

Project Progress Report – USDA NRCS CIG

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2nd and 3rd Quarter (January-June, 2008), Submitted July 2nd, 2008
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Grantee: Northwest Natural Resource Group

Project Title: NNRG Watershed Innovations Pilot Project

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Project action plan and timeline - September 07 - August 09

Category	Sept. 07 - Feb. 08	March 08 - August 08	Sept. 08 - Feb. 09	March 09 - August 09
<p>Integration of FSC Certification and Carbon Sequestration Markets <i>Milestones</i></p>	<p>Work with FSC certifiers to develop auditing procedures for carbon in tandem with annual FSC audits. (FSC US will support our third party carbon audit scheduled for September 08)* rescheduled for 2009</p>	<p>Develop monitoring protocols, for carbon sequestration. (completed)</p>	<p>Carbon protocols added to NNRG forest management template (completed)</p>	<p>NNRG begins auditing process under VCS standards using Climate Action Registry methodology.. Annual FSC audit to include carbon sequestration measures. (FSC US formed a carbon working group to address emerging standards)</p>
<p>Carbon Supply Development <i>Milestones</i></p>	<p>Work with Pacific Forest Trust and local land trusts to develop easement language to support the FSC carbon sequestration markets. (contract language developed)</p>	<p>Work with Landowners that have committed their property permanently to forestry through working forest easements. (Carbon stores inventoried and sequestration modeled for two pilot landowners)</p>		<p>Sale of carbon in the voluntary or regional regulatory market (completed April 09, \$20/ton to ecohaus)</p>
<p>Recruitment <i>Milestones</i></p>	<p>Develop recruitment packet to include carbon sequestration information and requirements. (completed) Complete recruitment PowerPoint presentation. (completed)</p>	<p>Determine associations and other forums for group outreach (completed) Determine landowner recruitment targets (completed) 3 speaking events to forest landowners (9 completed)</p>	<p>Recruitment mailing to 1500 individual landowners. (recruitment occurring through workshops, presentation, NCF Newsletter, and word of mouth) 30 new member applications processed (55 processed)</p>	<p>30 new member applications processed (36 processed) Governor to develop forest carbon registry for Washington State that allow small landowners to participate WA State has developed guidelines for forest carbon offset policy and is following the lead of WCI and CAR</p>
<p>Registry Development <i>Milestones</i></p>	<p>In collaboration with Pacific Forest Trust and Earth Economics we will work with King County and the Governor's office to develop a Carbon Forest Registry in preparation for a Regulatory Market</p>	<p>King County to develop a forest carbon registry</p>	<p>(NNRG has been working with PFT on Western Climate Initiative protocols for WA State which King County will likely follow)</p>	
<p>Working Group <i>Milestones</i></p>	<p>Work with Leadership Council to manage landowner issues as related to compliance performance and monitoring protocols as they relate to carbon markets. (Leadership council meeting held on forestry issues on 1/29 and members attended carbon training on 4/19)</p>	<p>Work with the Leadership Council and Pacific Forest Trust to develop a method of aggregating carbon credits from multiple small forest landowners. NNRG worked with partners to develop business plan and accreditation method</p>	<p>Work with landowners to develop and adapt management plans to reflect Carbon Sequestration options (completed for pilot landowners) Landowner training course on meeting market demands for carbon sequestration. (Trainings held April 19,</p>	<p>9</p>

Progress

1st Quarter, 2007-2008 (in black)

2nd-3rd Quarter, 2008 (in blue)

4th-5th Quarter, 2008 (in green)

6th-7th Quarter, 2009 (in pink)

Final Report (in red)

Certification:

A certification meeting has been scheduled for late January between FSC US and the Alliance for Family Forests to discuss integration of carbon sequestration protocols into FSC certification audits.

NNRG has had several discussions directly with FSC-US. FSC-US is providing support for our third party carbon program audit now scheduled for September, 2008. Monitoring protocols were developed for our landowner workshop (see below).

NNRG has been continuing to work with FSC-US and other partners and is now planning to be audited under the Voluntary Carbon Standard (the leading worldwide standard) in mid-summer, 2009. As VCS has no small landowner procedures this will be a two part audit as a new project type and will be coordinated with FSC-US and other partners (Trust to Conserve Northeast Forestlands). NNRG also adapted and performed timber cruises on pilot properties to create an analysis of timber values versus carbon values.

NNRG has been continuing to work with partners on a new VCS protocol for FSC group certification. John Gunn of the Manomet Center will be presenting a draft protocol at the end of the summer. NNRG has also updated our management plan templates and inventory guidebook for landowners to include carbon for certification.

NNRG has completed all deliverables in this field. Although FSC has thus far opted to examine other carbon standard options instead of developing their own, they continue to support NNRG's NW Neutral program as a forerunner. NNRG working with partners mentioned above has identified likely protocols for third party certification of our program and is in the process of obtaining VCS certification using Climate Action Registry (CAR) methodology. This approach should prove replicable for other group forest management programs and provide the highest value for participating landowners.

Carbon Supply Development:

This work is planned for Q2, 2008.

NNRG held a workshop on 4/19/2008 on inventorying and monitoring carbon stocks. Twenty landowners attended. Two landowners have also been selected for our pilot carbon sale and the carbon currently stored on their lands has been quantified and future sequestration modeled.

NNRG assisted our pilot landowners on inventories of two properties for their carbon stocks and done modeling to project growth and harvest into the future for these forests. We are anticipating completing our first sale based on this carbon to Ecohaus in Seattle on March 12, 2009. Sales and landowner contracts have been completed and publicity planning is underway to announce this historic first sale.

NNRG is very excited to have completed our first sale of carbon offsets from NW Neutral pilot landowners. Ecohaus, a green building retailer, purchased offsets for their organization at a premium price of \$20/ton (compared to prices of less than \$1/ton on the Chicago Climate Exchange). This historic event was featured in a variety of press sources and provides good publicity for the project and our small forest landowners. NNRG also held a second workshop on inventorying and monitoring for carbon near Portland, OR on July 10th, 2009. 10 landowners attended and we are developing a short list for Phase II of the program which will include protocols specifically adapted to Oregon's forest practices rules. NNRG is now engaging with several carbon offset brokers to sell the remaining offsets from our pilot landowners.

NNRG also completed development of our NW Neutral pre-application package for potential landowners including a "Is NW Neutral for Me?" questionnaire, non-disclosure form, media agreement, sample carbon contract, etc. This packet will simplify the process for engaging new landowners and lead to increased efficiency as more landowners enter the program as well as provide improved transparency and clear expectations.

NNRG is pleased to now have not only one sale completed in the course of this project but in August completed a second offset sale to ShoreBank Enterprise Cascadia. At \$9,000 this is our biggest sale to date. A second round of landowners are already being taken through the process developed during the last two years and we expect more larger sales in Phase II of this project.

Recruitment:

Recruitment activities have been progressing rapidly. Ian Hanna has started defining the market for landowners and developed a PowerPoint presentation and outline. We have incorporated carbon sequestration into our diverse income opportunities workshop and presented the workshop in two different areas with good attendance (10/13 in North Bend, WA and 12/08 in Chimacum, WA). The NNRG website has been updated with an outline of our carbon program (<http://www.nnrg.org/innovations/carbon-program>).

14 new landowners were recruited into the NCF program during this quarter representing 2,571 acres of forest land.

Presentations were given on Bainbridge Island (1/14) and Aberdeen (3/1). Our diverse income opportunities workshop series also continued with workshops on 1/26, 3/27, and 4/30. An additional 31 landowners have been brought into the NCF program (well above our goal) representing 12,098 acres of forestland.

Although recruitment slowed slightly these last two quarters with ten new members added we are well over our goal and membership has been picking up again despite (or because of) the economic slowdown. We held additional workshops for landowners on 9/18/08 and 12/6/08. Presentations were given on 9/18, 9/26, 10/9, 10/15, 10/16, and 11/21.

Recruitment has again been progressing rapidly with 31 new members between March and July 2009 (again over our ambitious goal). With FSC and green building markets being less impacted by the economic downturn we are seeing more landowners interested in becoming certified even during this difficult time. Our quarterly workshop series and recent carbon training have also continued to boost recruitment.

NNRG has far surpassed our recruitment goals for this project (91 new members, goal was 60). Our NCF workshop series continues to be a great recruitment tool and we have been able to further refine our methods and marketing to reach key "model" landowners. We have also been optimizing certification steps to bring in more NW Neutral landowners from this larger member pool.

Registry Development:

Work has been progressing on the beginnings of a state wide registry. Through September, October, and November Denise Pranger participated on the WA Governor's Climate Action Team, Forestry Technical Working Group. Input into this group led to final recommendations including a cap and trade system and associated forest registry. The final report can be found here: http://www.ecy.wa.gov/climatechange/CATdocs/122107_TWG_for.pdf. Next steps include working with the Western Climate Initiative as they develop a cap and trade system and continuing to educate the public and policy makers on the role forestry can play in these systems.

NNRG is continuing to participate in the development of offset protocols through the Western Climate Initiative as well as through the Washington State Forest Sector Workgroup on Climate Change Mitigation which informs the State Legislature as well as the State Department of Ecology and Department of Natural Resources on carbon offset design. NNRG has also hosted several field tours for government officials and has been meeting with King County officials regarding offset options.

NNRG has continued to work on statewide climate issues including meeting with partners such as the Nature Conservancy and the Washington Environmental Coalition. NNRG has also been working with the Rural Voices Conservation Coalition including attending their annual policy meeting in Portland, OR to develop recommendations for regional and national climate policy which will recognize the contributions of small forest landowners.

NNRG continues to engage on both a state and regional level with registry development and standards development for small private landowners. With recent political changes it now appears a national system may come before a Washington state registry. NNRG continues to advocate in this process as well through partners such as the RVCC and other work groups and is also participating in the Forest Service/USDA Ecosystem Services Community of Practice work group.

Although this particular program element has changed significantly since our original planning at the beginning of this project, NNRG continues to participate in the policy development process and is pleased with the results. Although Washington State has not taken the lead in registry development, instead opting to follow WCI and CAR, NNRG is well positioned for these other standards and registries. With new revisions to the Climate Action Registry forestry protocols NW Neutral will be able to enter this now nationwide program and use that recognized methodology to obtain VCS certification.

Working Group:

We have scheduled a meeting of the working group for January 29th to begin addressing landowner needs and issues within the carbon protocols. We have also begun preparation for a landowner training in April (also with input from the working group) on carbon markets,

monitoring, etc. We have started working with contractors to develop the curriculum for this April workshop as well.

We held a leadership council meeting on January 29th and discussed landowner forestry needs and issues. We also developed curriculum and held a training for 20 landowners, including most of the leadership council, on carbon monitoring. A presentation was also given to a variety of non-profit partners on our carbon program, carbon market status, etc on 4/26. This presentation was extremely well received and has led to several requests for our input on evolving policy (see Registry Development section).

NNRG will be soliciting further input from the working group following our first carbon sale to refine protocols, procedures, and to update marketing materials and outreach methods to include these recent developments.

NNRG continues to engage with members to improve the program. Our recently developed monitoring and inventorying protocols for carbon are currently being review by NCF pilot members and will be updated based on their feedback. Members have also been invaluable in helping us find Phase II appropriate projects.

NNRG has been happy to have broad participation from our pilot landowners and NCF Leadership Council in development of this program. Although there are still significant steps and commitments required by landowners wishing to participate, the process has been streamlined and the education materials developed to allow landowners to sell carbon on the voluntary market with significant incentives. NNRG expects continued participation from our ever growing landowner base.

Other Activities:

In November we sent out our Northwest Certified Forestry newsletter to over 1,100 subscribers and our Northwest Certified Wood Source newsletter was sent out in December to over 600 subscribers.

On October 13th, in partnership with Sustainable Northwest, we hosted an FSC end user tour in Portland, OR for architects, builders, and developers where carbon sequestration was discussed. Ian Hanna also attended and presented at the Chicago GreenBuild 2007 Conference.

In April we sent out our Northwest Certified Forestry newsletter to over 1,300 subscribers and our Northwest Certified Wood Source newsletter to over 800 subscribers.

On 1/15 we hosted a field tour for the WA Dept. of Ecology. On 3/26 in partnership with Sustainable Connections we held a tour for green building industry professionals near Bellingham. A similar tour was held for the Cascadia Region Green Building Council on 6/30.

NNRG has continued to publish our Northwest Certified Forestry and Northwest Certified Wood Source newsletters (October 31st and December 15th respectively). NNRG also publish our Entrepreneurial Forester bulletin on July 16th, August 5th, October 20th, and December 14th. A second field tour was also given for the Cascadia Region Green Building Council on 9/26.

NNRG continues with our information services publishing the Entrepreneurial Forester Bulletin on 1/28, 3/18, and 6/18 and our NCF newsletter on June 19th. We continued market development work, updated our website pages, and NNRG Development Director Stewart Matthiesen gave an oral presentation on NW Neutral at the annual CIG Showcase at the SWCS conference on July 12th-14th.

NNRG published an August NCF newsletter and received some excellent earned media attention in the ecohaus blog, Port Townsend Leader, Great Peninsula Conservancy newsletter, and several other local publications. NNRG continues to give landowner presentation and workshops and has secured partial funding for a second phase of this program bringing in a greater number of landowners to sell carbon through NW Neutral.