OFIC Climate Change and Carbon Policy Paper - 2022

Summary Statement Regarding the Role of Working Forests in Addressing Climate Change:

Working forests and a robust forest products industry are key to any domestic or international climate change mitigation strategy. Forests are a natural climate solution, as actively growing forests pull CO2 from the atmosphere and store carbon in woody vegetation. By sustainably managing forests, these benefits can be enhanced above and beyond the natural forest carbon cycle. Carbon sequestered by harvested trees from working forests is stored in wood products and used as a carbon-neutral energy source. Primary wood products, wood manufacturing byproducts, and biomass-derived energy provide a substitutionary benefit over the use of fossil fuel-intensive alternatives. This cycle of carbon capture and storage from working forests can be indefinitely and sustainably maintained through a continuous process of adaptive reforestation (replanting and regrowth) and harvest, and is dependent on a thriving, local, integrated forest products industry. Growth of the forest products industry is essential for the social and economic wellbeing of Oregon communities and is key in maximizing the climate benefits of our state's forests.

Key Definitions:

"Carbon Neutrality" means, regarding a specific sector or activity, that any release of GHG from that sector or activity is balanced by an equivalent amount being removed from the atmosphere.¹

"Climate smart forestry" is any forest management strategy that increases the adaptive capacity² of forests to climate change³-related damages and that enhances⁴ the climate mitigation⁵ potential of forests. Mitigative potential encompasses the active removal of CO2 from the atmosphere and storage in above- and below-ground forest biomass as well as the storage of carbon in harvested wood products and other forest-derived products.

"Sustainable forest management" is any management paradigm that maintains or enhances the economic, social, and environmental values of forests for the benefit of present and future generations.⁶

¹ See, "Going carbon negative: What are the technology options," International Energy Agency, 31 Jan. 2020. *Available at*: https://www.iea.org/commentaries/going-carbon-negative-what-are-the-technology-options. ² For definition of "Adaptive Capacity" *see* U.S. National Climate Assessment Glossary. *Available at*:

https://www.globalchange.gov/climate-change/glossary.

³ For definition of "Climate Change" see United Nations Framework Convention on Climate Change. *Available at:* https://unfccc.int/files/essential_background/background_publications_htmlpdf/application/pdf/conveng.pdf. ⁴ Gustavsson *et al.* "Climate change effects of forestry and substitution of carbon-intensive materials and fossil fuels." Renewable and Sustainable Energy Reviews 67 (2017) 612-624. (*Finding that* "net ecosystem CO2

exchange...becomes more negative under more intensive management" and results in more CO2 being removed from the atmosphere.)

⁵ For definition of "Climate Mitigation" *see* U.S. National Climate Assessment Glossary.

⁶ See Food and Agriculture Organization of the United Nations discussion of sustainable forest management. *Available at*: https://bit.ly/3LL74fM.

Climate Policy Principles/Positions:

Policy Principles Relating to Carbon Neutrality:

- 1.) Oregon must continue to recognize the carbon neutrality of biogenic CO2 emissions, including from the combustion of biomass⁷ and end-of-product-life scenarios.
- 2.) Programs that require greenhouse gas emission reductions from the built environment (e.g. "net zero carbon" policies) must account for embodied carbon and give credit for embedded biogenic carbon in building materials relative to alternatives.
- 3.) Given life-cycle analysis and substitutionary effects, harvested wood products and byproducts sourced from Oregon and similarly situated jurisdictions provide a net climate benefit.⁸

Policy Principles Relating to Climate Smart Forestry:

- 1.) Incentive-based programs should provide landowners the needed flexibility to incorporate climate-smart forestry principles while managing for a variety of outcomes. The state should not mandate one management paradigm over another.
- 2.) Policies that incentivize carbon sequestration on working lands must account for all carbon pools, including harvested wood products and the substitutionary benefits of wood over alternatives.
- 3.) Public forest management policies should prioritize the reduction of fuel loads on public lands (whether state lands or federal forestland protected by the state through partnership agreements) through active management and the post-fire restoration of burned acres through harvest and reforestation.
- 4.) State programs should incentivize afforestation of lands that were either historically forested or that are suitable for forest establishment.
- 5.) State policies should incentivize investment in beneficial use technologies for harvest residuals. A robust policy for facilitating the beneficial use of harvest residuals should include resources for on-site access to and removal of residuals as well as a streamlined process for siting and permitting new biomass-processing facilities.
- 6.) Oregon should continue to lead in adopting cutting-edge changes to the state's structural specialty code to facilitate use of mass timber products in commercial construction projects. To the extent that the finalized 2024 International Building Code expands the allowable uses of mass timber, Oregon should adopt the same.

Policy Principles Relating to Sustainable Forest Management:

1.) The climate benefits of wood and wood-derived products sourced from sustainably managed forests, including scientifically validated substitutionary benefits, should be recognized in state procurement and tax policies.

⁷ See, 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Volume 2, Chapter 2, Section 2.3.3.4. (*finding that* emissions of CO2 from biomass fuels are estimated and reported in the Agriculture, Forestry, and Other Land Use emissions category, and are therefore must be excluded from the calculation of emissions from energy generation).

⁸ See, Oregon Forest Ecosystem Carbon Inventory: 2001-2016, U.S Forest Service and Oregon Department of Forestry, 29 Oct. 2019. *Available at*: https://bit.ly/3kJ9dNb.

2.) Oregon should lead in funding and promoting research for advanced wood utilization and endof-life disposal projects in an effort to increase the lifecycle of harvested wood products.

OFIC Principles Regarding Carbon Markets:

- 1.) OFIC supports use of forest carbon offsets in non-regulatory carbon markets.
- 2.) Any forestry protocol within a regulatory carbon market should not incentivize or mandate a reduction in the annual yield of forest fiber.
- 3.) Forest carbon offset protocols should confer climate benefits that are real, measurable, and additional. Such protocols should account for the risk of leakage due to any proposed management change on enrolled acres.
- 4.) Any state-based carbon market should include separate protocols for offsets for the use of wood products in the place of higher embodied-carbon alternatives as a measurable climate benefit.