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'Carbon credits' fueling debate

Governor's plan aims to offset exhaust from his travels; critics say it is wrong approach.

By Matt Weiser - Bee Staff Writer

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McKINLEYVILLE -- To find Arnold's exhaust, drive east on Murray Road through this wooded North Coast community and then into the rural hills.

Pass the clearcuts on either side of the road, where towering redwoods were felled by the score, and a bucolic sprawl of housing that has fragmented a forest.

Beyond a chain-link fence, in the tissues of a dense grove, live the sponges that will soak up the exhaust from Gov. Schwarzenegger's jet-set lifestyle.

Schwarzenegger will buy "carbon credits" in the Fred M. van Eck Forest, in the form of trees allowed to live and grow bigger and older so they can absorb more carbon dioxide. The purchase will offset some of the global-warming gas released during the governor's frequent trips by private jet.

The governor's plan has turned a spotlight on the growing market for carbon credits, even though critics say benefits are harder to verify in a forest conservation project like this. Planting new trees in bare ground would be preferable, they say.

"If what the governor is doing catches on, it could make a huge difference," said Laurie Wayburn, president of Pacific Forest Trust, a San Francisco nonprofit that manages this property for the owner, the Fred M. van Eck Forest Foundation, affiliated with Purdue University.

"What this program does is create a new market for restoration and conservation based on climate benefits," Wayburn said. "I think that is very powerful."

Anyone can buy credits like this when they purchase an airline ticket -- typically for \$10 to \$15 per ton of carbon dioxide emissions. That's roughly one person's share of a commercial jet's emissions in a round-trip flight across the country.

But it is difficult to know exactly what the money buys. That's where precise accounting tools and a tightly controlled market for carbon come into play.

There is no agreement in the industry yet on what projects should count toward carbon credits. But under AB 32, the Global Warming Solutions Act of 2006, the state next year will cap its carbon dioxide emissions at 1990 levels, and carbon trading is expected to become commonplace as California tries to stay under the cap.

In the forest sector, such trading is already voluntary under standards adopted by the California Climate Action Registry. These standards, drafted with help from Pacific Forest Trust and applied in the van Eck Forest, may become a model for stricter rules under AB 32.

But some observers, including Wiley Barbour, executive director of the nonprofit Environmental Resources Trust, think the registry's standards take the wrong approach. He believes only reforestation -- planting new trees -- should count toward carbon credits. The benefits are easier to measure. Reforestation also sidesteps many of the complicated questions related to buying existing trees.

Did conservation activities that allowed trees to grow bigger differ from what would have occurred without the carbon payments? And when can you start measuring the difference? Are offset trees growing bigger from a simple desire to do something good for the environment? And should that count as a carbon credit?

The questions might seem arcane. But Barbour said they are vital if the credit itself is to have intrinsic value, like other commodities.

"We need to be able to make sure that if you spend the money, something happens," said Barbour, whose group, based in Washington, D.C., operates the nation's oldest greenhouse gas trading registry.

"There's nothing wrong with saying 'Give me money to do good things,' " Barbour said. "But I don't want to see the carbon accounting system sacrificed for that kind of project. It's too important to get this fundamental accounting strategy established correctly."

Deep in the van Eck Forest, however, results of Pacific Forest Trust's strategy are visible.

This is a working forest, producing 1 million board feet of lumber each year -- enough for 66 homes.

But it's also a nursery: young redwood trees, 12 to 18 inches thick, reach for the sky in threes and fours, growing out of giant stumps 8 feet across left behind when this stand was first harvested in the early 1900s.

The trust plans to cut many of these smaller trees, but about half will be left alone. Eventually, the forest will hold four times more wood density than today, storing about 543,000 tons of additional carbon dioxide within 100 years.

Logging has been so judicious that it's hard to tell that every acre in this forest has been logged at some point over the past five years.

Tiny streams run crystal clear toward the nearby Mad River. Ferns and moss grow thick under deep shade. Flowering skunk cabbage, forest violets and giant trillium carpet the soft ground, all indicating a healthy forest, Wayburn said. A chorus of bird and frog song fills the cool air.

"Managing for both forest products and carbon, you can pay for the whole forest. It's a little bit of a holy grail," Wayburn said. "We're managing to restore an endangered species on our property. We want the spotted owl back."

Climate Action Registry standards define how carbon storage is measured in this forest. That accountability attracted Schwarzenegger to this project, his aides said. He also supports the other benefits on display, such as improved wildlife habitat and an ongoing contribution to California's lumber economy.

"Protecting and managing forests to maximize greenhouse gas reductions is a top priority of our climate initiative," said Dan Skopec, undersecretary at the state Environmental Protection Agency.

But a weakness of this approach, Barbour and others say, is that it may simply shift demand for lumber products. In short, buying a carbon credit in a forest conservation project could cause a tree to get cut down in the next county.

The Climate Action Registry requires participants to account for such demand shifts only on their own lands. What happens elsewhere doesn't have to be considered.

Wayburn said such shifts are impossible to assess until there is a way to measure global-warming consequences of every activity in the forest industry, worldwide.

Reforestation projects avoid this problem because they don't decrease wood supply, said John Kadyszewski, ecosystem services coordinator at Winrock International, an Arkansas nonprofit considered a leader in carbon accounting.

Winrock's own comprehensive survey of California found that reforestation provides more opportunity to store carbon than improved forest management practices.

In the end, it's likely that both strategies will be needed to soak up greenhouse gases already stewing in the atmosphere.

"We believe managed forests can play a great role in consuming carbon dioxide to reduce the threat of climate change," said Donn Zea, president of the California Forest Products Commission.

"Now we need to make regulatory systems capable of supporting that."