From: Fergus Mclean <willamettedams@q.com>
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To: Hernandez Isabel
Subject: SB 1070 testimony regarding Stringency

Comments for the Clean Energy Jobs Work Group on Agriculture, Forests, Fisheries, Rural Communities and Tribes following up on the September 21 hearing:

Summary: *Oregon's vast forest carbon storage capacity is like that of no other state, and exceeds all of the state's fossil fuel-based emissions combined. The 8% limitation on the use of carbon offsets proposed under SB 1070 will unnecessarily limit the potential market for carbon offsets from Oregon's forests. Emphasis on the generation of forest carbon credits of the highest quality, or* ***stringency****, can best capture the huge carbon value of Oregon's forests for all the people of Oregon, particularly our forest communities. That may best be done through the creation of a forest carbon research and extension institution in the Elliott State Forest.*

Colin McConnaha of ODE explained how higher percentages of permitted offsets can be accepted in the California carbon offset market depending on the *stringency* of those offsets- that is, the scientific verifiability and reliability of those offsets.

Emphasis on the quality, or *stringency*, of Oregon's forest carbon credits can create a market opportunity which increases the value of the abundant potential carbon credits from our forests and permits the capture of that enhanced value for rural timber communities in particular and for the state's economy as a whole, and should be factored in to SB 1070.

As possibly the world's largest forest carbon storehouse- and with some of the world's finest forest carbon scientists- Oregon can rightfully become the global leader in offering high quality, high value forest carbon offsets by investing in forest carbon research which can advance the relatively undeveloped science of fundamental forest carbon processes and turn this knowledge into a driver of a revitalised forest-based economy- but only if the percentage of forest carbon credits eligible for compliance is raised- to perhaps as high as 30% or even higher. The Elliott State Forest can make an excellent base for such a research institution.

By setting aside half of the Elliott Forest as a carbon reserve, a one-time sale of carbon credits could offset 1/6 of one year of Oregon's entire carbon footprint and generate enough revenue to completely buy the Elliott out of the Common School Fund and convert it to a premier forest carbon research and demonstration facility.

Sale of the Elliott's annual carbon production alone is capable of funding the ongoing operation of such a research facility, while both research and commercial timber harvest are conducted on the other half of the Elliott's 82,000 acres, creating more value for the state. Another key

function of such an Elliott Forest project could be providing outreach services to facilitate access for Oregon's small woodlot owners to global carbon credit markets.

Another benefit beyond the value derived from selling carbon credits from the Elliott which makes the creation of forest carbon reserves a great investment for the state is the fact that carbon credits are leases, not sales. At the end of the 100-year reserve lease period Oregon will retain enormously valuable 100-year older stands of prime timber- in addition to having accomplished restoration of the ecological resilience of a globally significant, rare mature coast range rainforest hosting threatened salmon, murrelets, bald eagles and other old growth-dependent wildlife species.

Allowing a generous allotment of the highest quality forest carbon credits for meeting pollution abatement compliance under SB 1070 is key to capturing the value of Oregon's vast forest carbon for the benefit of all Oregonians- particularly residents of our forest communities.