27/19, 2/28/19 [DP2S(w/o sub RDAN)].

Brief Summary of Second Substitute Bill

- Directs the Department of Natural Resources (DNR) to develop a more complete inventory of carbon on natural and working lands.
- Directs the DNR to serve in a liaison role to owners of forestland and aquatic lands concerning carbon reduction and sequestration issues.
- Directs the DNR and the Office of the Governor to form a carbon sequestration advisory group to advise the state on carbon sequestration issues.

HOUSE COMMITTEE ON RURAL DEVELOPMENT, AGRICULTURE, & NATURAL RESOURCES

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Blake, Chair; Shewmake, Vice Chair; Chapman, Fitzgibbon, Lekanoff, Pettigrew, Ramos and Springer.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Minority Report: Do not pass. Signed by 6 members: Representatives Dent, Assistant Ranking Minority Member; Dye, Kretz, Orcutt, Schmick and Walsh.

Staff: Robert Hatfield (786-7117).

Background:

Carbon Sequestration and Mitigation.

In 2007 Washington enacted legislation that directed the Governor to develop policy recommendations to the Legislature on how the state can achieve greenhouse gas emissions reductions. The recommendations were required to include, among other things, how forest sequestration and carbon sequestration can be used to achieve greenhouse gas emissions reduction goals.

State Regulation of Greenhouse Gases.

In 2008 Washington enacted legislation that set a series of limits on the emission of greenhouse gases within the state. The Department of Ecology is responsible for monitoring and tracking the state's progress toward the emission limits.

The state's current limits on the emission of greenhouse gases are:

- By 2020 overall greenhouse gas emissions in the state must be reduced to 1990 levels.
- By 2035 overall greenhouse gas emissions in the state must be reduced to 25 percent below 1990 levels.
- By 2050 overall greenhouse gas emissions in the state must be reduced to 50 percent below 1990 levels, or 70 percent below the state's expected emissions for that year.

Summary of Substitute Bill:

Carbon Sequestration and Release Inventory.

The Department of Natural Resources (DNR) is directed to build on existing efforts to conduct inventories of carbon stocks and emissions across the state's aquatic and terrestrial lands. The inventory may include, but is not limited to:

- sawmill energy use and emissions;
- land management activities; and
- wildfire emissions.

The DNR must submit a report to the Legislature by December 1, 2020, that summarizes the carbon inventory, assesses further carbon inventory needs, recommends further improvements in carbon inventory activities, and recommends a schedule by which the DNR will update the carbon inventory.

The inventory and report are subject to the availability of funds.

Forestland Carbon Liaison.

The DNR is directed to serve in a liaison role to assist owners of private and other forestland and aquatic lands to connect with carbon markets and other incentive-based carbon reducing programs.

The DNR's carbon liaison efforts may include the following actions, among others:

- identifying possible carbon market opportunities that Washington landowners may be able to access;
- identifying interested and willing landowners that may qualify for access to existing carbon market or carbon incentive programs;
- developing incentives for participation in carbon markets; and
- sharing carbon storage best-practices information with landowners.

The DNR's liaison role and efforts are subject to the availability of funds.

Carbon Sequestration Advisory Group.

The DNR and the Office of the Governor must form a Carbon Sequestration Advisory Group to advise the state on ways to effectively advance and accelerate carbon sequestration throughout the state.

The DNR and the Office of the Governor must jointly submit recommendations of the Carbon Sequestration Advisory Group to the Legislature by December 1, 2019, and every two years thereafter.

The DNR's Carbon Sequestration Advisory Group efforts are subject to the availability of funds.

Substitute Bill Compared to Original Bill:

The substitute bill adds aquatic lands to the scope of the act.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) One Washington timber company also has operations in New Zealand. New Zealand was an early adopter of the Kyoto Protocol. New Zealand recognized that forests would be a big part of meeting greenhouse gas emissions objectives. New Zealand created a very successful carbon trading program that has been going for 10 years. The demand for forest credits far exceeds supply in Washington. Washington has a good handle on where its emissions are coming from, but Washington does not have a good handle on the other side of the equation: the sequestration of carbon. If Washington is going to make good policy on

emissions, it also needs to address carbon storage. The inventory called for in this bill is a good step toward helping forest products companies be successful.

Using the power of natural and working lands, Washington can achieve some of the sequestration needed to address climate change. One carbon storage partnership between a Washington-based technology company and a land trust has resulted in the equivalent of taking 6,000 cars off the road.

Washington's forests sequester 30 percent of the state's emissions in their current form. Nobody knows what the ultimate climate solution will look like, but the forest products industry will be better served if it is prepared to plug into whatever climate solution is eventually adopted. This bill is the first step toward laying the groundwork for the role forestry will play in climate solutions. A rotational forest will sequester more carbon over time.

The shellfish industry has been significantly impacted by ocean acidification, which challenges shellfish growers to address the underlying cause: carbon pollution. This bill leaves aquatic lands off the list of lands that can contribute to sequestration. Carbon stored on aquatic lands and in the ocean, also known as blue carbon, can contribute significantly to carbon sequestration.

(Opposed) None.

Persons Testifying: Representative Ramos, prime sponsor; Mike Warjone, Port Blakely Tree Farms; Dan Stonington, Department of Natural Resources; Lisa Remlinger, Washington Environmental Council; Jason Callahan, Washington Forest Protection Association; and Bill Dewey, Taylor Shellfish Farms.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Rural Development, Agriculture, & Natural Resources. Signed by 22 members: Representatives Ormsby, Chair; Bergquist, 2nd Vice Chair; Robinson, 1st Vice Chair; MacEwen, Assistant Ranking Minority Member; Chandler, Cody, Dolan, Fitzgibbon, Hansen, Hudgins, Jinkins, Macri, Pettigrew, Pollet, Ryu, Senn, Springer, Stanford, Steele, Sullivan, Tarleton and Tharinger.

Minority Report: Do not pass. Signed by 10 members: Representatives Stokesbary, Ranking Minority Member; Rude, Assistant Ranking Minority Member; Caldier, Dye, Hoff, Kraft, Mosbrucker, Schmick, Sutherland and Ybarra.

Staff: Dan Jones (786-7118).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Rural Development, Agriculture, & Natural Resources:

A null and void clause was added, making the bill null and void unless funding is specifically provided in the budget.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Second Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed. However, the bill is null and void unless funded in the budget.

Staff Summary of Public Testimony:

(In support) This agency-request bill would help the Department of Natural Resources explore opportunities for drawing carbon out of the atmosphere and storing it in forests and working lands. The bill would do so in ways that help landowners, help rural communities, and address climate change. This is a cost-effective approach to accomplishing several things. The carbon inventories would help leverage existing research on carbon sequestration. The voluntary landowner assistance would help landowners understand and access existing markets. The advisory group would help the state engage with a diverse range of parties involved in carbon sequestration.

(Opposed) None.

Persons Testifying: Dan Stonington, Department of Natural Resources.

Persons Signed In To Testify But Not Testifying: None.