

Forest Carbon and Atmospheric Benefit Agreements

Tenures, Competitiveness and Innovation Division
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Background

- Terrestrial forest 'carbon' is already 100% managed and tenured by FLNR via existing policy.
 - The 'carbon' is the trees
- The new piece in terms of policy and authorizations is how to account for the “intangible benefit” or value associated with sequestering or avoiding carbon emissions to the atmosphere (not harvesting as much)
 - In this context $C = \textit{atmospheric benefit}$.

What is an Offset?

A reduction in emissions of greenhouse gas (GHG) emissions or increases in sequestration made in order to compensate for or to offset an emission made elsewhere.

1 m3 = 1 tonneCO₂e = 1 offset = \$ 7-25

“Intangible part”

How to qualify for an Offset

- The reduction in GHG emissions (emission reduction) and/or increased sequestration of CO₂ must be additional to “business as usual” (i.e. would not have occurred without the project).

For Forest Carbon activities/projects on BC Crown land:

- Quantification of emission reductions and/or increases in sequestration must follow the Protocol for the Creation of Forest Carbon Offsets in British Columbia and be consistent with the BC Emissions Offset Regulations.

What is an Atmospheric Benefit Agreement?

Ownership of atmospheric benefits is a requirement to claim offsets.

Policy is in place to allow the Crown to grant entitlement to Atmospheric Benefits from Green House Gas Reduction Projects to proponents through an “Atmospheric Benefit Agreement”.

“An agreement between a proponent or other person and the government regarding the allocation of Atmospheric Benefit Rights”

Cheakamus Community Forest

A Unique Example:

- Joint Partnership between the Resort Municipality of Whistler (RMOW), Squamish Nation and the Lil'wat Nation
- The Cheakamus Community Forest (CCF) is located completely within the traditional territories of both the Squamish Nation and Lil'wat Nation.
- Multiple objectives to manage for (visual quality objectives, recreation, tourism, culturally significant areas, and timber production).



Brandywine Peak

The Cheakamus Atmospheric Benefit Agreement

Considerations when negotiating an Atmospheric Benefit Agreement:

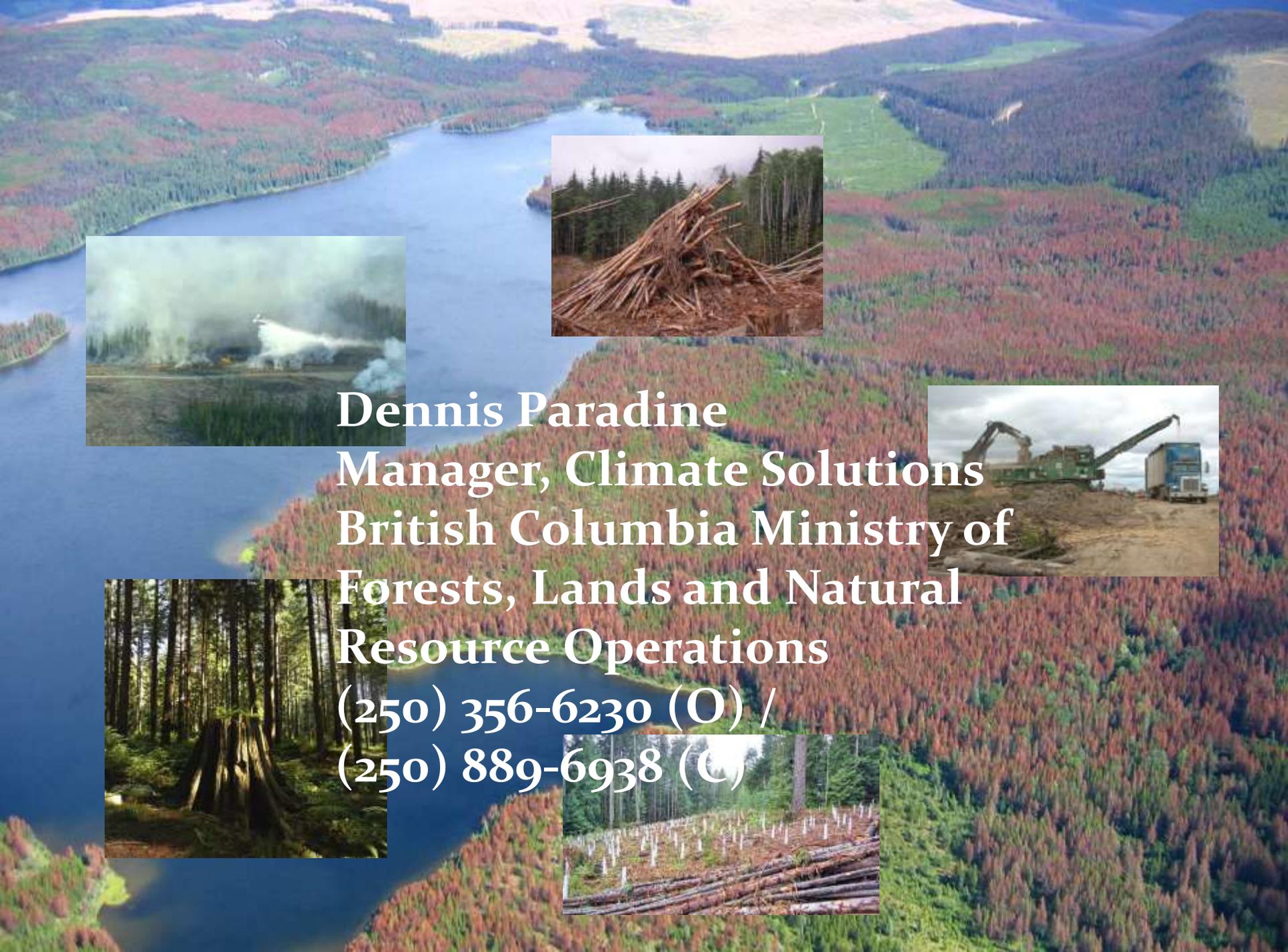
- Impacts to Crown from reduced harvesting.
- Importance of tourism (2 million annual visitors).
- Whistler contributes approximately \$1.3 billion to provincial Gross Domestic Product per year, and generates approximately \$428 million in tax revenue per year.
- Maintain or increase employment opportunities.
- Priorities for tourism and recreation (manage visuals and promote retention of old-growth forests).
- Revenue generated through the sale of emission offsets mitigate lost harvesting opportunities for the CFA.

Opportunities for other Community Forests

1. Develop a Forest Management Strategy that seeks to reduce emissions or increases sequestration rates relative to business as usual (base case).
 - Reduced slash burning, restoration of disturbed areas (fire/Mountain Pine Beetle), fertilization, forest health treatments, and conservation/reduced harvest (culturally significant areas, sensitive habitat, etc.).
2. Conduct a feasibility study to quantify the emission offset potential for the community forest.
3. Seek approval for the proposed Forest Management Strategy.
4. Negotiate an Atmospheric Benefit Agreement.

Considerations

- If the management plan seeks to reduce the AAC as a result of conservation, it is difficult to prove "additionality" of the project.
- Costs of 3rd party validation and verification (requirement to generate emission offsets) of project tonnes may preclude project economic viability.
- May be opportunities for several community forests to work together to generate an overarching Forest Management Strategy (reducing unit costs of validation and verification).
- There is a trade-off of the value of harvest and economic activity in the community against sequestering and recovering only the value of carbon.



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