



STATE OF VERMONT
General Assembly

Vermont Forest Carbon Sequestration Working Group

MINUTES—September 27, 2019

The Vermont Forest Carbon Sequestration Working Group met on Friday, September 27, 2019, beginning at 9:00 a.m. in Room 10 of the State House in Montpelier, Vermont.

Working Group Members Present

Michael Snyder, Chair
Rep. Mark Higley
Sen. Ruth Hardy
Sen. Parent—by phone
Jack Byrne—by phone

Cecelia Danks
Jim Shallow
Robert Turner
Stephen Webster

Staff Present

Deb Curtis, Office of Legislative Council
Ellen Czajkowski, Office of Legislative Council
Jane Lazorchak, Department of Fish & Wildlife
Mark Perrault, Joint Fiscal Office
Becca Washburn, Department of Forests, Parks & Recreation

Chair Snyder welcomed the group and all members introduced themselves. The members of the staff present were then introduced. The members of the public present also introduced themselves: Jared Carpenter of The Nature Conservancy, Phil Huffman of The Nature Conservancy, David McMath of the Vermont Land Trust, and Guy Page. Chair Snyder asked if anyone wanted to propose changes to the agenda. No changes were proposed.

Chair Snyder asked if there were updates from the last meeting. Senator Hardy asked for the Group to develop a list of talking points so that she and other legislators can answer questions from constituents about the work the Group is doing. Chair Snyder responded that his previous suggestion of including an Executive Summary in the Group's report would give a plain-language explanation of the Group's work and their decisions. He added that they could also draft a FAQ section or Abstract section that would be helpful. Mr. Shallow asked Senator Hardy to develop a list of questions she would like answers and explanations for.

Chair Snyder stated that he recently read a paper from UVM that was drafted for landowners about forest carbon generally. It was written in plain English and would be added to the Group's website. Mr. Byrne asked that a graphic be added to the Group's report depicting the forest carbon cycle. Mr. Shallow stated that The Nature Conservancy had one that could be used. Mr. Turner stated that he has gathered other materials and articles related to forest carbon sequestration in a DropBox. He will share this with the Group, in case anyone would like to do more background research. Rep. Higley

stated that he had heard from his constituents that they do not want to do anything that California is doing.

Dr. Danks then presented to the Group a presentation based on her academic research, which involved surveying landowners who participated in forest carbon sequestration programs. The slides from her presentation are available on the Group's website. In 2008, when she first began her research, there were seven states that had forest carbon sequestration programs. In 2012, that number had dropped to five. She stated that this was related to the economic downturn and failure to establish a federal or international carbon market. Dr. Danks spoke about multiple state forest carbon sequestration programs. Chair Snyder asked if all of the programs she researched involved private lands. Dr. Danks stated that there were some projects on public lands, including the Dixon State Forest in Georgia. Other state programs discussed were in Michigan, Oklahoma, and Oregon. Dr. Danks discussed how the termination of the Chicago Climate Exchange led to the end of the Illinois program. Mr. Webster asked what happened to the landowners when the program ended. Dr. Danks stated that they could no longer receive payments for carbon, but any obligations on the land under the program also ended.

Rep. Higley asked Dr. Danks if her research found any negative impacts on farmland. Dr. Danks said that Oklahoma was worried about decreasing the amount of farmland, so they defined the land eligible for the program to exclude prime agricultural land. This was to dissuade farmers from planting trees on farmland so they could enter the program.

Dr. Danks stated she believes it is possible to "stack" multiple State programs together with a forest carbon sequestration program, like the Current Use program. She cautioned, however, that language must be clear so that the carbon isn't sold or paid for twice. The service of sequestering carbon must be separate, so the other existing State programs, like Current Use, should not require the sequestration of carbon. Dr. Danks also stated that her research found that most landowners greatly valued having a trusted facilitator assist them with the program, like a State or county forester. She also believes that focusing on municipal or town forests may be better than State lands. She believes this will provide comparable examples for private landowners to follow and would be a better comparison than using State lands.

The next item on the agenda was the Group's report. Chair Snyder stated that Act 83 requires the Group to make a proposal for enrolling State forestlands into a carbon sequestration program. Act 83 also grants the Group the use of Agency of Natural Resources staff for technical assistance, so Chair Snyder has asked some staff members, including Ms. Lazorchak and Ms. Washburn, to look at data on State-owned forests. They will first determine the feasibility of such a project before suggesting a pilot project. They will look at some of the recently acquired properties and determine if they could be enrolled in any of the current markets and if they require additional elements, like easements, to make them viable.

Looking at the rest of the report, charge #2 states: "evaluate the economic and environmental case for encouraging forest carbon sequestration offset projects in Vermont." Mr. Turner stated that this is largely covered in the Vermont Land Trust report that was already written, and that section can be based on that report. Mr. Turner, Dr. Danks, and Mr. Byrne will begin filling in the rest of the sections.

Mr. Turner suggested that, at the next meeting, the Group hear from NativeEnergy, which is a company in the State that does carbon credit brokering. This would relate to charge #3 in the report, which states: "analyze how to best market and sell carbon credits from State-owned and privately owned forestland in carbon sequestration markets."

Mr. Turner stated that he does not know what to write for charge #4: "determine how to develop economies of scale in marketing and selling carbon credits in carbon sequestration markets." Chair Snyder asked Dr. Danks to begin work on this section. The rest of Group can also contribute to it.

Chair Snyder stated that staff from the Department of Forests, Parks and Recreation would begin drafting charge #5, which states: “evaluate how to utilize financial incentives and existing forest management and certification programs and Vermont’s Use Value Appraisal program to maximize the potential value of forestland in carbon sequestration markets while also enhancing conservation and other goals.”

The Group will hold off on drafting the section on charge #6: “review how to structure and regulate a statewide program to facilitate the enrollment of Vermont forestlands in carbon sequestration markets, including how the program should be governed, whether the program should be governed by a State agency, how forestland will be assessed and enrolled, how parcels and landowners will enter and leave the program, how landowners will be paid, and how requirements and standards concerning forest management will be applied and enforced” until more of the report is drafted. The Group will further discuss this charge at the next meeting.

Chair Snyder will work on charge #7, which states: “estimate expected revenue from enrolling forestland in carbon markets and how that revenue should be allocated to: (A) support the governance structure, management, and oversight of the program; (B) fairly compensate landowners; and (C) encourage enrollment in the program.” He stated that he will start by drafting a broad overview based on existing programs and then add more once the Group has further discussed.

Chair Snyder asked if anyone had anything they wanted to include in charge #8, which reads: “any other issue the Working Group deems relevant to designing and implementing a statewide program to facilitate the enrollment of Vermont forestlands in carbon sequestration market.” Rep. Higley stated that he is concerned about what will happen to the forest products market if the forest carbon sequestration program becomes popular. Dr. Danks stated that she is concerned that the economies of scale will never be favorable for Vermont.

The next item on the agenda was the agenda for the next meeting. Chair Snyder said that most of the meeting will focus on discussing the draft report. The Group will also hear from NativeEnergy. Mr. Turner also added that he will give a short presentation on average costs to landowners to enroll in a forest carbon sequestration program.

The last agenda item was the opportunity for public comment. Mr. Guy Page spoke. He stated that the biodigester at Vermont Technical College will be shut down soon because they were expecting there to be more waste available to run it. He asked the Group to use humility during this process because people will make decisions based on their work and there could be negative consequences, like the situation with the biodigester. Mr. Phil Huffman of The Nature Conservancy thanked the Group for their work on this topic. He stated that forest carbon sequestration will not be a panacea to solve climate change because it is not feasible for all landowners, but it may provide opportunities to some people.

The Working Group adjourned at 1:00 p.m. The next meeting will be held on October 15, in Room 11 of the State House.

Respectfully submitted,

Ellen Czajkowski
Legislative Counsel