

May 5 Mediator Notes - Baseline – Draft Matrix Discussion

“C” – denotes recorded individual comment

“A” – denotes group agreement

General Comments/Agreements

C – Our assessment of the categories could differ based on project type.

Comments/Agreements by Desired Outcome –

1. Encourages participation from within all landowner types by being simple, cost effective, and operationally and administratively functional.

A – Change BAU Past Management from neutral to “less so”. Reasoning the degree of complexity/accuracy of inventories.

A – The inventory approaches are generally simpler than the other approaches when “current year” or “now” is chosen as opposed to an historic year such as 1990.

A – Simplicity is enhanced when BAU approaches use “mean” inventory approaches

C – BAU Nearest Neighbor – if a rough estimate of neighbors is good enough, this may be a relatively simple approach, however if neighbor data or detailed information is necessary then this approach may be not only difficult but may impossible to implement.

C – No Investment – If comparison is to federal lands then “neutral” is OK. If comparison is based on how past management activity on the land resulted in the current condition from which No Investment would occur – the approach would be complex and should be considered “less so”.

2. Provides an incentive to maintain forest land as forest land.

C – This desired outcome when applied to baseline seems to apply to “conversion” but it doesn’t really add any value to our discussions for other project types.

3. Recognizes/Rewards prior positive action while considering the impacts on the objective of increasing carbon stocks.

A – Cells are OK as listed!

C – A downside to the BAU Nearest Neighbor approach is that many people will not like being “driven” by their “neighbor”, regardless of the outcome.

4. Offsets should not incentivize reduction in carbon in the short term and a baseline that encourages a surge in carbon reduction is not desirable.

A – Jim pointed out logic errors in this section of the matrix. BAU Regulatory and Nearest Neighbor should be “more so”, BAU Past Management should be “less so”, No Investment should be “more so”. These were the only agreed to changes.

C – The base year approach is the most likely gaming opportunity.

C – The base year approach should be listed as “less so”.

C - Most landowners will be driven by a variety of market forces and objectives. It is unlikely that the dollar value of carbon credits will provide enough incentive to encourage gaming by very many.

5. Baseline is not based on current landowner actions or intent, but rather is set as a common reference.

C – It makes a difference to our assessment if we assuming that we are talking about a “common methodology” versus “specific standards for everyone”.

A – BAU Nearest Neighbor is currently listed as neutral. The case was made and the group appeared to agree that thinking of it in the “neutral to less so” range seemed more appropriate.

6. Provides opportunities for projects that promote sequestration and projects that maintain carbon storage.

A – Cells are OK as listed!

7. Is measurable and can be monitored/verified so as to serve as a reference for measuring the carbon benefits attributable to the project.

A – Cells are OK as listed!

8. Is inclusive of all significant carbon pools affected by the project. Carbon pools include but are not limited to: (a), (b), (c), ..., wood products, and woody material for biomass energy.

A – Cells are OK as listed!

9. Should be able to incorporate into national/global protocols and designs.
Note: This outcome was left out of the matrix. Thus the discussion was somewhat ad hoc. Jim suggested that all the approaches should be considered “neutral since they are all approaches that are currently be applied somewhere in the carbon trading world. After some discussion the following agreements/comments were made:

A – BAU Regulatory should be “less so” for National purposes.

A – BAU Nearest Neighbor and Past Management should be “more so” for International purposes.

A – Mean Inventory should be “less so” for International purposes.

C – We should step back and think about what we want to communicate to the WCI. The WCI anticipates that its work will have significant impact to the entire US, Mexico, and Canada.

May 5th Notes – Strategic Investment/Co-benefits Discussion

Individual comments recorded during the discussion:

Does adding co-benefits complicate the accounting process too much?

Concerned about restricting management options.

Like the concept of linking this discussion to a larger strategy on climate change

In the 3rd paragraph of the one page paper, change the first sentence from “\...reward investors...” to “...may reward investors...”

Be inclusive on project types. Do not exclude.

Concerned about the “tone” in the last 4 paragraphs of the document