
SUBSTITUTE SENATE BILL 6679

State of Washington

60th Legislature

2008 Regular Session

By Senate Natural Resources, Ocean & Recreation (originally sponsored by Senators Hargrove, Jacobsen, Hatfield, and Kohl-Welles)

READ FIRST TIME 02/07/08.

1 AN ACT Relating to reducing greenhouse gases emissions; and adding
2 a new chapter to Title 43 RCW.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** The legislature finds that reducing
5 greenhouse gases is critical to mitigating the effects of climate
6 change. There is currently much scientific dialogue about the impacts
7 of human-caused carbon dioxide emissions and other greenhouse gases to
8 the atmosphere. It is important to take prudent steps now to reduce
9 the effects of human activities on the climate. One step is to
10 influence the amount of human-caused carbon dioxide that is added to or
11 sequestered from the atmosphere through conserving and managing forests
12 and producing long-lived forest products.

13 The legislature finds that managed forests have the potential to
14 provide a reduction in the emissions of carbon dioxide. Forests
15 provide long-term storage pools and active carbon sinks. Additionally,
16 they provide durable wood-based materials that can substitute for
17 higher energy consuming products such as steel and concrete.

18 For many, investments in more efficient ways to derive energy-
19 powered services and forestry-based carbon offsets are proving to be a

1 cost-effective part of an overall emissions reduction and offset
2 program. Providing carbon credits to the forest industry could be an
3 economic incentive that would maintain Washington's forest land base.

4 NEW SECTION. **Sec. 2.** (1) The director of the department of
5 ecology shall design a market-based cap and trade system consistent
6 with the goals established by the legislature in RCW 80.80.020. In
7 designing the market-based system to achieve the emissions goals
8 established in RCW 80.80.020, the director shall:

9 (a) Attempt, to the extent possible, to coordinate the development
10 of a cap and trade system with other entities, such as the western
11 climate initiative;

12 (b) Seek to ensure that the system is equitable, administratively
13 simple for government and private participants, and minimizes
14 administrative costs; and

15 (c) In conjunction with the department of community, trade, and
16 economic development and section 3 of this act, establish voluntary
17 allowances and accounting systems for carbon storage within the forest
18 industry.

19 (2) The director of the department of ecology, in conjunction with
20 the department of transportation, and the department of licensing,
21 shall establish a method to require every vehicle registered in the
22 state to annually purchase carbon credits based on a greenhouse gas
23 index or rating system for motor vehicle emissions when renewing their
24 vehicle licenses according to chapter 46.16 RCW from the forestry
25 carbon offset program established in section 3 of this act.

26 (3) The director of the department of ecology must not require
27 emissions reporting for forestry activities regulated under chapter
28 76.09 RCW and RCW 70.94.660.

29 (4) The director of the department of ecology, in conjunction with
30 the department of revenue, shall develop options for a method to
31 require manufacturers, wholesalers, and retailers who sell products in
32 Washington that are produced with a carbon intensive process, including
33 foreign manufactured products, to purchase carbon credits from the
34 forestry carbon offset program established in section 3 of this act.

35 (5) The director of the department of ecology must adopt rules that
36 define principles and standards relating to the creation, measurement,
37 accounting, marketing, verifying, registering, transferring, and

1 selling of carbon offsets for Washington's auto industry, providing
2 credit for the California motor vehicle emission standards effective
3 January 1, 2005, under chapter 70.94 RCW.

4 (6) The director of the department of ecology shall report to the
5 legislature by December 1, 2008, on the following:

6 (a) The progress to date in achieving the requirements of this
7 section;

8 (b) Recommendations on future directions; and

9 (c) Any additional resources and statutory authority needed to
10 implement the voluntary forestry carbon offset program.

11 NEW SECTION. **Sec. 3.** (1) The director of the department of
12 community, trade, and economic development shall design and implement
13 a forestry carbon offset program. For purposes of this section,
14 "forestry carbon offset" means a transferable unit based on a measured
15 amount of carbon storage expressed as a carbon dioxide equivalent and
16 accruing on forest land as live or dead matter in trees, shrubs, forest
17 litter, and soil, and in forest products.

18 (2) The director of the department of community, trade, and
19 economic development shall establish a forestry carbon offset program
20 advisory group. The advisory group consists of at least nine persons
21 and must contain:

22 (a) A representative from the department of natural resources;

23 (b) A representative from the department of fish and wildlife;

24 (c) A representative from the department of ecology;

25 (d) Representatives from private forest landowners and the forest
26 products industry;

27 (e) A representative from a nongovernmental forestry conservation
28 organization; and

29 (f) Representatives from businesses, governmental agencies, and
30 nongovernmental organizations with knowledge and experience in the
31 accounting of carbon sequestration and storage.

32 (3) The director of the department of community, trade, and
33 economic development, in conjunction with the forestry carbon offset
34 program advisory group, shall develop administrative rules that define
35 principles and standards relating to the creation, measurement,
36 accounting, marketing, verifying, registering, transferring, and

1 selling of forestry carbon offsets from forest lands subject to the
2 forest practices act, chapter 76.09 RCW.

3 (4) Rules adopted under this section must set standards to ensure
4 that in order to be marketed, registered, transferred, or sold, a
5 forestry carbon offset must be created as a result of forest management
6 activities that:

7 (a) Have the effect of increasing carbon storage on forest lands
8 and products as measured by a forestry carbon offset accounting system;
9 and

10 (b) Provide environmental, social, and economic benefits for
11 Washington and its citizens including, but not limited to, protection
12 or enhancement of long-term timber supplies, native fish and wildlife
13 habitat, and water quality.

14 (5) The director of the department of community, trade, and
15 economic development shall contract with the college of forest
16 resources at the University of Washington who shall work in conjunction
17 with a nonprofit consortium involved in research on renewable
18 industrial materials, to establish a formula to ensure that the
19 forestry carbon offset accounting system:

20 (a) Accounts for relevant sources of carbon credits for carbon
21 storage or sequestration;

22 (b) Accounts for duration and permanence of the carbon storage or
23 emission reductions;

24 (c) Includes provisions for establishing the appropriate baseline
25 for forestry and forest product manufacturing practices from which
26 carbon credits for carbon storage or sequestration may be measured.
27 The baseline must be based on minimum compliance with the forest
28 practices rules adopted under chapter 76.09 RCW as of January 1, 1990;

29 (d) Accounts for site-class specific forest management practices,
30 including provisions for establishing carbon credits for carbon storage
31 or sequestration, from the implementation of practices contributing to
32 increased carbon for a given rotation or independent of rotation, if
33 necessary, to meet regulatory requirements;

34 (e) Accounts for carbon credits for carbon storage resulting from
35 harvesting for wood products and the collection of biomass for biofuel
36 or other products;

37 (f) Accounts for environmental, social, and economic benefits of

1 forestry carbon offsets by ensuring that forest landowners that
2 participate in the system are actively managing their forests; and

3 (g) Encourages third-party verification (certification) of forestry
4 carbon offsets.

5 (6) Rules adopted under this section may address qualifications for
6 persons and agencies that provide third-party verification and
7 registration of forestry carbon offsets.

8 (7) The director of the department of community, trade, and
9 economic development shall report to the legislature by December 1,
10 2008, on the following:

11 (a) The progress to date in achieving the requirements of this
12 section;

13 (b) Recommendations on future directions; and

14 (c) Any additional resources and statutory authority needed to
15 implement the voluntary forestry carbon offset program.

16 NEW SECTION. **Sec. 4.** Sections 1 through 3 of this act constitute
17 a new chapter in Title 43 RCW.

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