

SB 530 -4 STAFF MEASURE SUMMARY

Senate Committee On Natural Resources

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/15, 3/27

WHAT THE MEASURE DOES:

Defines terms, including 'climate resilience,' 'environmental justice community,' 'natural and working lands,' and 'natural climate solution.' Establishes **state policy regarding natural climate solutions**. Establishes the **Natural and Working Lands Fund** for appropriation to the Oregon Department of Energy (ODOE). Directs ODOE to annually transfer moneys according to the allocations it establishes in rule to the Agriculture Natural Climate Solutions Fund administered by the Oregon Department of Agriculture (ODA), the Forestry Natural Climate Solutions Fund administered by the Oregon Department of Forestry (ODF), the Watershed Natural Climate Solutions Fund administered by the Oregon Watershed Enhancement Board (OWEB), and the Fish and Wildlife Natural Climate Solutions Fund administered by the Oregon Department of Fish and Wildlife (ODFW). Directs ODA, ODF, OWEB, and ODFW to use those moneys to provide **incentives and financial assistance to help landowners, land managers, and environmental justice communities adopt natural climate solutions**, with no more than 10 percent allocated to administrative expenses for implementation, and to provide an accounting of expenditures to the Oregon Global Warming Commission (Commission). Directs ODOE, the Commission, and the four state **agencies to jointly coordinate on the development and implementation** of programs and activities, review progress and barriers to natural climate solutions implementation, and to identify opportunities for cross-agency coordination and leveraging capacities. Requires the Commission to annually report to environment-related legislative committees on September 15 of each year on the uses of the Natural and Working Lands Fund and additional funding needs. Requires the Commission to also **submit a biennial report** in December of even-numbered years to the Governor and environment-related interim legislative committees on: projects funded during the previous 24 months; funding sources for natural climate solutions; project assessment in light of the net carbon sequestration and storage baseline and metrics; upcoming projects and grants; anticipated climate threats to Oregon's natural and working lands in the upcoming biennium; assessment of program and authority gaps; and inventory and assessment of existing programs that relate to natural climate solutions. Directs ODOE and the Commission, in coordination with the other four state agencies and in consultation with relevant federal agencies, to prepare a **net carbon sequestration and storage baseline for natural and working lands**, in addition to **activity-based metrics, community impact metrics, and goals**. Describes 'activity-based metrics' as being used to evaluate progress toward increasing net carbon sequestration and storage on these lands as measured against the baseline. Describes 'community impact metrics' as being used to evaluate the positive and negative effects of these strategies over time, including effects on jobs, local economies, environmental integrity, public health, and accessibility to a diverse range of stakeholders. Directs ODOE and the Commission, in coordination with ODF, ODA, OWEB, the Department of State Lands, the Department of Land Conservation and Development, and federal land management partners, to develop a **natural and working lands net carbon sequestration and storage inventory**. Directs ODOE to update the inventory and submit a biennial report describing the inventory to the Commission by December 1 of each even-numbered year. Directs ODOE, in coordination with the Commission, to **study workforce training programs** needed to support adoption of natural climate solutions on natural and working lands and to submit a report of the results to environment-related legislative committees by September 15, 2024. Authorizes the Commission to appoint a **natural and working lands advisory committee** to advise the Commission in the performance of its duties under

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this Act. Requires that the committee consist of at least 14 members and that ODOE provide staff support. Takes effect on 91st day following adjournment sine die.

FISCAL: May have fiscal impact, but no statement yet issued

REVENUE: May have revenue impact, but no statement yet issued

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-4 Replaces the measure. **Defines terms**, including 'biological carbon sequestration,' 'climate resilience,' 'environmental justice community,' 'natural and working lands,' and 'natural climate solution.' Establishes **state policy regarding natural climate solutions**. Establishes the **Natural and Working Lands Fund** for appropriation to the Oregon Watershed Enhancement Board (OWEB). Directs OWEB to annually transfer moneys in the amounts determined by the Oregon Global Warming Commission (Commission) to the Agriculture Natural Climate Solutions Fund administered by the Oregon Department of Agriculture (ODA), the Forestry Natural Climate Solutions Fund administered by the Oregon Department of Forestry (ODF), the Watershed Natural Climate Solutions Fund administered by the Oregon Watershed Enhancement Board (OWEB), and the Fish and Wildlife Natural Climate Solutions Fund administered by the Oregon Department of Fish and Wildlife (ODFW). Directs the Commission, in determining allocation amounts, to evaluate the expected ability of each agency to carry out programs or activities and the degree to which allocated moneys may be used to secure federal or other sources of funding, and to consult with relevant agencies to determine each agency's proposed uses for moneys. Directs ODA, ODF, and OWEB to use those moneys to provide **incentives and financial assistance to help landowners, Indian tribes, land managers, and environmental justice communities adopt natural climate solutions**. Specifies that **40 percent of agency expenditures** must be designated for technical assistance to environmental justice communities or Indian tribes, and for incentives supported by an environment justice community or resolution of an Indian tribe, with priority given to those projects or activities administered or proposed by those entities. Directs ODFW to use allocated moneys to **conduct research** to understand: effects of natural climate solutions on natural and working lands and their products; contributions of natural climate solutions to reducing greenhouse gas emissions, increasing net carbon sequestration and storage, and strengthening climate resilience; and the co-benefits to communities and Indian tribes. Directs the **Commission and the four state agencies to jointly** coordinate on the development and implementation of programs and activities, review progress and barriers to natural climate solutions implementation, and to identify opportunities for cross-agency coordination and leveraging capacities. Requires the Commission to **annually report** to environment-related legislative committees by September 15 of each year on the uses of the Natural and Working Lands Fund and additional funding needs. Requires the Commission to also **submit a biennial report** in December of even-numbered years to the Governor and environment-related interim legislative committees on: projects funded during the previous 24 months; funding sources for natural climate solutions; project assessment in light of the net biological carbon sequestration and storage baseline and metrics; upcoming projects, grants, and other activities; and projects deployed in environmental justice communities. Requires the Commission to solicit public comment on the report before finalization. Directs the Oregon Department of Energy (ODOE) and the Commission, in coordination with ODA, ODF, ODFW, OWEB, the Department of State Lands (DSL), the Oregon Parks and Recreation Department (OPRD), and the Department of Land Conservation and Development (DLCD), and in consultation with relevant federal agencies, to establish and maintain a **net biological carbon sequestration and storage baseline for natural and working lands** in addition to **activity-based metrics** and **community impact metrics**. Authorizes the use of 1990 as a baseline year if ODOE determines that there is adequate information to support that baseline. Describes "**activity-based metrics**" as being used to evaluate progress toward increasing net biological carbon sequestration and storage on these lands as measured against the baseline, such as acres of lands for which certain

management practices have been adopted. Describes "**community impact metrics**" as being used to evaluate the positive and negative effects of these strategies over time on landowners, land managers, and communities, including effects on jobs, local economies, environmental integrity, public health, and accessibility to a diverse range of stakeholders. Requires ODOE and the Commission to make draft versions of the baseline, activity-based metrics, and community impact metrics publicly available, and to receive comments. Directs ODOE and the Commission, by January 1, 2025, in consultation with ODA, ODF, ODFW, and OWEB, to establish **nonbinding biological carbon sequestration and storage goals** for Oregon's natural and working lands. Directs ODOE and the Commission, in coordination with ODA, ODF, OWEB, DSL, DLCD, and federal land management partners, to develop a **natural and working lands net biological carbon sequestration and storage inventory**. Specifies inventory content and process requirements. Requires ODOE and the Commission to solicit public comment on the inventory before finalization. Directs ODOE to update the inventory and submit a biennial report describing the inventory to the Commission by December 1 of each even-numbered year. Directs ODOE, in coordination with the Commission, to **study workforce and training programs** needed to support adoption of natural climate solutions on natural and working lands and to submit a report of the results to environment-related legislative committees by September 15, 2024. Authorizes the Commission to appoint a **natural and working lands advisory committee** to advise the Commission in the performance of its duties under this Act. Requires that the committee consist of at least 15 members with specified representation, that the Commission seek recommendations for committee members from industry and advocacy associations where appropriate, and that ODOE provide staff support. Directs the Commission to establish a **process for consultation with representatives of federally recognized Indian tribes** to advise the Commission in the performance of its duties required under this Act, including the identification of opportunities to support indigenous practices and knowledge from tribal nations to sequester and store carbon on natural and working lands. Takes effect on 91st day following adjournment sine die.

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BACKGROUND:

According to the United States Geological Survey, "carbon sequestration" is the process of capturing and storing atmospheric carbon dioxide and "biological carbon sequestration" is the storage of atmospheric carbon in vegetation, soils, woody products, and aquatic environments.

The Oregon Global Warming Commission (Commission) was established by the Oregon Legislative Assembly in 2007 (ORS 468A.200 - .260). The Commission's mission is to "recommend ways to coordinate state and local efforts to reduce Oregon's greenhouse gas emissions, and to help the state, local governments, businesses, and Oregonians prepare for the effects of climate change."

On March 10, 2020, Governor Brown issued Executive Order 20-04 directing state agencies to take actions to reduce and regulate greenhouse gas emissions. The order directed the Commission to work with the Oregon Department of Agriculture, Oregon Department of Forestry, and the Oregon Watershed Enhancement Board to develop and submit a proposal for setting a carbon sequestration and storage goal for Oregon's natural and working lands. In 2021, the Commission published the "Natural and Working Lands Proposal." The proposal recommended an outcome-based goal, the establishment of state metrics, and four strategies to achieve the goal.

Senate Bill 530 would declare it to be the policy of the state to advance natural climate solutions on natural and working lands in Oregon, and would charge the Commission and state agencies with the implementation of various strategies to that end.