



Freedom To Create. Spirit To Achieve.

Forest Management Carbon: Ownership, Potential and Plan

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Ownership

- Province owns all carbon on Crown land
- When severed (harvested) ownership transfers to timber operator
 - Offsets earned through use of harvested timber belong to operator (mill offsets)
- Ownership of remaining carbon pool stays with Crown

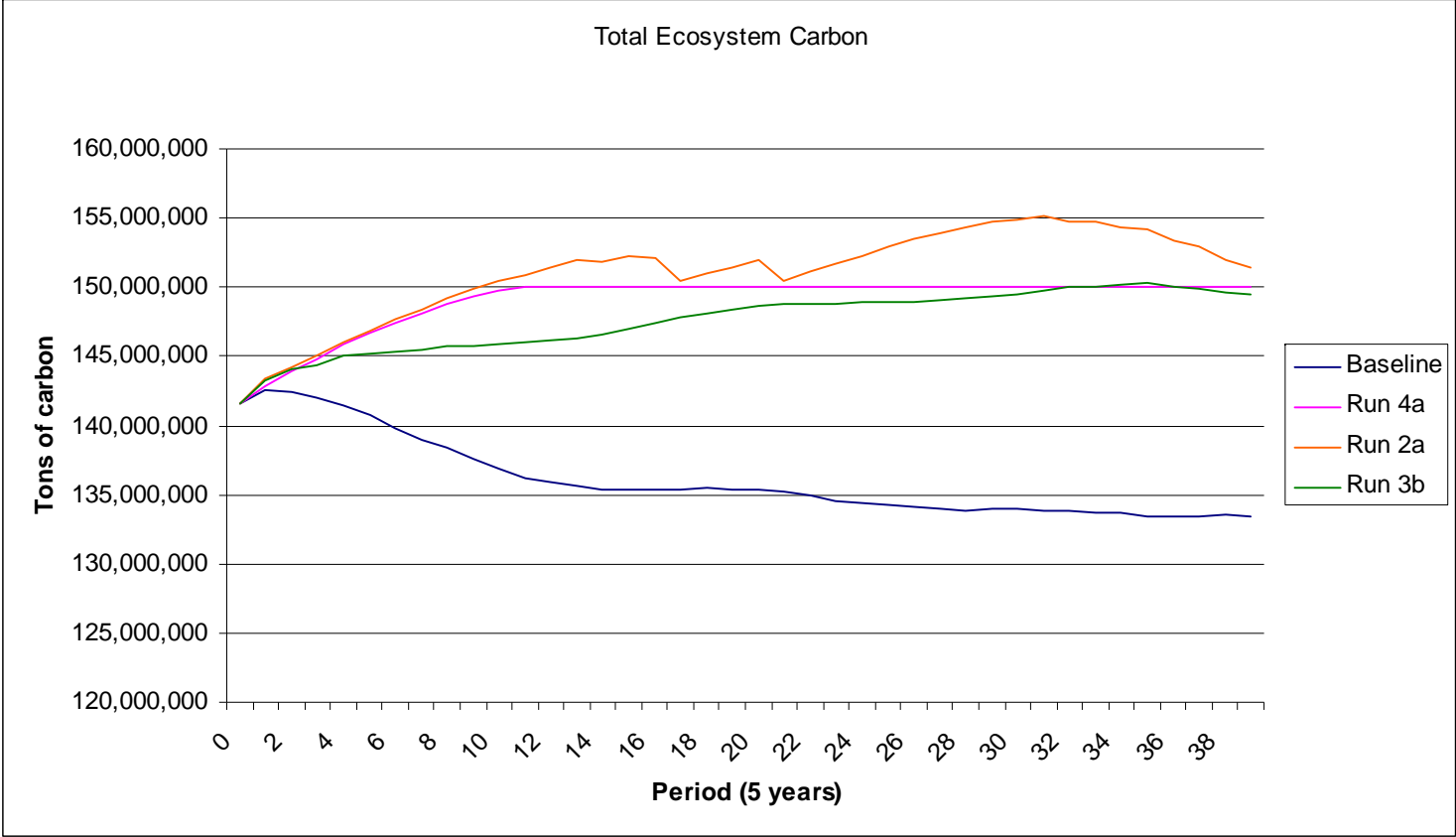
FM Offset

- Who has rights necessary to create credible offset?
 - FMAs subject to FMP approved by Minister
- Quotas and permits have no such right
- Crown wishes to have tenure holders engage in sequestration activity
 - Not open to extensive REDD offsets

Strategy

- Modify FMAs and FMPs to have operators to engage in sequestration activities and earn revenue
 - Prefer joint FMAs to encourage collaboration
 - Add VOITs for Criterion 4 of performance standards in Planning Standard
- Focus on long-term carbon storage relative to unmanaged forest baseline

Total Ecosystem Carbon



Potential for FM Offsets

- FM Offset potential limited due to current protocols
 - REDD focused primarily on stopping harvest
 - Significant obstacles: additionality, permanence, leakage
 - Protocols need to change to encourage FM carbon sequestration
- Intangible commodity, prone to fraud
 - Armies of regulators needed to ensure fair system are not feasible

Plan

- Advance tenure/FMP changes
- Dues at 10% of net selling price
- Assist professional and industry groups to engage protocol decision-makers
- Encourage mill offsets

Conclusion

- Potential revenue source
- Protocol problems
- RFPs need to continue efforts to master the topic
- Increased collaboration is required
- Adapt or perish

Questions?

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