Forest Carbon Solutions for Mitigating Climate Change

A Toolkit for State Governments created by the Forest Climate Working Group

DECEMBER 2015
What’s in the Toolkit?

• Strategic Carbon—Working Forest Carbon Incentives Model

• Maintaining and Enhancing State Tax Incentives

• Expanding use of wood in building construction
Strategic Carbon—Working Forest Carbon Incentives Model

- Incentives for practices or easements
- Practice Based Payments
- Pooled, short-term contracts
- Measurement/monitoring efficiency
- Think USDA programs—Conservation Stewardship or Conservation Reserve Programs

Senator Shaheen (D-NH) S 1733
Types of Practices

- Afforestation
- Reforestation
- Improved forest management
  - Regeneration after disturbance/harvest
  - Replanting understocked forests
  - Reducing competition – thinning and improvement
  - Wildfire/fuels management
  - Changing rotation (time to harvest/regeneration)
  - Harvest efficiency
  - Fertilization
- Avoiding conversion (from forest land use)
<table>
<thead>
<tr>
<th>State</th>
<th>Average annual allowances</th>
<th>Annual value of 5% Set-Aside at $6/allowance (RGGI)</th>
<th>Annual value of 5% Set-Aside at $12/allowance (California)</th>
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Maintaining and Enhancing State Tax Incentives

• Current Use Taxes
• Adding enhancements
• Incentives for long-term forest retention
• New Tax Incentives
  • Practice based
  • Tax credits
Expanding use of wood in building construction

- Awareness
- Carbon preference
- Use LCA—count towards GHG goals
- Tax incentives for low carbon buildings (i.e. think tax incentives for energy star installations)