

Draft Regional Cap and Trade Program Design -- Public Comment Accepted Through August 13, 2008

On July 23, 2008, the Western Climate Initiative released the Draft Design of the Regional Cap-and-Trade Program. While all industries will be affected by the implementation of the cap-and-trade program, WFPA has worked hard to ensure that the impact of the cap-and-trade program is minimized for the industry as a whole and can provide some opportunities for forest landowners. Some of the key recommendations that WFPA supports include:

- Carbon dioxide emissions from the combustion of biomass or biofuel are not included in the cap-and-trade program.
- Forestry and Land Use Change are not included in the scope of the program.
- A range of offset types that have been identified and prioritized for protocol development including specific forestry projects; afforestation/reforestation, forest management, forest preservation/conservation, and forest products.
- Allowance allocation or auction revenue can be used to promote emission reductions and sequestration in agriculture and forestry projects not related to offset programs.

Other recommendations that have not been finalized include:

- The distribution of allowances (auction or free allocation). WFPA supports minimum auctioning and supports any auction revenue being distributed to projects that reduce emissions for forest products entities covered by the cap and forestry projects that provide sequestration or avoid emissions.
- Offsets are limited to 10% of an entities emission allowance. WFPA supports quality offsets not be limited to ensure both environmental integrity of the program and a lower cost of compliance.

These recommendations are not yet finalized and it is important that WCI hear that we support these recommendations as described above. Public comment is now being accepted until August 13, 2008 through WCI's website:

www.westernclimateinitiative.org