

1 H.309

2 Introduced by Representatives Birong of Vergennes, Briglin of Thetford,
3 Durfee of Shaftsbury, Lanpher of Vergennes, Sheldon of
4 Middlebury, Szott of Barnard, and Young of Greensboro

5 Referred to Committee on

6 Date:

7 Subject: Natural resources; energy; carbon sequestration

8 Statement of purpose of bill as introduced: This bill proposes to create a
9 working group to study the creation of a statewide program to facilitate the
10 enrollment of Vermont forestlands in carbon markets.

11 An act relating to creating a working group to study establishing a program
12 to facilitate the enrollment of forestlands in carbon markets

13 It is hereby enacted by the General Assembly of the State of Vermont:

14 Sec. 1. FINDINGS

15 The General Assembly finds that:

16 (1) Addressing climate change is imperative and carbon sequestration
17 can play an important role in mitigating the impact of climate change.

18 (2) Carbon sequestration may also be a source of potential revenue to
19 Vermont landowners. Carbon markets allow for the trading of sequestration

1 credits and Vermont's forests may be a potential source of credits that could be
2 traded on those markets.

3 (3) However, there are also questions surrounding the viability of
4 enrolling Vermont forestlands in carbon markets. Any program to encourage
5 the enrollment of Vermont forestlands in carbon markets must therefore be
6 carefully analyzed and planned to maximize the chance of success.

7 (4) Enrolling Vermont forestlands in carbon markets may further other
8 important goals. For example, carbon sequestration plans can be used in
9 conjunction with other forest management plans, the Use Value Appraisal
10 Program (current use), and other programs to not only maximize carbon
11 sequestration but also to enhance forest health, increase biodiversity, and
12 improve water quality. In addition, larger forest parcels may be of more value
13 in potential carbon markets and may provide a potential revenue stream that
14 will allow large parcels to remain intact, which could help prevent forest
15 fragmentation.

16 (5) As a result, the General Assembly finds that a working group should
17 be established to study the creation of a statewide program to facilitate the
18 enrollment of Vermont forestlands in carbon markets.

1 Sec. 2. VERMONT CARBON SEQUESTRATION WORKING
2 GROUP; REPORT

3 (a) Creation. There is created the Vermont Carbon Sequestration Working
4 Group to study how to create a statewide program to facilitate the enrollment
5 of Vermont forestlands in carbon markets.

6 (b) Membership. The Working Group shall be composed of the following
7 members:

8 (1) two current members of the House of Representatives, not from the
9 same political party, who shall be appointed by the Speaker of the House;

10 (2) two current members of the Senate, not from the same political
11 party, who shall be appointed by the Committee on Committees;

12 (3) the Secretary of the Agency of Natural Resources or designee;

13 (4) the Commissioner of the Department of Public Service or designee;

14 and

15 (5) a person with experience or expertise in a relevant subject area,
16 including forest management or carbon sequestration, to be appointed by the
17 Speaker of the House.

18 (c) Powers and duties. The Working Group shall study how to create a
19 statewide program to facilitate the enrollment of Vermont forestlands in cap
20 and trade and other carbon markets, including the following issues:

1 (1) how State-owned, and privately owned, forestland can be enrolled or
2 used in different compliance and voluntary carbon markets;

3 (2) how best to market and sell carbon credits from State-owned, and
4 privately owned, forestland in these carbon markets;

5 (3) how to develop economies of scale in marketing and selling carbon
6 credits in these markets;

7 (4) how to utilize financial incentives and existing forest management
8 and certification programs and Vermont's Use Value Appraisal program to
9 maximize the potential value of forestland in these carbon markets while also
10 enhancing conservation and other goals;

11 (5) what is the best governing structure for a statewide program to
12 facilitate the enrollment of forestland in Vermont in cap and trade and other
13 carbon markets;

14 (6) how to structure and regulate such a program, including how
15 forestland will be assessed and enrolled, how parcels and landowners will enter
16 and leave the program, how landowners will be paid, and how requirements
17 and standards concerning forest management will be applied and enforced;

18 (7) expected revenue from enrolling forestland in carbon markets and
19 how that revenue should be allocated to:

20 (A) support the governance structure, management, and oversight of
21 the program;

1 (B) fairly compensate landowners; and

2 (C) encourage enrollment in the program; and

3 (8) any other issue the Working Group deems relevant to designing and
4 implementing a statewide program to facilitate the enrollment of Vermont
5 forestlands in carbon markets.

6 (d) Pilot project. Based on the recommendations developed pursuant to
7 subsection (c), the Working Group shall:

8 (1) identify specific forest parcels that are best suited for enrollment in
9 carbon markets and a system to prioritize those parcels; and

10 (2) propose a pilot project to market and sell carbon credits from State-
11 owned, or privately owned, forestlands totaling 5,000–10,000 acres in carbon
12 markets beginning in 2020.

13 (e) Assistance. The Working Group shall have the administrative,
14 technical, and legal assistance of the Agency of Natural Resources and the
15 Department of Public Service. As necessary, the Working Group may request
16 the legal assistance of the Office of Legislative Council. The Working Group
17 may consult with stakeholders and experts in relevant subject areas, including
18 carbon markets, forest management strategies, and parcel mapping.

19 (f) Report. On or before December 20, 2019, the Working Group shall
20 submit a written report to the House Committee on Natural Resources, Fish,

1 and Wildlife; the House Committee on Energy and Technology; and the Senate
2 Committee on Natural Resources and Energy. The report shall include:

3 (1) specific and detailed findings and proposals concerning the issues set
4 forth in subsections (b) and (c);

5 (2) a detailed proposal for a pilot project as set forth in subsection (c);
6 and

7 (3) any recommendations for legislative or regulatory action.

8 (g) Meetings.

9 (1) The Secretary of the Agency of Natural Resources or designee shall
10 call the first meeting of the Working Group to occur on or before July 15,
11 2019.

12 (2) The Secretary of the Agency of Natural Resources or designee shall
13 be the chair.

14 (3) A majority of the membership shall constitute a quorum.

15 (4) The Working Group shall meet as often as necessary and shall cease
16 to exist on December 20, 2019.

17 (h) Compensation and reimbursement.

18 (1) For attendance at meetings during adjournment of the General
19 Assembly, a legislative member of the Working Group shall be entitled to per
20 diem compensation and reimbursement of expenses pursuant to 2 V.S.A.

1 § 406. These payments shall be made from monies appropriated to the General
2 Assembly.

3 (2) Any nonlegislative member of the Working Group who is a State
4 employee shall not be entitled to per diem compensation or reimbursement of
5 expenses. Any member of the Working Group who is not a State employee
6 shall be entitled to per diem compensation and reimbursement of expenses as
7 permitted under 32 V.S.A. § 1010 for any meeting he or she attended in
8 person. These payments shall be made from monies appropriated to the
9 Agency of Natural Resources.

10 Sec. 3. EFFECTIVE DATE

11 This act shall take effect on July 1, 2019.