

Climate Change Integration Group

Port of Portland
Commission Room
121 NW Everett St
Portland, OR 97209
October 31, 2006
10 AM – 3 PM

Present at Meeting:

Integration Group

Mark Abbott and Ned Dempsey, Co-Chairs

Susan Anderson, Lisa Adatto, Rex Burkholder, Mike Burnett, Mike Cloughesy, Christine Ervin, Roger Hamilton alternate for Bob Doppelt, Dr. Mel Kohn, Peter Murchie, and Sarah Severn

Via conference call:

Ex Officio

Ron Neilson

Other Attendees

Sven Anderson, Jim Cathcart, Bill Drumheller, Marianne Fitzgerald, Michael Grainey, Laurel Hillmann, Justin Klure, David Morman, Dave Newman, Kathy Shinn and David Van't Hof

Chair Dempsey called the meeting to order.

Christine Ervin gave a report on the Mitigation Subcommittee. They have met three times once in August, September and October. The first meeting focused on the charter. This last meeting was spent modifying and improving the charter. There are four parts to the charter.

- Government Practices, Quantitative emissions progress
- Tracking Programs
- Add and make recommendations on additional mitigation activities as needed
- Develop communication strategy

At the last two meetings the subcommittee focused largely on the communications strategy. The group had a preliminary discussion of their goals and strategies. Their assignment was to come back with specific ideas on goals and strategies and to develop a rough plan. They have done that but were not prepared to share that information with the group yet. The next steps are to:

- Finalize the plan and present it to the group
- Bring in a public relations person to help support the groups efforts

Chair Abbott tells the subcommittee that for the December report to the Governor it would be useful to have some assessment from the 2004 report on where we are.

David Morman, Forest Resources Planning Program Director, Oregon Department of Forestry (ODF) began a Power Point Presentation on current actions from both ODF and Oregon Forest Resources Institute (OFRI) relating to climate change and some new opportunities that they hope the group will consider while working on this issue. See presentation at <http://www.oregon.gov/ENERGY/GBLWRM/CCIG-meetings.shtml>. Half of Oregon is forested, of that half 43% is private, 16% family owned and 27% industrial owned. Key issues related to climate change are:

- Maintaining the forest land base is key to many environmental, economic, social benefits and should be Oregon's primary contribution to moderating global climate change.
- Renewable wood should be a preferred building material, use of Oregon wood is an even better choice
- Forest ecosystems dynamics are often not reflected in forest policies
- Effects of future climate change and invasive species may dwarf current forest management debates

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The forestry program for Oregon actions related to climate change is to:

- Encourage maintaining and increasing Oregon's forestland base and promoting urban forests
- Develop tools to understand the dynamics of forest carbon pools
- Promote increased public and forest landowner understanding of the potential contributions of trees and forests in storing carbon
- Promote the development of forestry carbon-offset markets, and provide landowners information about the markets
- Promote the use and reuse of Oregon forest resources
- Develop local markets for wood products from Oregon forests
- Encourage greater consumer awareness of the environmental advantages of using renewable and recyclable Oregon forest products
- Promote active forest fuels and vegetation management
- Promote forest landscape conditions that are resilient to natural disturbances, including climate change
- Encourage long-term wood volume growth in Oregon that exceeds the rates of timber harvest and mortality
- Maintain a favorable investment climate for environmentally sensitive, socially responsible, and globally competitive forest-based businesses throughout Oregon
- Promote adaptive forest management

Some key opportunities are:

- The Forestry Program for Oregon provides a foundation for planning for healthy, sustainable forests
- Environmental, economic, and social benefits from our forests are interdependent; we must sustain all three to sustain any one benefit
- Oregon indicators of sustainable forest management can be tools for policy feedback, public education and dialogue, and for prioritizing future monitoring and assessment work
- Maintaining the forest land base critical
- Need a clear State of Oregon forest products cluster economic development strategy and the institutional capacity to implement it
- Forest biomass utilization -- tremendous potential with multiple environmental/economic/social benefits
- Need to make Oregon natural resource decisions in a global context--what appears sustainable at a state scale may be unsustainable when viewed from a global perspective
- Develop accurate carbon accounting for forest management and wildfire
- Promote forestry carbon offset-markets

Jim Cathcart, Private Forests Program Forest Resource Trust Manager at ODF began his part of the presentation from Forestry on the opportunities that the agency is focusing in on. The agency created a program in 1995 called Forest Resource Trust for the purpose of reforestation (planting native trees where historically they had grown).

- 1995 Implemented with \$3.5 MM lottery dollars
- 1999 Received \$1.5 MM carbon offsets funds from the Klamath Co-Generation Project
- 2005 Revitalization plan requested by the Energy Facility Siting Council (EFSC) and the Department of Energy because of limited results

House Bill 2200 Forestry Carbon Offsets

- Authorizes State Forester to Aggregate Carbon Offsets
- Allows Board of Forestry to Set Voluntary Standard

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Mike Cloughesy, Director of Oregon Forest Resource Institute (OFRI) finished the presentation on forestry issues by discussing OFRI's biomass study.

Biomass Study

- Was done and funded by OFRI
- It was conducted by Mason, Bruce & Girard, Pacific Energy Systems, OSU College of Forestry, OSU College of AG Science & Dr. Jim Bowyer, America's Professor of Biobase Materials at the University of Minnesota.
- Worked very closely with the Forest Biomass Working Group
- Study was completed in June 2006 and published in August 2006.

High Points of Study

- It was a 180 page study and 110 pages were reviewing existing research
- Worked very closely with stakeholders to see what they thought the benefits and constraints were in using biomass.
- Asses the potential for production of electrical energy in biofuels from woody biomass in Oregon
- Look at constraints and challenges
- Develop recommendations on how to move forward

Key Study Findings

- Analyzed potential biomass supply from fuel reduction treatments across 20 eastern and southern Oregon counties
- About 15% of Oregon's forestland have the potential to provide forest biomass by thinning of forest stands to reduce risk of uncharacteristic fire
- Opportunities exist in Klamath/Lake, Jackson/Josephine/Douglas, Grant/Union/Wallowa/Baker & Crook/Deschutes/Jefferson/Wasco Counties
- Eligible area includes public and private timberland with moderate to high fire risk which is outside of designated roadless areas, Wilderness areas, parks and other forestlands where harvesting is excluded. Federal lands make up 71% of potential acres
- Thinning these acres over 20 years could produce 1.0 million bone dry tons (BDT) per year of woody biomass not including merchantable sawtimber
- Governor's staff and electric utilities have asked us to identify areas where fuel supply, transportation infrastructure and transmission infrastructure come together

Mike Burnett, Executive Director of The Climate Trust spoke about the role of greenhouse gas (GHG) offsets. Mr. Burnett asked the question "Why would you want to do offsets?"

- Offsets, if done right, can be equally effective in reducing emissions.
- The biggest argument is lower costs. There are things outside of the cap that lower the cost of implementing things within the cap, therefore you can address the climate change challenge at the lowest overall cost to society.
- Offsets constitute a technology bridge. A lot of what needs to be done to mitigate climate change involves getting new technology deployed, some of which are partly under development or partly commercialized. We can still be driving emissions down while developing new technologies.
- Lots of environmental code benefits and economic code benefits from offset projects.

The Climate Trust is a non-profit organization located here in Oregon and does GHG offsets and contributes to policy discussions around GHG offsets. The Climate Trust was started in 1997 when Oregon was the first state in the country to pass legislation limiting GHG.

- The Climate Trust is one of the largest most experienced buyers of GHG offsets in the country

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- The only state recognized offset provider
- Over \$6 million dollars in contracts and expected to double this year

Chair Ned Dempsey asked if there was any public comment. There was none.

Chair Abbott began discussion on the report that needs to be given to the governor. The report needs to go over the near term actions such as:

- Giving the CCIG a real charter and a mission and make sure that it is in place
- Assess what has happened since 2004
- Looking at the research plan
- Things to tell the state agencies to help them build up their planning process

Chair Abbott asked if everyone agreed that those should be the four main sectors of the report. No one disagreed. David Van't Hof suggested that the economic opportunity be in the report somewhere. Mr. Burnett stated that the group needs to go more in depth with what is meant by adaptation, what are the things that need to be put into place to best grasp adaptation, and what it might mean for the economy and the land in Oregon. Mr. Van't Hof added that for seeking legislation around the CCIG it is important to tie the adaptation piece into what you are recommending to legislature. Mr. Van't Hof then suggested listing specific areas of adaptation such as water, forests, sea level and health. Mr. Abbott feels that the ocean circulation and productivity is extremely important in impacting Oregon's coast but isn't sure if it should be added because of the natural variability. Mr. Abbott's suggestion is to pick the sectors to focus on and then choose the issues within each sector. The group seemed to be in consensus that they should have an assessment, a sector by sector matrix approach, helping each affected sector by telling them what is going to happen and how to adapt and a statewide communications strategy. Chair Ned Dempsey asked if everyone agreed that this should be the approach. No one disagreed. The group then worked on putting an outline together.

- Goals (Quantitative)
- Assessment
 - Progress on actions from previous report
 - Potential Impacts
 - Research
 - Adaptation
 - Recommendations
- "Stern Report" for Oregon
 - Sector Matrix
- Opportunities
 - Communications

The Chairs asked for a draft outline from Bill Drumheller and Justin Klure, ODOE. The next meeting will be December 13, 2006 in Salem. Chair Ned Dempsey adjourned the meeting.