

Representative Helm, Senator Dembrow, Ms. Reiley and Ms. Patrino,

Dylan Kruse at Sustainable Northwest mentioned to The Climate Trust that it would be useful to have estimates of the size and distribution of the value of forest carbon offset projects in Oregon to inform the 1070 work groups. We did find one study on the forest carbon offset potential in Western Oregon, Gregory Latta et als' [Evaluating land-use and private forest management responses to a potential forest carbon offset sales program in Western Oregon](#). The paper does not specifically address the size and distribution of forest carbon offset value, but Dr. Latta was kind enough to re-run the economic model behind the paper for us to answer those questions.

According to that model, over the first ten years of a cap-and-trade program forest carbon projects in the Western Cascades would generate between \$667 million and \$1.93 billion of offset credits. The model assumes 66.7 million credits would be generated at a \$10 carbon price or 77 million credits at a \$25 carbon price. (I narrowed this summary to those prices because our price projections for the California market anticipate prices in that range.)

Assuming credit generation is directly proportional the the number of acres enrolled, here is a breakdown of where that forest carbon value occurs by county:

Country	Forest Carbon Value (@ \$10/credit)	Forest Carbon Value (@ \$25/credit)
Benton	\$19,124,888	\$56,517,824
Clackamas	\$20,600,813	\$54,816,101
Clatsop	\$46,310,499	\$125,925,785
Columbia	\$29,061,914	\$83,322,442
Coos	\$45,070,778	\$149,976,944
Curry	\$41,480,298	\$130,233,536
Douglas	\$123,029,595	\$372,735,676
Hood River	\$6,993,241	\$16,333,792
Jackson	\$58,110,066	\$175,532,881
Josephine	\$35,109,823	\$92,430,808
Lane	\$78,133,638	\$236,146,815
Lincoln	\$46,707,952	\$107,787,524
Linn	\$44,186,241	\$128,248,619
Marion	\$14,677,181	\$36,835,691
Multnomah	\$1,395,661	\$4,781,853
Polk	\$13,101,591	\$34,256,657
Tillamook	\$23,598,513	\$62,794,651
Washington	\$10,218,089	\$32,211,125
Yamhill	\$10,378,180	\$24,243,933
Totals	\$667,288,963	\$1,925,132,655

Unfortunately, I cannot find equivalent data for Central or Eastern Oregon and the dynamics there are very different. (Many forests there likely need to remove carbon to return to a healthy state and those projects that do qualify would probably be under the "high stocking reference" component of the forest protocol that this model cannot accommodate.)

There are, of course, a huge number of assumptions here. Most importantly, we do not know what an Oregon forest protocol would look like. As [we wrote about before](#), without changing the definition of "sustainable forest management" currently in the California protocol, enrollment will be limited. Greg also reminded me that the model assumes "perfect information and foresight and thus no risk as well as totally rational landowner behavior." We know, in practice, risk has been a major factor limiting participation in carbon markets. (Exactly why we founded our investment fund, Climate Trust Capital.)

Please let me know if that raises any additional questions. Dr. Latta could be an excellent resource for further analysis or discussion as well. Thanks!

My best,
Peter



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