



# Carbon Credits and Payments for Ecosystem Services

## Recreation and Conservation Office

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## Forests and Carbon Storage

Healthy forests store on average 146.2 metric tons of carbon per acre per year in western Washington and 94.4 metric tons per acre per year in eastern Washington.

Between 2006-2016, Washington lost 2.2 million metric tons of stored carbon per year because of forest conversion and loss.



Citation: Washington State Department of Natural Resources. 2020. [Carbon Sequestration Advisory Group Final Report](#).

## POLICY BRIEF

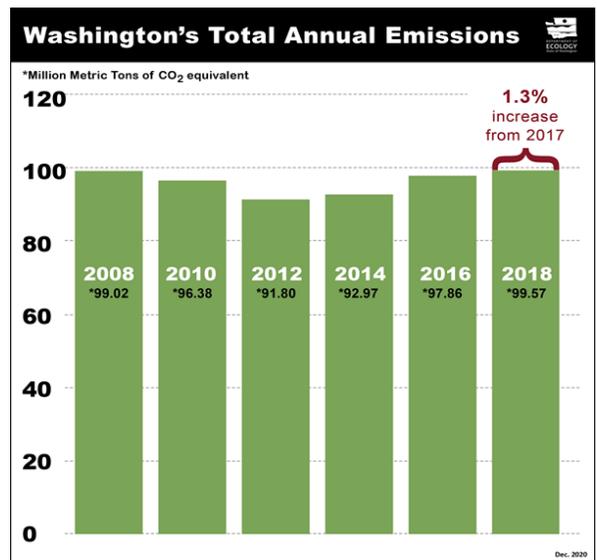
### Providing Recreation and Conserving Washington's Rich Natural Heritage

In January 2021, the Recreation and Conservation Funding Board adopted a policy to allow funded projects to enroll in carbon credit or payment for ecosystems services programs. These programs issue credits or direct payments to landowners for activities, such as land protection and tree planting, that reduce or prevent future carbon emissions. Income generated from the sale of credits may be used for stewarding and maintaining the property or to acquire additional conservation and recreation lands.

This is one way in which the board is working with grant recipients to stretch the state's investments in conservation lands and contribute to carbon sequestration and mitigation of the state's greenhouse gas footprint. The full policy is detailed below and will be recorded in [RCO Manual 3: Acquisition Projects](#).

### Washington State's Carbon Footprint

According to the [Washington State Department of Ecology](#), in 2018, Washington's total greenhouse gas emissions rose by 1.3 percent. The state's goal is to reduce greenhouse gas emissions to 1990 levels, or 90.5 million

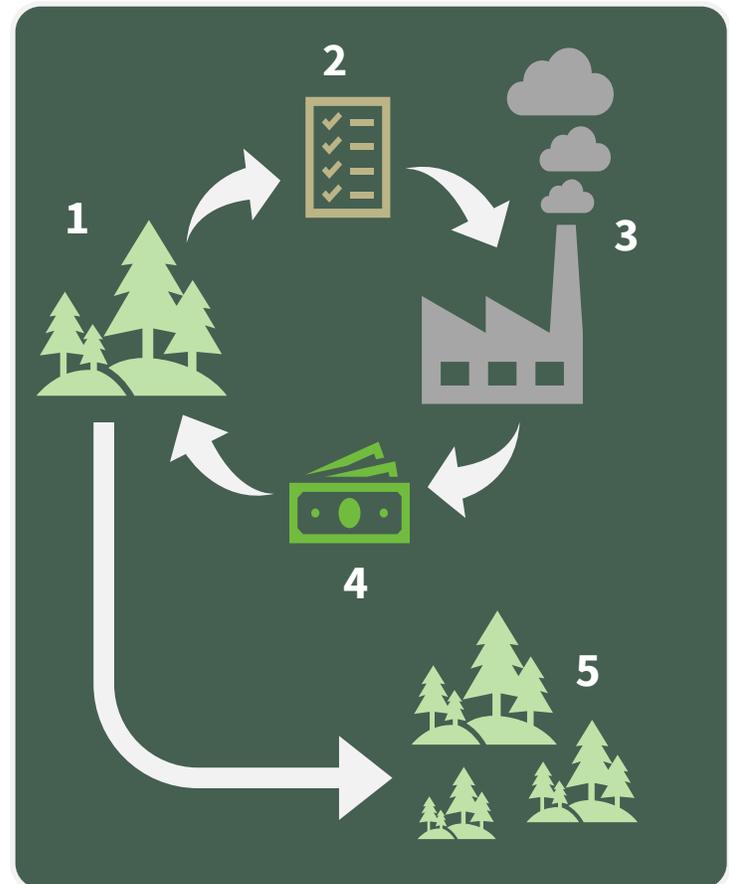


metric tons by 2020. A 2018 report published by the [United Nations Intergovernmental Panel on Climate Change](#) finds that avoiding the worst impacts of climate change requires rapidly increasing the scale of land preservation and tree planting to capture carbon already in the atmosphere. If Washington State is to meet its greenhouse gas reduction goals, the pace and scale of carbon sequestration activities must rapidly increase.

## How Carbon Credits Work (A Simplified Example)

A **carbon credit** represents one metric ton of carbon dioxide sequestered or avoided as the result of a specific activity. A credit is generated by a *carbon offset project* (1), such as protecting land or planting trees. The number of credits generated is determined by using statistical modeling prescribed by the rules, or protocol, of a carbon credit program. These protocols are developed by a carbon registry, typically a nonprofit or government agency, with significant public input and scientific review.

The amount of carbon sequestered or avoided by an offset project is calculated using the protocol methodology by (2) a third-party verification process. The carbon registry issues unique, numbered credits for each ton of carbon dioxide, which can then be sold on the open market. (3) Companies or private individuals can purchase the carbon credits to offset their carbon footprint. (4) The income generated from the sale of the credits can then (5) be put back into managing the land or acquiring new conservation and recreation lands. For more information, read this article from [Forbes magazine](#) summarizing the basics of carbon offsets.



## More Information?

The full policy is detailed below. The policy was developed under the authority and with the input of the Recreation and Conservation Funding Board. Stakeholder input was gathered between April and December 2020. Public comment was taken at the November 2020 and the January 2021 Recreation and Conservation Funding Board meetings. The board formally adopted the policy on January 26, 2021.

For more information on this policy or its development, contact:

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## Have a Project to Enroll?

Please [fill out this form](#) and contact your outdoor grants manager. [Contact information](#) is online.

## Carbon and Ecosystem Service Credits Policy

Properties acquired or encumbered with state funding assistance from the Recreation and Conservation Office (RCO) may be enrolled in carbon credit and other payments for ecosystem service market programs to the extent that activities generating the credits or payments do not conflict or interfere with the RCO funding purpose. Through such markets, funded properties may be used to leverage the state's investment to secure a source of income for stewardship and maintenance of conserved properties or future property acquisitions in accordance with RCO's income use policy and [Washington Administrative Code 286-13-110](#).

If the sponsor secures the activity generating the carbon or ecosystem service credits with a restriction on the title of the RCO-funded property or properties, the restriction may not do any of the following:

- Subordinate RCO's deed of right or assignment of right.
- Conflict or interfere with RCO's funding purpose and ability to enforce the terms of RCO's project agreement.
- Reduce or diminish RCO's ability to pursue a remedy in the event RCO issues a determination of non-compliance or conversion for the project area.

If the activities generating carbon or ecosystem services credits are found to be incompatible or conflict with RCO's funding purpose, the RCO-funded project area may be subject to a determination of non-compliance or conversion. See RCO [Manual 7: Long-Term Obligations](#) for more information on compliance, non-compliance, and conversion policies and procedures.

## Procedure and Delegation of Authority

Prior to committing to a carbon finance or other payment for ecosystem services project, the sponsor must provide RCO with written notice. The notice must include all of the following:

- Which RCO funded properties will be included in the project.
- The crediting or payment terms and anticipated time commitment of the project.
- Acknowledgement of RCO's income use policy.

Before recording any deed restriction, the sponsor must provide RCO the opportunity to review the deed restriction for compatibility with RCO's funding terms and conditions. RCO may approve the deed restriction under the complementary covenants policy, suggest modifications to receive approval, or deny based on the above provisions. The RCO director or designee is responsible for approval of the deed restriction.

## Limitations

This policy only applies to state funding programs administered by the Recreation and Conservation Funding Board and Recreation and Conservation Office. Properties acquired with federal funds administered by the board are not eligible unless carbon and ecosystem service payment projects are authorized by the federal program.