



STATE OF MAINE  
DEPARTMENT OF CONSERVATION  
MAINE FOREST SERVICE  
22 STATE HOUSE STATION  
AUGUSTA, MAINE  
04333-0022

JOHN ELIAS BALDACCI  
GOVERNOR

PATRICK K. MCGOWAN  
COMMISSIONER

Date: July 15<sup>th</sup>, 2009  
To: Christopher Sherry, Lois New, and William Lamkin, Regional Greenhouse Gas Initiative Staff Working Group  
From: R. Alec Giffen, Director, Maine Forest Service  
Re: Recommendations to RGGI Regarding Forestry Offsets

Enclosed, you will find recommendations from the Maine Forest Service and its partners, Environment Northeast and the Manomet Center for Conservation Sciences, for expanding the category of forestry offset projects allowed under the Regional Greenhouse Gas Initiative (RGGI). You will recall that at a meeting held in Maine on March 21, 2007, the RGGI Staff Working Group requested that the Maine Forest Service develop these recommendations for your consideration, and that an earlier draft was sent to you on June 11, 2008. Since that time, we have conferred with a number of constituents and interests that care about this issue to refine the draft.

Before getting into the details, I wish to thank you for the opportunity to contribute to RGGI's work, and to the important effort to capitalize on the opportunities forests and forest products provide for reducing atmospheric levels of greenhouse gases. We have taken your request very seriously and have spent a great deal of time crafting the recommendations enclosed. This simply would not have been possible without the help of Environment Northeast, the Manomet Center for Conservation Sciences, and the Maine Department of Environmental Protection. We all are also indebted to feedback and participation of over 60 stakeholders who generously shared their knowledge, experience, and perspectives with us. Much of their wisdom is incorporated into these recommendations.

I am sure that you will recognize when you read them that these recommendations are tailored specifically to RGGI's requirements, particularly the five-part test for offset projects and your desire to use performance standards for offset projects to the maximum extent practicable and avoid complex modeling of what might constitute business as usual management. In these regards, they make recommendations for how to approach requirements for additionality, leakage, and permanence. We believe this will assure that for each ton of carbon dioxide (CO<sub>2</sub>) allowed to be released into the atmosphere in exchange for a forestry offset, a ton of CO<sub>2</sub> will be removed. We are persuaded that being able to make this case is fundamentally important if forestry offsets are to assume their rightful place in a cap and trade program that achieves its targets for reducing atmospheric greenhouse gas levels.

MAINE FOREST SERVICE  
R. ALEC GIFFEN, DIRECTOR

PHONE: (207) 287-2791 OR 1-800-367-0223  
FAX: (207) 287-8422; TTY: (207) 287-2213  
<http://www.maine.gov/doc/mfs/>

**We help you make informed decisions about Maine's forests**



STATE OF MAINE  
DEPARTMENT OF CONSERVATION  
MAINE FOREST SERVICE  
22 STATE HOUSE STATION  
AUGUSTA, MAINE  
04333-0022

JOHN ELIAS BALDACCI  
GOVERNOR

PATRICK K. MCGOWAN  
COMMISSIONER

You will note that some of the recommendations included in here differ from RGGI's current requirements for afforestation (e.g., which pools of carbon are to be measured/credited); and thus, one or the other of these sets of specifications may need to be adjusted to achieve consistency. You will also note that additional information is needed on certain topics to refine and implement these recommendations – for example, using econometric models to estimate leakage from some project types. We have already initiated efforts with experts in these fields to evaluate the most accurate way of assessing leakage and substitution benefits as well. Fully implementing these recommendations will require that we complete this work and satisfy ourselves and you that these methods are both reliable and practical.

As we have worked to develop these recommendations, it has become apparent to us that in order to get the standards for forestry offsets “right” – they must be rigorously defined to achieve their purpose – they are unlikely to appeal to all landowners particular smaller ones; hence, they have inherent limitations. I am persuaded that these projects simply cannot achieve all of what we need to do as a society to capitalize fully on the benefits that forests can provide in reducing atmospheric greenhouse gases. Because of this, I believe that a two-pronged effort will be needed to take advantage of the full range of opportunities that forests represent for reducing atmospheric greenhouse gas levels. Such an effort should include programs designed for landowners who are not likely to participate in the offset markets, but who nonetheless are interested in retaining forests as forests and managing them sustainably. Simply put, offset projects which meet a rigorous application of the five part test are very unlikely to achieve all of the potential that forests offer. Recognition of this fact is fundamentally important in designing a truly effective policy response to climate change. For, among other facts, if we are not successful in keeping forests as forests, not only do we stand to lose the contribution US forests currently make by sequestering approximately 12% of annual emissions nationwide, but forest conversion will add to emissions of greenhouse gas.

A list of the various interested parties that have made comments and their full comments are available if you wish. We look forward to your comments and stand ready to answer any questions you may have.

Thank you again for the opportunity to work on this important project.

RAG/rld

Encl: Recommendations to RGGI for Including New Forest Offset Categories

MAINE FOREST SERVICE  
R. ALEC GIFFEN, DIRECTOR

PHONE: (207) 287-2791 OR 1-800-367-0223  
FAX: (207) 287-8422; TTY: (207) 287-2213  
<http://www.maine.gov/doc/mfs/>

**We help you make informed decisions about Maine's forests**