



12/23/05 THE AMSTERDAMER, AMSTERDAM, NETHERLANDS. PHOTO: SYDNEY.

# National Carbon Offset Coalition, Inc.

Carbon Credit Market. . . A Unique  
Market-Based Approach in Montana  
and Abroad



*NCOC – Visit our website: [www.ncoc.us](http://www.ncoc.us) – 406-491-4471*



# National Carbon Offset Coalition

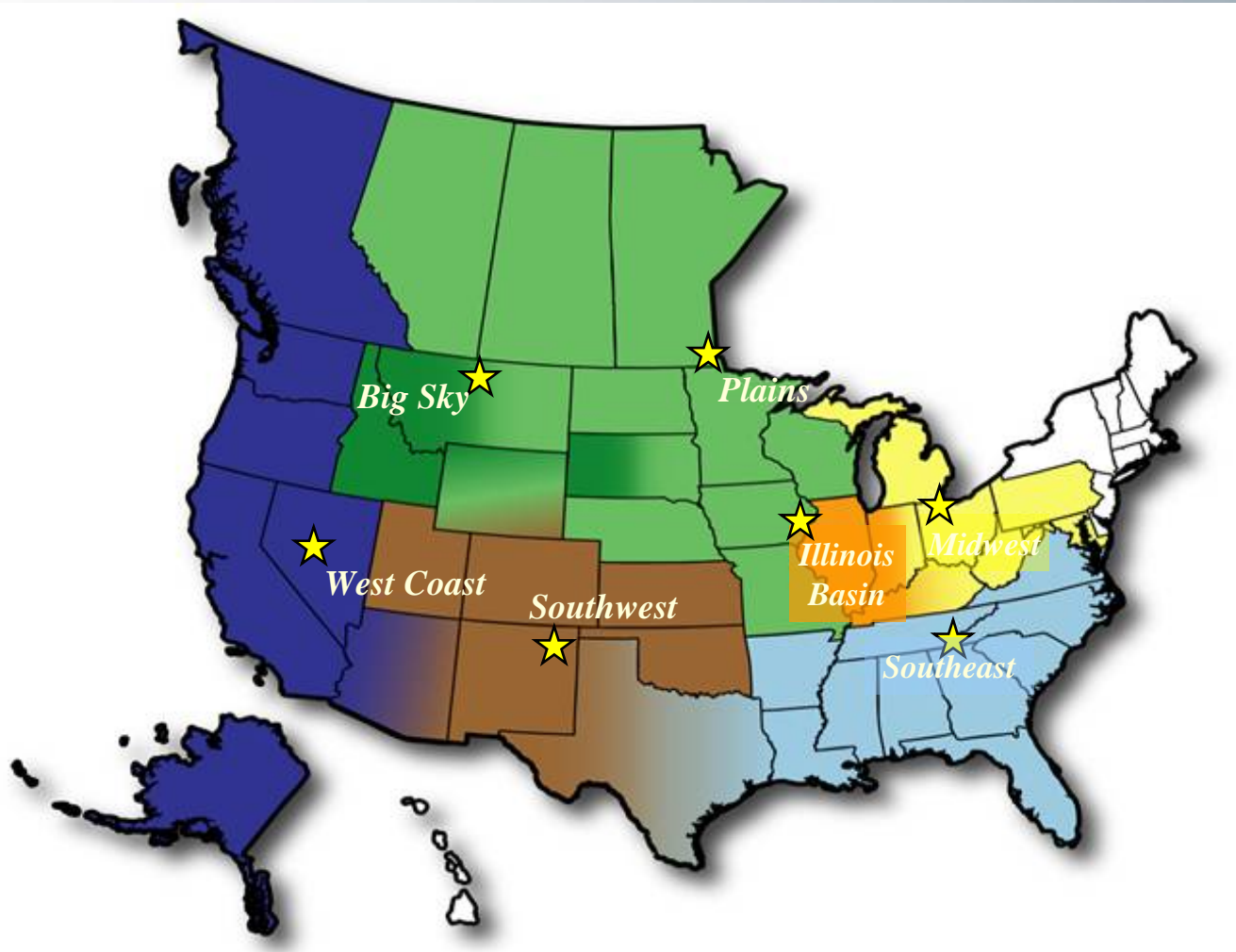


- Seven non-profit resource conservation organizations,
- Based in Butte, Montana.
- The program offers corporations a cost-effective way to achieve their carbon dioxide emission reduction goals.
- Carbon credit transfer is a new marketable commodity that can provide landowners and communities with a new potential source of revenue.
- Funded by both the State of Montana and the Department of Energy

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# 7 Regional Carbon Sequestration Partnerships





# What is Carbon Sequestration?

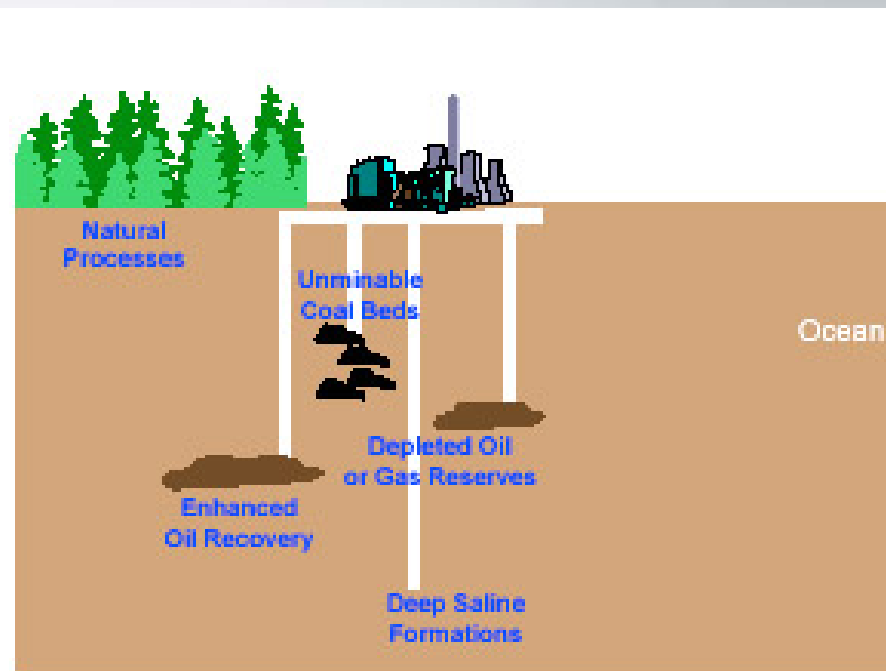
*Capture and storage of CO<sub>2</sub> and other Greenhouse Gases that would otherwise be emitted to the atmosphere*

## 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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# Pilot Carbon Market - Big Sky Carbon Sequestration Partnership



## National Carbon Offset Coalition (NCOC)

- C sequestration in Cropland, Forestry, Agroforestry
  1. Initial proposal (what you plan to do)
  2. Listing agreement (min. price for C you'll accept)
  3. Potential Sale (\$\$)

## Montana State University

- MMV on select farms enrolled in NCOC listing agreement
  - VNIR-DRS
  - LIBS (laser induced breakdown spectroscopy, LANL)
  - C isotopes (LANL)
- Continue on-farm research and remote sensing activities

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# Sequestration Potential Big Sky Region



Practice	Available Area (000 Ac.)	Potential Area (1000 Ac.)	Potential Mitigation (TgCO <sub>2</sub> e/yr)
Afforestation	34,000	3,400	4 – 6
Forest Management	10,900	6,200	1.5 – 2
Field Windbreaks	594	300	1.0 – 1.5
Riparian Forests	1,500	750	2 – 2.5
Biomass for Energy	10,500	330	0.25 – 3
<b>Total</b>			<b>9 – 15</b>

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# What is Cap & Trade



- Setting overall limits on GHG
- Distributing or auctioning off the allowances
- Offsets key innovation in the design of carbon market

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# The Chicago Climate Exchange



- The Chicago Climate Exchange (CCX) is a greenhouse gas (GHG) emission reduction and trading pilot program for emission sources and offset projects in the US and for offset projects undertaken in Brazil. CCX is a self-regulatory, rules-based exchange designed and governed by CCX Members.
- These members have made a voluntary, legally binding commitment to reduce their emissions of greenhouse gases by four percent below the average of their 1998-2001 baseline by 2006, the last year of the phase 1 of the pilot program.

# CCX Founding Members



American Electric Power

Manitoba Hydro

Ford Motor Company

Mead Wesvaco

Baxter

Motorola

DuPont

STMicroelectronics

Waste Management Inc.

Stora Enso

Equity Office Properties

Temple-Inland

International Paper

City of Chicago

# Needed Land Use Categories

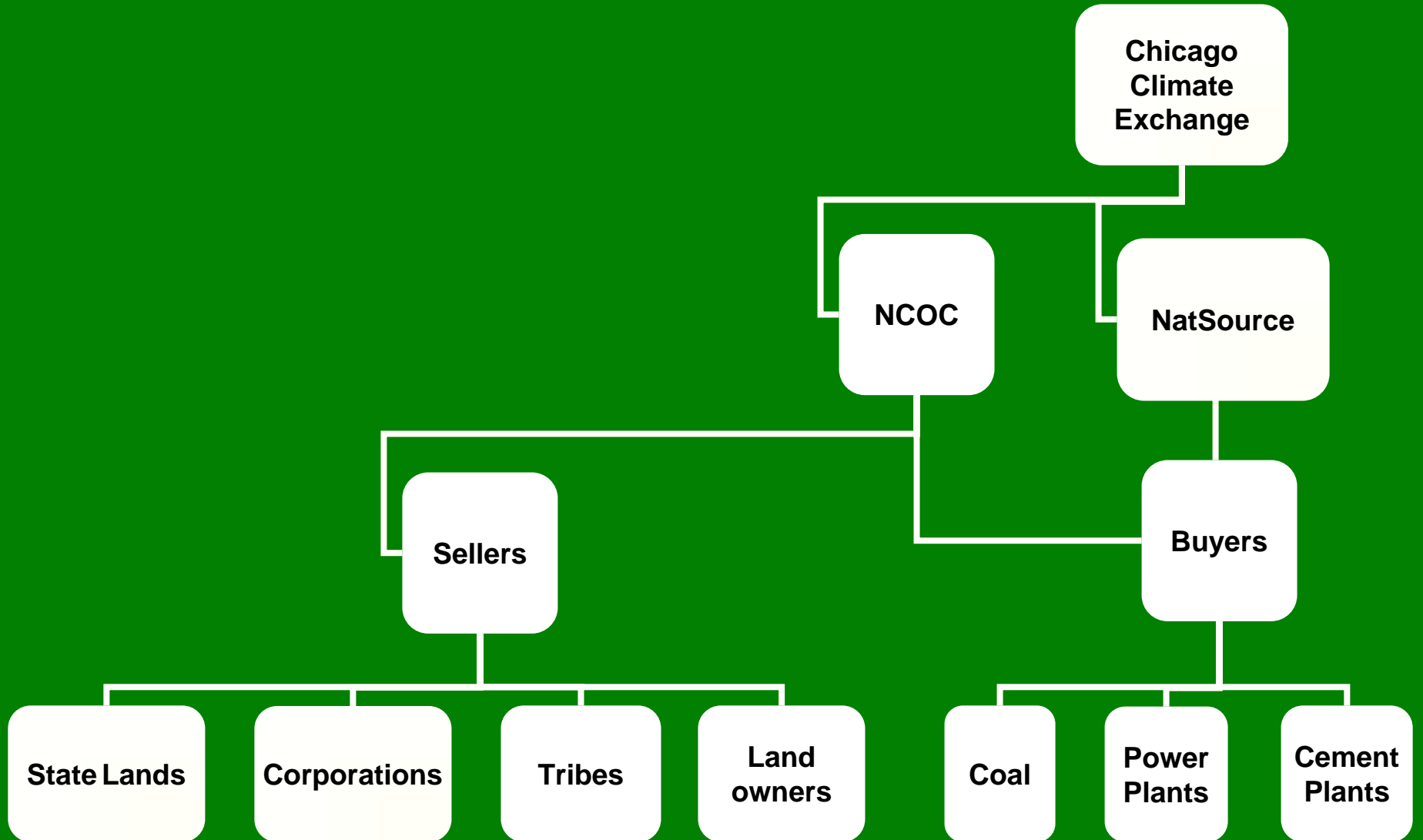


- Reforestation: Lands previously forested, but recent natural and/or artificial reforestation efforts have failed
- Afforestation: Establishing trees on sites not naturally forested but capable of supporting forest stands
- Agroforestry: Field and farmstead windbreaks, riparian forest buffers, hybrid poplar plantations
- Management of Existing Stands
- Biomass
- Fire Rehabilitation: Forested lands destroyed by wildfire.
- Cropland: Minimum till to no-till and reseeding of grass on marginal croplands.  
The cropland pilot will have three key inter-related dimensions, resulting in geographically constrained field tests in north central Montana and broad market exploration activity across the four-state region

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# NCOC Organizational Chart



# Project Requirements

Landowner desire

Initial Proposal for Project

Listing Agreement with NCOC

Submit to CCX Offsets Committee for review

3<sup>rd</sup> Party Verification

Listed on CCX

Buyer makes offer

NCOC and landowner accept offer

Project Plan completed

Contract completed



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# Participation Opportunities



- Affiliate Membership – No fee to join, earns 1% future carbon credit trades for those projects in which the member secured signed pertinent agreements including a listing agreement and buy/sell and provide future liaison services between the landowner and NCOC.
- Projects – Reforestation, Afforestation, Agroforestry, Fire Rehab, and Cropland

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