

Colorado

"SEQUESTER"

November 2008

Welcome to the "Sequester"

There are still many questions regarding Carbon Sequestration. Agriculture Producers (Sellers) wonder if it is worth their time to deal with one more issue, especially when the cost of a Carbon Credit is below \$2.00 per metric ton.

The "Colorado Sequester" is focused on trying to provide information to you the Sellers. Hopefully the information provided in this newsletter will help you with your decision making efforts.

Another information opportunity is the "Terrestrial (Agriculture and Forestry) Carbon Credit Opportunities in Colorado; For Landowners and Producers (Sellers)" Conference. This conference is a follow-up from the conference held last winter (February 29, 2008) in Brighton, Colorado. However, this conference is focused more directly to you, the Seller. For more information on the conference, please see the brochure on page 3 and 4. You can also register for the conference online at Agritech's website: www.Agritechconsulting.com. Click on conference and follow the prompts.

Hope to see you in Brighton.

Rich Mullaney

Carbon Sequestration Manager
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Colorado Carbon Fund Provides New Way to Support Clean Energy Projects

By: Susan Innis
Governor's Energy Office

Have you thought about buying carbon offsets, but weren't sure how? Have you calculated your carbon footprint? Would you like to support new energy efficiency and renewable energy projects right here in Colorado? Do you have a clean energy project that is looking for funding?

The new Colorado Carbon Fund is helping individuals, businesses and events reduce their carbon footprint by supporting new clean energy projects here in the state.

You can participate in a three-step process to help stop global warming, online at ColoradoCarbonFund.org.

First, you can measure your climate impacts. When you use energy in your home, or when you drive or fly, you create carbon dioxide emissions. Estimating your carbon footprint is a great way to learn how your daily choices impact the environment.

Second, you will learn how to reduce your emissions through energy efficiency and renewable energy. There are many simple steps that you can take that will add up to significant savings - both in your wallet and for our climate.

Third, you can offset unavoidable emissions through the Colorado Carbon Fund. Your tax-deductible donation will go to new local clean energy projects that reduce emissions.

By taking these steps, you will help Colorado meet our Climate Action Plan goals to reduce emissions 20% by 2020.

Many people wonder whether carbon offsets really have any environmental benefits. The Colorado Carbon Fund is unique because it supports new clean energy projects with real, measurable greenhouse gas reductions. In this way, consumers can see firsthand the benefits of new clean energy projects in their communities.

The Colorado Carbon Fund is actively seeking projects for our portfolio. Our project requirements are:

- Located in Colorado
- Additional - not business as usual

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How you can support urban forestry, improve the environment, and mitigate climate change

Ryan Moore, Institute for Environmental Solutions

New developments in the structure of the carbon credit market make it possible to support urban forestry programs in Colorado and be recognized for helping to fight climate change. The Chicago Climate Exchange (CCX) and the Climate Action Reserve, two of the largest repositories of verified carbon credits in the U.S. market, recently developed protocols for creating credits from urban forestry. By developing the protocols – rules for quantifying the amount of carbon sequestered or avoided by offset projects – for urban forestry, the two organizations have assured buyers on the national carbon market that urban forestry credits have real environmental and financial value. Supporters of urban forestry have always played a role in fighting climate change; now they can take the credit they deserve.

Urban forests, planted and maintained strategically, provide many important environmental and human health benefits like reducing air and water pollution, mitigating the urban heat island effect and improving stormwater management. Trees mitigate climate change by reducing the concentration of greenhouse gases in the atmosphere in two ways: directly, through the sequestration of carbon dioxide, and indirectly, by conserving energy.

The Institute for Environmental Solutions (IES), an independent, Denver-based nonprofit, is investigating the challenges involved in applying urban forestry as a carbon offset in Colorado. IES is developing a plan to help communities develop, aggregate, and market the carbon sequestration value of their urban forests. IES is collaborating with key organizations including the Colorado Tree Coalition and the National Carbon Offset Coalition on the project, the Colorado Urban Forestry Climate Coalition (CUFCC). Through CUFCC, businesses, local governments, foresters and

other community members can support urban forestry, improve their local environment, and mitigate climate change through CUFCC.

Businesses

Is your company looking for legitimate credits to offset your carbon footprint? Soon Colorado businesses will be able to purchase locally produced, verified carbon credits from urban forestry – without committing to the emissions reductions required by some exchanges. Before these credits become available, however, the member communities of CUFCC will need funding to develop this new category of offset project. IES is looking for progressive corporations to make a real difference in the local and global environment by becoming founding sponsors of CUFCC.

Local governments

By participating in CUFCC, Colorado municipalities can generate revenue for local environmental improvement, increase awareness of the benefits your community is already receiving from its investment in urban forestry, and become a recognized leader in local action to mitigate climate change.

Foresters

Many challenges need to be overcome before urban tree planting can be successfully turned into carbon credits. Foresters can help by sharing their knowledge of the environmental benefits of their own urban forests and by asking local policy-makers to support their involvement in CUFCC.

Other community members

Supporting the CUFCC project means promoting the long-term success of urban forestry in Colorado. Well-maintained urban forests provide multiple environmental services at low cost. You can help by asking your city officials to participate in CUFCC and by making a tax-deductible contribution to IES, the project organizer.

For more information, please visit the CUFCC website at www.i4es.org/climatecoalition.html or contact IES Senior Research Associate Ryan Moore at ryan@i4es.org.

National Carbon Offset Coalition States CCX Marketplace Is Creating Innovating Ideas

The National Carbon Offset Coalition (NCOC) continues to push the envelope in the carbon market by bringing in new products and new landowners into the voluntary carbon market. NCOC is an aggregating member of the Chicago Climate Exchange (CCX) since 1997.

In October 2008, NCOC's first sub-aggregators agreements were signed to take management of existing forest stands and credit for long-term wood products to CCX.

The effort led by Neil Sampson, NCOC Technical Advisor and member of the CCX Forestry Committee is working in conjunction with national forestry associations to finalize five additional pilot sub-aggregator agreements this year with tree farm organizations ranging from the east coast, west coast, and the southern U.S. The cooperating organizations will jointly release a press release in the upcoming weeks informing landowners of this effort and of their potential eligibility status.

For the first time, carbon offset credits from New Mexico State Lands has been verified and sent to the CCX for trading as part of sustainable grazing systems. As a member of the CCX, state lands from New Mexico are eligible to be traded. Seeing this opportunity, Bill Sauble of Raton, New Mexico and past President of the New Mexico Cattle Growers worked with the New Mexico Department of State Lands and the NCOC to negotiate and develop the necessary agreements. As a result, six ranches in the previous New Mexico range pool now have state lands as part of their carbon contract. This is the first of its kind agreement, which allows both the state and the landowners to benefit from good stewardship on state lands in New Mexico. New Mexico landowners who have bordering state lands receive two-thirds of the net profit and the State of New Mexico receives one-third of the net profit.

NCOC is also working with national tribal and regional minority landowner organizations to bring tribal and small landowner projects into the market. NCOC will be unveiling this effort by early 2009.

NCOC's conservation tillage, grass, and range projects currently stretch from Idaho to Texas and are currently undergoing verification for registration on the CCX in 2008 according to Ted Dodge Executive Director, NCOC.

"Because CCX created a whole new market place where landowners and others can be involved via an aggregator, NCOC is seeing cottage industries spinning off as well, so overall this market is having a positive effect on both our environment and the U.S. economy," said Emily Tafoya, NCOC Marketing Director.

If you are interested in participating in the carbon market place via NCOC, please contact Ted Dodge, NCOC Executive Director at (406) 491-4471 or ted.dodge@ncoc.us. For more additional information on NCOC or the types of eligible carbon offset projects visit <http://ncoc.us>.