

California's Climate Program

A (very) quick overview

Carbon Friendly Forestry Conference

September 12, 2017

Paul Mason

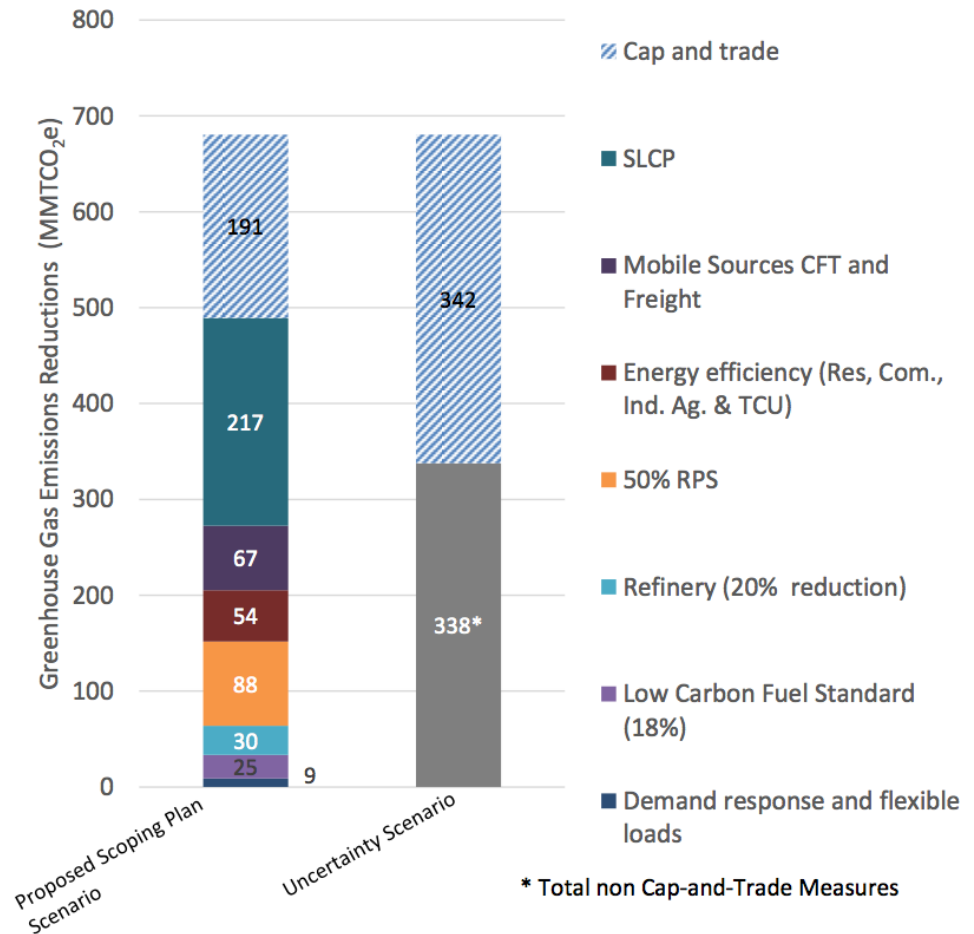


PACIFIC FOREST TRUST

The Basics:

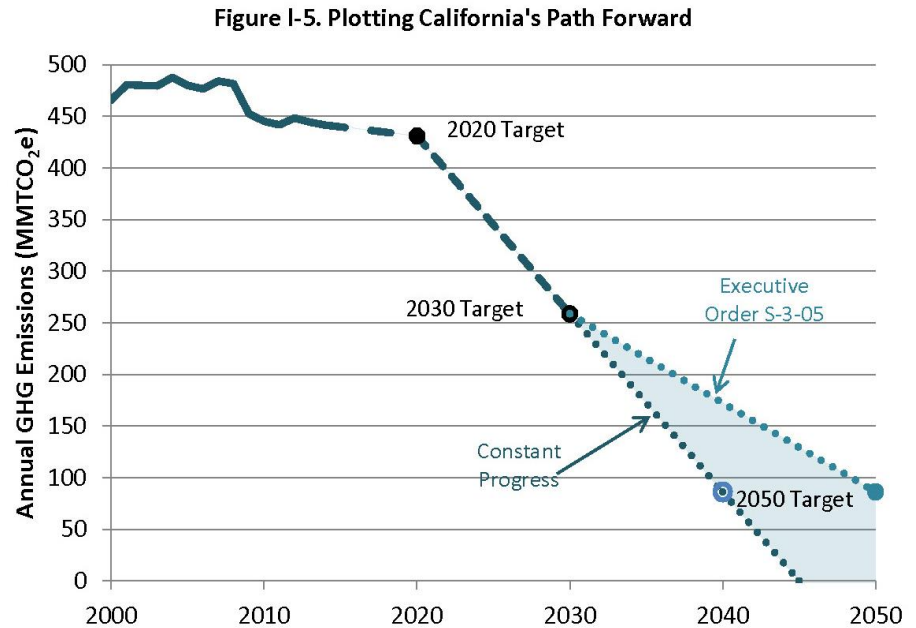
- Reduce GHGs 40% below 1990 levels by 2030
- Portfolio of actions, including a cap and trade program
- Billions in investments, as well as regulation

Figure II-2. Proposed Scoping Plan Scenario – Estimated Cumulative GHG Reductions by Measure (2021–2030)



CA's Cap and Trade Program

- Establishes a market value for CO₂ pollution by auctioning permits
- Applies to the 450 facilities that emit 85% of GHGs
- Two ways to meet obligation: state-issued allowances or offsets
- Can link to other jurisdictions that have equivalent or stronger program - currently Quebec



Offsets

- Generated outside of the capped sectors
- Need to be real, permanent (100 years for forests), verifiable, quantifiable, enforceable
- Natural forest management is required
- The economic value comes from the regulatory confidence
- Provides \$\$\$ incentive to increase and maintain C stocks



Recent Changes will Shrink the Offset Market

- Far fewer offsets allowed after 2020

