



TerraWest Consulting

Mitigation Banking Overview Memo

Executive Summary

TerraWest Consulting (TWC) specializes in the development, permitting, and implementation of conservation banks that provide durable, agency-approved mitigation solutions for infrastructure and energy projects across Oregon and the western United States. Conservation banking is a market-based mitigation framework designed to address well-documented challenges of traditional permittee-responsible mitigation (PRM) by delivering permanent habitat protection, upfront ecological gains, secured long-term funding, and regulatory certainty for both agencies and project proponents.

This memo provides a concise overview of what TerraWest does, why conservation banking exists, and how conservation banks support Oregon's energy, infrastructure, and conservation objectives.

What TerraWest Consulting Does

TerraWest develops landscape-scale conservation banks that generate mitigation credits approved for use under state and federal permitting frameworks. Our role spans the full lifecycle of bank development, including:

- Identifying and securing high-value conservation lands
- Designing bank sites at a landscape scale to serve multiple future projects
- Preparing and permitting conservation banks through agency review
- Implementing upfront habitat enhancement and restoration actions
- Establishing perpetual conservation easements
- Structuring financial assurances and long-term endowments
- Supporting credit transactions for permitted development projects

Through this work, TerraWest provides a bridge between development needs and long-term habitat stewardship, allowing projects to move forward while delivering durable conservation outcomes.

Why Conservation Banking Exists

Historically, most mitigation was implemented through permittee-responsible mitigation, where individual project proponents were responsible for designing, implementing, and maintaining their own mitigation sites. While well-intentioned, decades of experience and independent reviews demonstrated that PRM often struggled to deliver consistent, long-term ecological outcomes.

Common challenges included:

- Inconsistent implementation and partial compliance
- Underestimation of biological complexity, costs, and timelines
- Limited long-term monitoring and enforcement capacity
- Fragmented, small-scale mitigation sites with limited ecological resilience

These structural challenges led agencies and policymakers to pursue alternative mitigation frameworks that could provide greater certainty, durability, and accountability.

What Conservation Banking Solves

Conservation banking was designed specifically to address the weaknesses observed under PRM. Key features include:

- **Permanent Protection:** Conservation banks are encumbered by perpetual, legally enforceable conservation easements that prohibit incompatible land uses.
- **Upfront Ecological Gains:** Habitat enhancement and uplift actions are implemented often long before credits are sold, ensuring ecological benefits precede development impacts.
- **Landscape-Scale Design:** Conservation banks are deliberately sited and designed at a landscape scale, allowing them to protect larger, contiguous habitat areas that are better suited to sustaining long-term ecological function than isolated, project-specific sites.
- **Secured Financial Assurances:** Banks are backed by interim management securities and multi-million dollar, non-wasting endowments held by third-party trustees, ensuring perpetual stewardship.
- **Rigorous Oversight:** Banks undergo comprehensive agency review prior to approval and are subject to ongoing monitoring and reporting tied directly to credit release.

Together, these elements create a mitigation framework focused on long-term performance rather than short-term compliance.

Benefits to Agencies

For regulatory agencies, conservation banking offers a more efficient and reliable mitigation pathway:

- Mitigation is pre-vetted and approved in advance
- Ecological performance standards are clearly defined and verified
- Financial assurances are secured before impacts occur
- Long-term management responsibility is centralized
- Administrative and oversight burdens are reduced

By relying on conservation banks, agencies move away from managing dozens of individualized mitigation plans toward a consistent, standardized system with demonstrated outcomes.

Benefits to Developers

For project proponents, conservation banks provide a predictable, turn-key solution:

- Known timelines and fixed mitigation costs
- Faster and more reliable permitting pathways
- Elimination of long-term land management obligations
- Reduced regulatory risk and uncertainty

This allows developers to focus on project delivery while meeting mitigation obligations through an approved, agency-supported framework.

Supporting Oregon's Energy and Infrastructure Priorities

As Oregon advances clean energy, transmission, and infrastructure initiatives, conservation banking provides a proven tool that aligns development with conservation goals. By reducing permitting friction and delivering measurable, durable habitat outcomes, conservation banks help ensure that priority projects can proceed while maintaining strong environmental safeguards.

TerraWest Consulting is committed to working collaboratively with state agencies and project proponents to ensure Oregon has access to reliable, science-driven mitigation solutions that support both development and long-term conservation objectives.
