



Senate Committee on Natural Resources and Wildfire

February 22, 2024

Chair Golden, Vice-Chair Girod and members of the Senate Committee on Natural Resources and Wildfire:

I am writing, on behalf of Oregon Climate and Agriculture Network, to provide testimony on HB 4102 which specifies the sources of moneys in the Natural and Working Lands (NWL) Funds, allowing private and federal funding in addition to moneys appropriated by the legislative assembly. Our organization was a strong advocate for the Natural Climate Solutions Bill and we are invested in the effectiveness of the Fund, and ensuring that Oregon's farmers and ranchers receive the financial incentives provided by the NWL Fund.

We are generally supportive of the contribution of other public and private funding to the NWL Fund, which is what this bill would allow. The flexibility may be helpful, especially the receipt of federal funds.

During the public hearing on the house side we heard testimony from advocates who appeared to be interested in using the Fund for a carbon market program for Oregon. I appreciated the clarification in the public hearing in your committee today, and am much less concerned.

We have concerns about the state managing a carbon market program--we don't believe that's an appropriate role for the state. We also have significant concerns about agricultural carbon markets, specifically:

- Given the difficulty of accurately measuring carbon sequestration, the current tools and methodologies in use may overestimate the carbon sequestration benefits of practices;
- Carbon markets look narrowly at agricultural soils and do not properly compensate farmers and ranchers for the multiple environmental benefits that climate stewardship and soil health practices deliver; and
- Carbon markets may also aggravate issues of racial and economic inequity by prioritizing high returns on investment which can only be provided by large-scale operations.

There are other effective ways the state can provide financial incentives, other than via carbon markets, and the NWL Fund is already set up well for that.

*We are neutral on this bill which simply provides the flexibility to allow other public and private funding, which could be helpful, so we are happy to have the bill proceed.*

Megan Kemple, Executive Director  
Oregon Climate and Agriculture Network