

National Carbon Offset Coalition, Inc.

Carbon Credits . . . Benefits for
Landowners and Our Environment

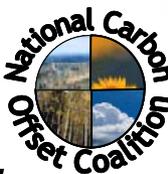
**Benefits and Challenges of Participating
in Carbon Sequestration**



NCOC Background



- Board consists of seven Montana-based non-profit resource conservation organizations, and office is based in Butte, Montana.
- NCOC is an Aggregating Member of the Chicago Climate Exchange. Voluntary market.
- Member of the Big Sky DOE Carbon Sequestration Partnership.
- Technical assistance can be obtained through our Affiliate members, if needed.



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

Big Sky Partnership Research -- MMV



A portion of NCOC's role is to acquire the monitoring, measurement and verification (MMV) which consists of:

- Comparing tilled and direct seed systems on various crop rotations
- Examining spatial distribution and processes of soil carbon and soil properties
 - ✓ Laser induced breakdown (spectroscopy/infrared spectroscopy)
- Remote sensing

NCOC ORGANIZATION



Chicago Climate Exchange - CCX



- North America's only greenhouse gas (GHG) trading system.
- Launched in 2001. Modern web-based trading floor.
- Only Members can buy and sell on CCX.
- Trading launched in 2003; Currently trading emissions dated 2003 through 2010.
- Trading rules managed by expert committees drawn from CCX members.
- Info at www.chicagoclimatexchange.com



CCX Membership



- **Members** have significant, direct GHG emissions (corporations, cities, states, etc.)
 - Legally commit to reduce 2000 GHG emissions by 6% prior to 2010.
 - If they reduce more than needed, they can sell the excess. If they reduce less than needed, they must buy from the trading floor.
- **Aggregators** – organizations that pool small projects together for trading on the CCX.



Current CCX Members

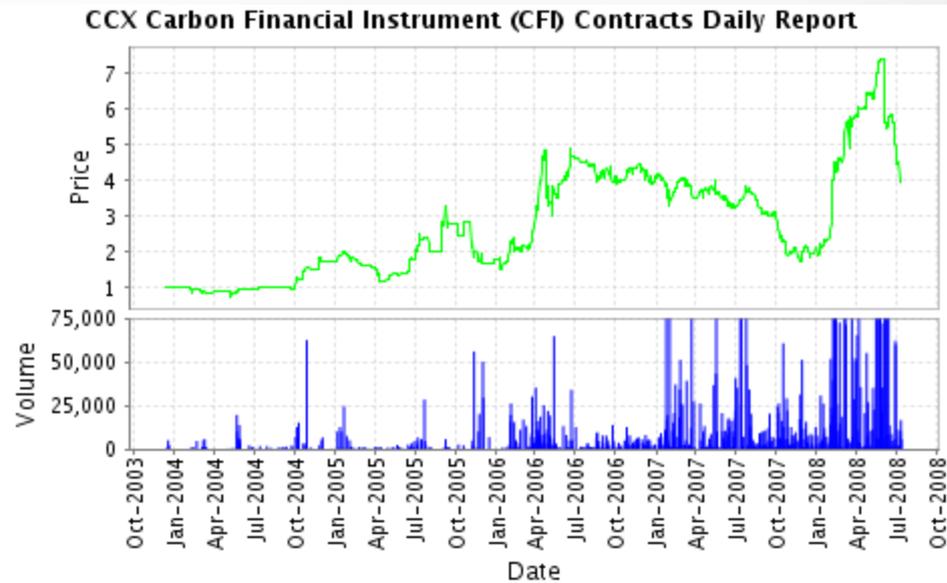


- Industrial Members
 - Ford Motor Co.
 - DuPont
 - Allegheny Energy, Inc.
 - International Paper
- Public Members
 - City of Chicago
 - State of New Mexico
- Non-Governmental Members
 - World Resources Institute
- Offset Providers
 - CNX Gas Corp.
 - Gallo Cattle Company
 - Vessels Coal Gas Inc.
- Aggregators
 - AgraGate Climate Credits Corporation
 - Carbon Farmers LLC
 - National Carbon Offset Coalition

CCX Market Price as of 9/11/08



\$2.50/ton



Benefits of Terrestrial Offsets



GHG Reductions Now



Local Conservation & Environmental Benefits

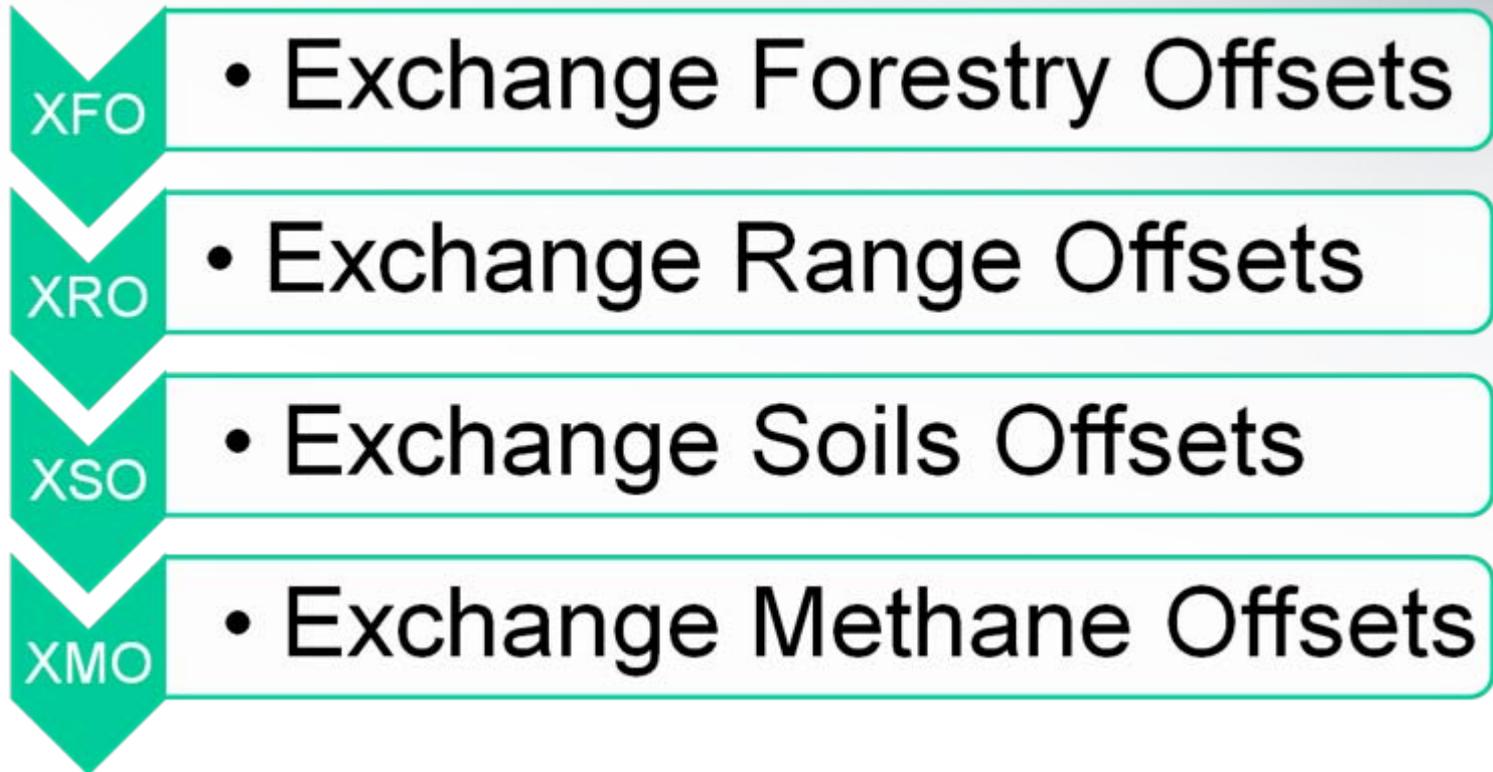


Revenue Source for Landowners, Tribal & State Governments

CCX Portfolios



These are equal to 100 tons CO₂e



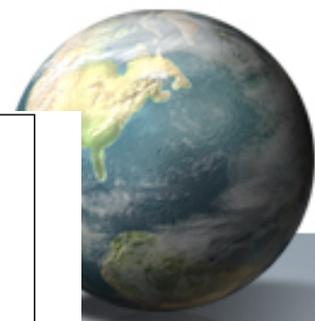
All eligible projects will be marketed to the above pools

Current Situation

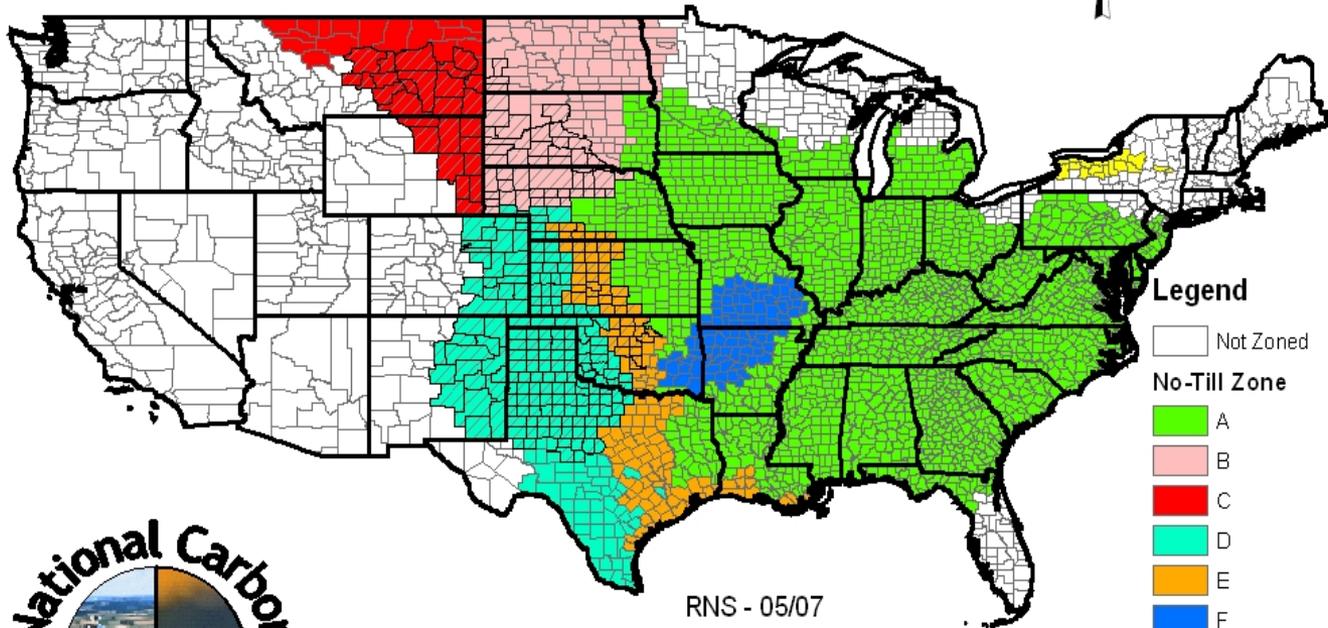


As a CCX
Aggregator, NCOC
pools consist of:

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



CCX NO-TILL ZONES

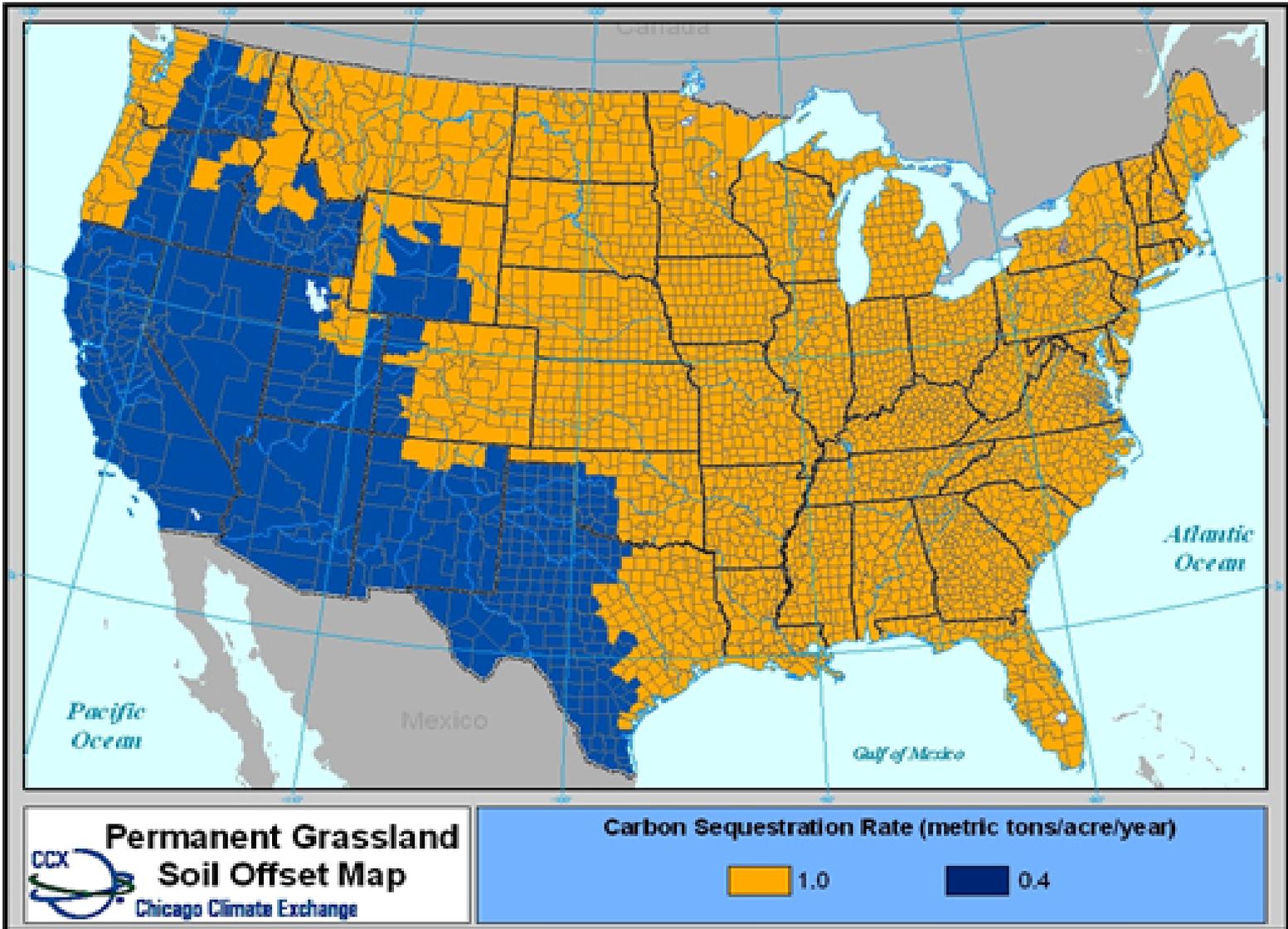
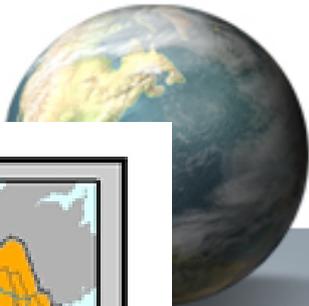


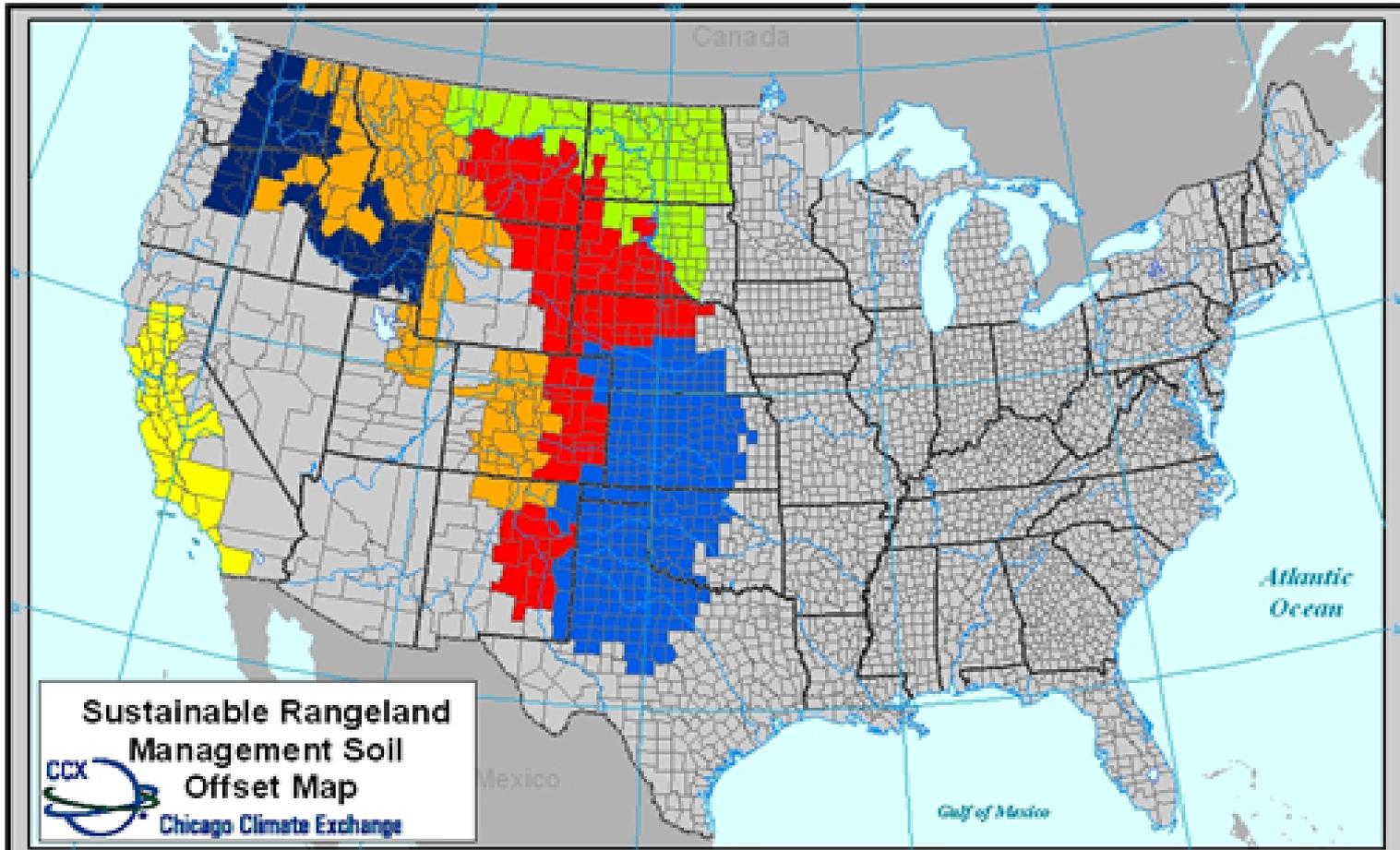
- Legend**
- Not Zoned
 - No-Till Zone**
 - A
 - B
 - C
 - D
 - E
 - F
 - G
 - Irrigation

RNS - 05/07

Taken from CCX Advisory 2007-05







**Sustainable Rangeland
Management Soil
Offset Map**
CCX
Chicago Climate Exchange

Carbon Sequestration Rate (metric tons/acre/year)
non-degraded managed rangeland/restoration of degraded rangeland

	Northwestern Region LRR B: 0.12/0.20		California Region LRR C: 0.16/0.16
	Rocky Mountain LRR E: 0.12/0.28		Northern Great Plains LRR F: 0.12/0.24
	Western Great Plains LRR G: 0.27/0.40		Central Great Plains LRR H: 0.20/0.52

Forestry Projects



- Afforestation
- Reforestation
- Fire Rehab
- Management of Existing Stands
- Long-lived Wood Products
- Urban Forestry



Forestry Offsets



CCX Forest Carbon Offset Project Categories

- **Afforestation**: the planting of new forests on lands, which historically, have not contained forests.
- **Long-Lived Wood**: harvested wood that has existed for long period of time, in which it has served as a carbon sink.
- **Managed Forest Projects**: projects that sustainably manage forests such that their growth in carbon stocks exceeds their harvest.

In addition, CCX has developed rules for offset issuance for widely-spaced tree plant and forest conservation that is combined with afforestation.

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

Fees



- 10% NCOC
- \$.20 Registration
- .10/acre cropland/rangeland
- Forestry/Methane depends on bids from third party verifiers

Thank You!

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