

National Carbon Offset Coalition, Inc.

Carbon Credits . . . A Unique
Market-Based Approach With
Potential Benefits for Landowners

**Benefits and Challenges of
Participating in Carbon Sequestration**

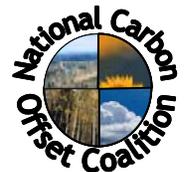


NCOC Background



- ❑ Seven non-profit resource conservation organizations, based in Butte, Montana.
- ❑ Funded by both the State of Montana and the Department of Energy
- ❑ The program offers corporations a cost-effective way to achieve their carbon dioxide emission reduction goals.
- ❑ Carbon credit transfer is a new marketable commodity that is providing landowners and communities with a source of revenue.
- ❑ NCOC is an Aggregating Member of the Chicago Climate Exchange.
- ❑ Member of the Big Sky DOE Carbon Sequestration Partnership.
- ❑ NCOC is the only organization in all partnerships funded for this research.

NCOC – Visit our website: www.ncoc.us – 406-491-4471



What is Carbon Sequestration?

Capture and storage of CO₂ and other Greenhouse Gases that would otherwise be emitted to the atmosphere

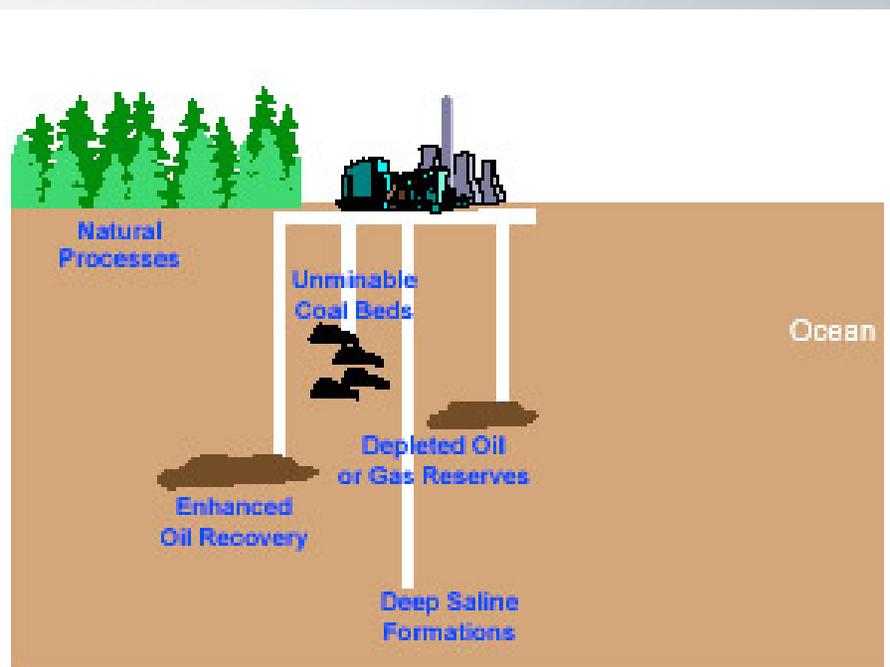


Capture can occur:

- at the point of emission
- when absorbed from air

Storage locations include:

- underground reservoirs
- dissolved in deep oceans
- converted to solid material
- trees, grasses, soils, or algae



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What Terrestrial Practices Sequester Carbon?



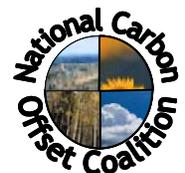
No-till or reduced tillage

Winter cover crops

Increased crop
productivity

Intensified crop
rotations (double
crop)

Conservation buffers



What Terrestrial Practices Sequester Carbon?



Tree planting

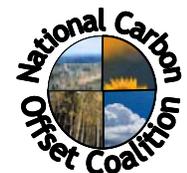
Grazing lands initiative

Restoration of degraded soils

Any practices that improve soil organic carbon



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Benefits of Terrestrial Offsets



GHG Reductions Now



Local Conservation & Environmental
Benefits



Revenue Source for Landowners, Tribal &
State Governments

Current Situation



As a CCX
Aggregator, NCOC
pools consist of:

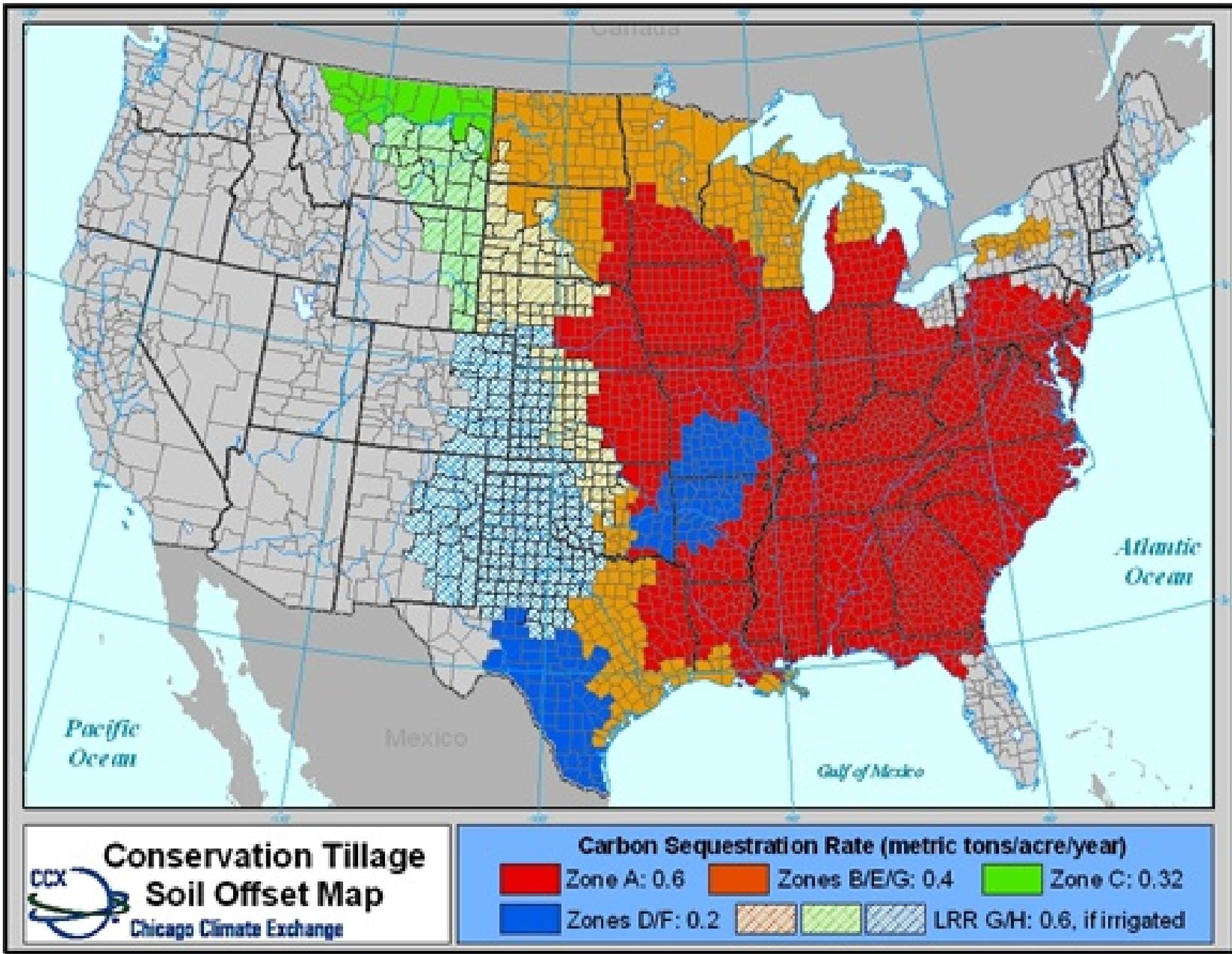
- Conservation Tillage
- Grass Plantings
- Rangeland Management
- Tree Planting (Afforestation)
- Urban Forest Planting
- Sustainable Forest Management
- Methane (Agricultural/Landfill)
- Fuel Switching

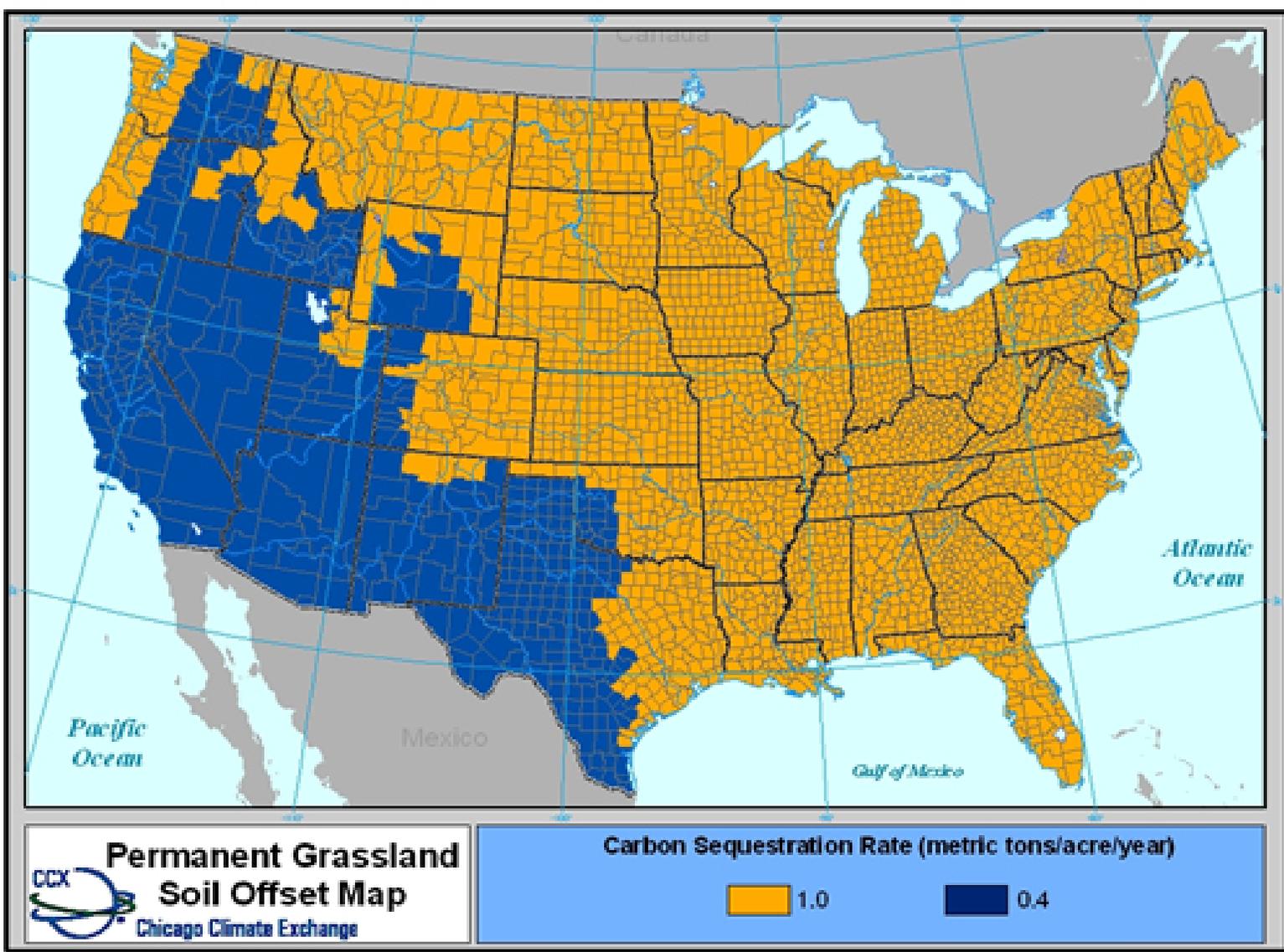
NCOC Project Development Process

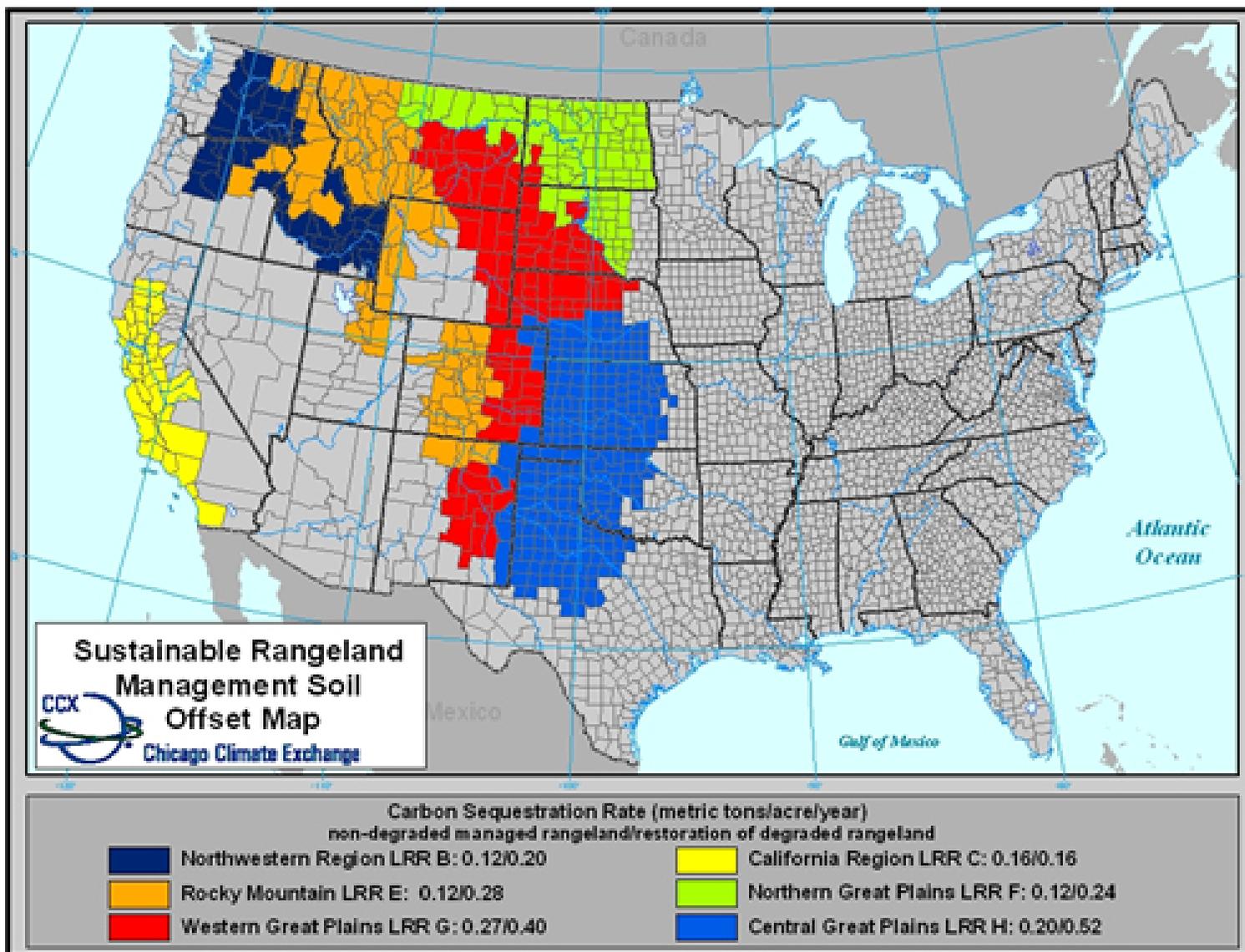


NCOC aggregates carbon sequestration projects for placement on the CCX through the following process:

- Project application by landowner
- Initial review by NCOC to determine project eligibility
- Sellers agreement and application to join the relevant offset pool signed by landowner
- Project added to the NCOC portfolio and submitted to the CCX
- Project subject to independent third-party verification
- NASD review
- Trade completed and credits transferred to buyer
- Ongoing management and monitoring and reporting







Forestry Projects



- Afforestation
- Reforestation
- Management of Existing Stands
- Credit for Long-lived Wood Products
- Urban Forestry

Legislative Considerations



- Existing work underway (voluntary market)
- Demonstrating the proof of concept
- Final decision of future offsets will be done at federal level
- Key issues:
 - Project types
 - Standards
 - Amount
 - Price

Needed Legislative Action



- Support terrestrial offsets as a beginning strategy to sequester CO₂ in:
 - Communications
 - Policy Papers
 - Legislation

Support CCX Protocols/Standards



Key issues for Ag/Forest Lands

- Allow early adopters to gain credit
- Support early action and leadership
- Don't create perverse incentives
- Support contracting requirements (not easements)
- Support contracting on projects which have had other cost-share

**Create a
Montana
Climate Trust**



Join CCX



Support NCOC



Thank You!

National Carbon Offset Coalition

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