

March 25, 2019

To: Oregon Joint Legislative Committee on Carbon Reduction (Dembrow, Power, Bentz, Smith, Beyer, Girod, Golden, Olsen, Taylor, Bonham, Davis, Helm, Lively, Marsh)

From: 

Catherine M. Mater; President of Mater Engineering dba Mater Ltd; past chair of the Oregon Global Warming Commission Forest Carbon Taskforce; member of the Governor's Forest Carbon Oversight Committee to the Oregon Department of Forestry

*Re: Proposed amendment to HB 2020 (this document 2 pages)*

As a recent past member of the Oregon Global Warming Commission (OGWC; "Commission") and past chair of the OGWC Forest Carbon Task Force, I am writing to urgently request consideration of 2 amendments to HB 2020 (Clean Energy Jobs Bill) that will acknowledge and support the immediate future role of forest carbon accounting and management projects in Oregon's statewide carbon footprint and carbon reduction goals targeted in the bill. As background:

- 1) In 2016, resulting from legal action proposed to be filed against the legislature and OGWC for failure to conduct statute-mandated due diligence in forest carbon accounting, the Commission received new forest inventory data from the USFS that allowed for an intensive analysis of the role Oregon's forests play in the state's carbon footprint. Until then, forests were considered carbon neutral: Whatever emissions occurred due to harvest, mortality, fire etc. were offset by annual tree growth.
- 2) In July of 2017 ( see [https://www.fs.fed.us/pnw/rma/local-resources/documents/client-meeting/Yost\\_OregonGlobalWarmingTaskforce.pdf](https://www.fs.fed.us/pnw/rma/local-resources/documents/client-meeting/Yost_OregonGlobalWarmingTaskforce.pdf) ) the OGWC Task Force produced a preliminary set of findings based on the new forest inventory data that suggested Oregon forests – far from being carbon neutral – actually produced each year a net added carbon store of approximately 30 million metric tons (MMTCO<sub>2e</sub>) - an offset amount equal to 50% of all other annual carbon emissions by all other reporting sectors in the state.
- 3) In October 2018 the Oregon Department of Forestry independently verified the preliminary findings of the OGWC Task Force also concluding that Oregon forests produce an added net carbon store of ~ 30 MMTCO<sub>2e</sub>/yr. making Oregon forests a key player in the state's carbon reduction goal strategy.  
[https://www.oregon.gov/ODF/ForestBenefits/Documents/Forest%20Carbon%20Study/Oregon\\_Carbon\\_Report\\_FIA\\_background\\_draft\\_estimates\\_10\\_17\\_2018.pdf](https://www.oregon.gov/ODF/ForestBenefits/Documents/Forest%20Carbon%20Study/Oregon_Carbon_Report_FIA_background_draft_estimates_10_17_2018.pdf)
- 4) With forest carbon included in the state's carbon accounting footprint, **Oregon is just one MMTCO<sub>2e</sub> per year shy of meeting its 2035 carbon reduction goals referenced in HB 2020.** Forests are the only sector in the state that acquires/pulls carbon from the atmosphere (carbon sink). HB 2020 focuses on reduction of fossil fuel use (ie clean energy) and provides no directed funding for the development of forest carbon sequestration and management projects that will significantly contribute to meeting HB 2020 goals for 2035 and 2050. With passage of HB 2020 with amendments as proposed in this document, Oregon could become the first net carbon sink state in the nation by 2035.
- 5) The following proposed amendments stipulate the set aside of 10% of all generated funds allocated to the Transportation Decarbonization Account and 15% of all generated funds allocated to the Climate Investment Funds for development of forest carbon sequestration and management projects in the state to help meet the 2035 and 2050 carbon reduction goals stipulated in HB 2020.

**Proposed amendment #1**

Section (23) (3) (a) and Section (23) (3) (c) (B); lines 9 and 18:

“(3) The Carbon Policy Office shall certify the amount of moneys available for distribution in the Auction Proceeds Distribution Fund and distribute the moneys as follows:

“(a) All moneys that constitute revenues described in Article IX, section 3a, of the Oregon Constitution, must be transferred to the Transportation Decarbonization Investments Account established in section 31 of this 2019 Act with 10% funding set aside for forest carbon sequestration and management project development.;

“(b) All moneys that constitute revenues described in Article VIII, section 2 (1)(g), of the Oregon Constitution, must be transferred to the Common School Fund; and

“(c) Moneys remaining after the transfers under paragraphs (a) and (b) of this subsection shall be transferred in the following manner:

“(A) Two percent to the Oregon Climate Action Program Operating Fund established under section 27 of this 2019 Act; and

“(B) The remainder to the Climate Investments Fund established under section 35 of this 2019 Act with 15% funding set aside for forest carbon sequestration and management project development.

**Proposed amendment #2:**

Section (47) (2) (a-c); lines 15, 20, and 26:

“(2) The office shall aim to develop the proposal required by section 46 (2)(b) of this 2019 Act in a manner that, in total, would result in:

“(a) An amount of moneys that is approximately equal to the amount of moneys deposited in the Climate Investments Fund as proceeds received through the purchase at auction of allowances by natural gas utilities, to be invested in energy efficiency improvements benefitting the retail customers in Oregon of natural gas utilities, with 5% funding set aside for forest carbon sequestration and management project development.

“(b) An amount of moneys that is approximately equal to half of the amount of moneys deposited in the Climate Investments Fund as proceeds received through the purchase at auction of allowances by EITE entities to be used to assist the EITE entities in using best available technology with 5% funding set aside for forest carbon sequestration and management project development.; and

“(c) An amount of moneys that is approximately equal to the amount of moneys deposited in the Climate Investments Fund as proceeds received through the purchase of allowances related to greenhouse gas emissions attributable to the direct combustion of municipal solid waste to generate renewable energy to be used for programs for reducing plastics-related greenhouse gas emissions with 5% funding set aside for forest carbon sequestration and management project development.