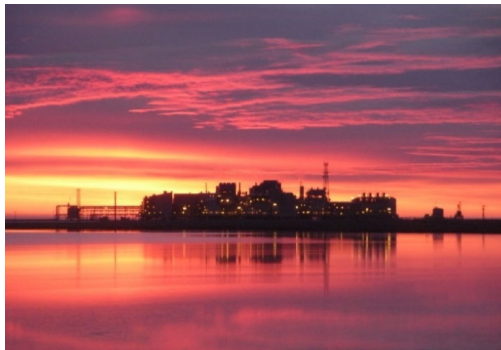


Carbon Offset Program Update

House Resources Committee



Presented by Trevor Fulton, Carbon Offset Program Manager
Office of Project Management & Permitting
Alaska Department of Natural Resources
February 3, 2025



Overview: Senate Bill 48



Created with the passage of the Governor's Senate Bill (SB) 48 (May 2023)

- Two programs: Carbon Offset Program and Carbon Leasing
- Authority for Alaska Oil and Gas Conservation Commission to pursue Class VI well primacy from the Environmental Protection Agency for geologic sequestration of CO₂
- Criteria for project evaluation
- Requirement to keep project areas open for public use and other resource development
- Limits project terms to 55 years
- Caps the commission given to project developers for contracted work at 30%
- Designates 20% of project revenues to the Renewable Energy Grant Fund
- Requires an annual report to the Legislature



Overview: Carbon Offset Program



Program Goals

- Create nature-based, carbon-reducing projects
- Generate new revenue and other co-benefits
- Help meet voluntary market demand for decarbonization



Overview: Carbon Offset Program



Projects

- Long-term management actions that increase carbon stocks on state forestlands, tidelands, wetlands, and other ecosystems
- One more use among the state's multiple-use mandate

Carbon Offsets

- Tradeable credits
- Used to “offset” emissions



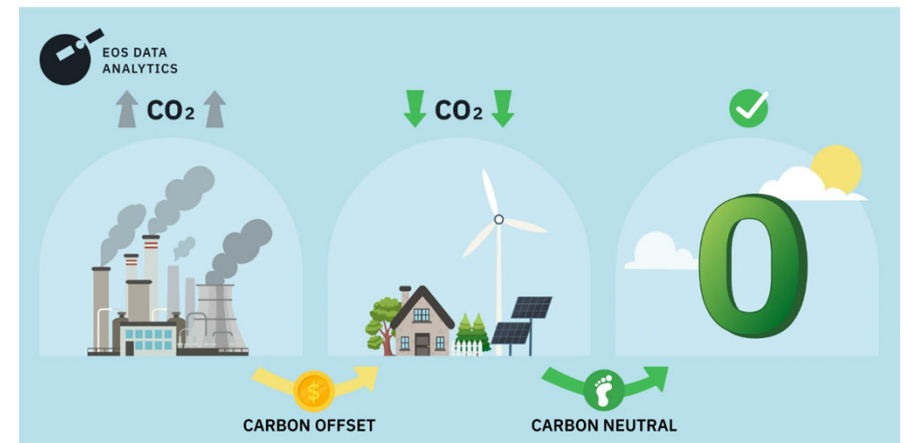
Carbon Offsets



Definition

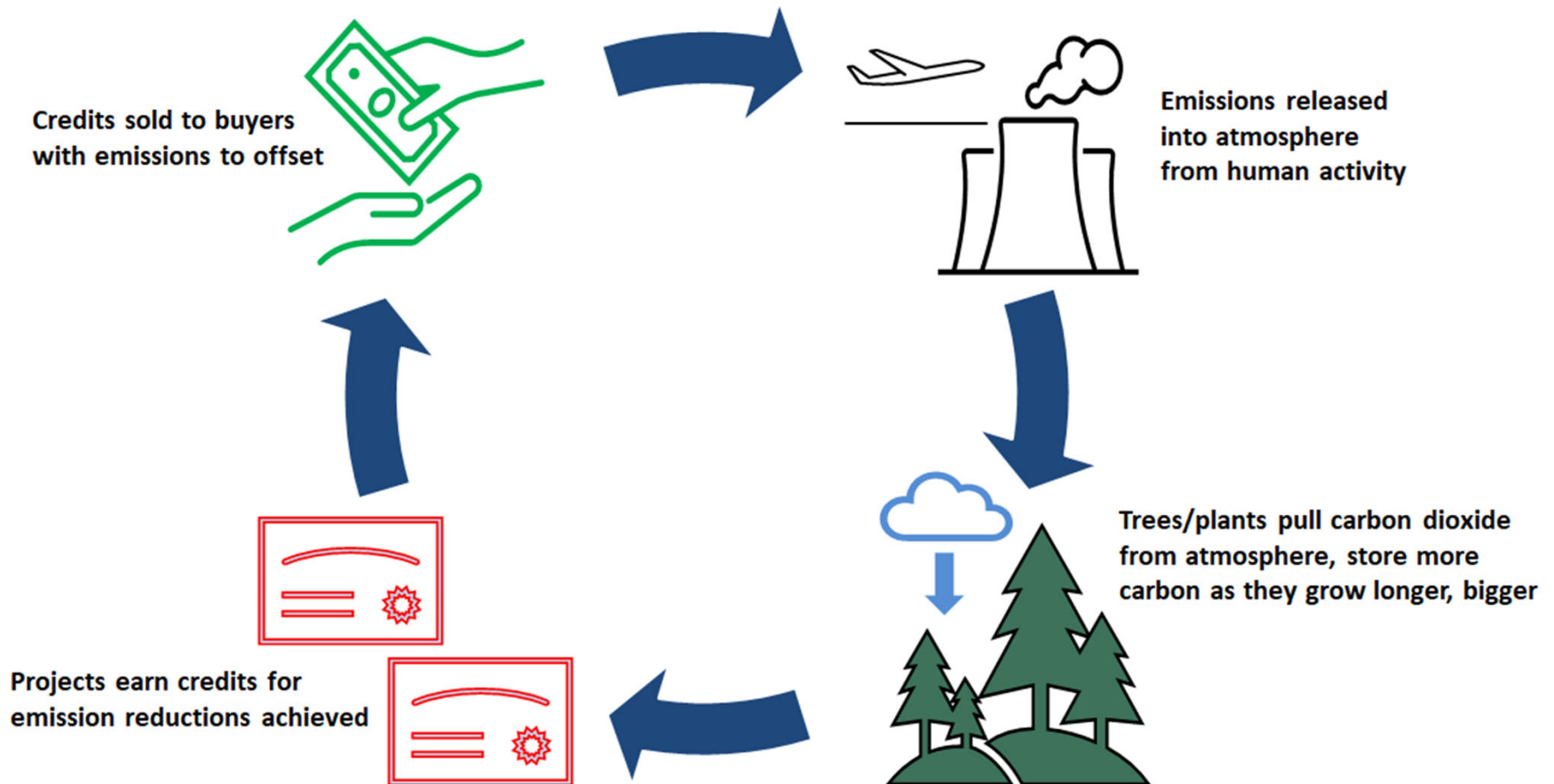
“Carbon Offset: a way for a company or person to reduce the level of carbon dioxide for which they are responsible by paying money to an organization that works to reduce the total amount produced in the world, for example by planting trees.”

- Oxford Dictionary



Carbon offsets are measured in metric tons of CO₂ equivalent and are bought and sold on the global voluntary carbon market.

Carbon Offset Project



Program Scope



- Nature-based projects, not just forest-based
- Department of Natural Resources manages 100+ million acres of land, 40,000 miles of coastline, and all freshwater resources of the State
- Other opportunities could include:
 - Biochar
 - Reducing wildfire
 - Ocean/river deacidification
 - Enhanced rock weathering





Program Status

May 2023

SB 48 enacted

July 2024

Regulations adopted and effective

August 2024

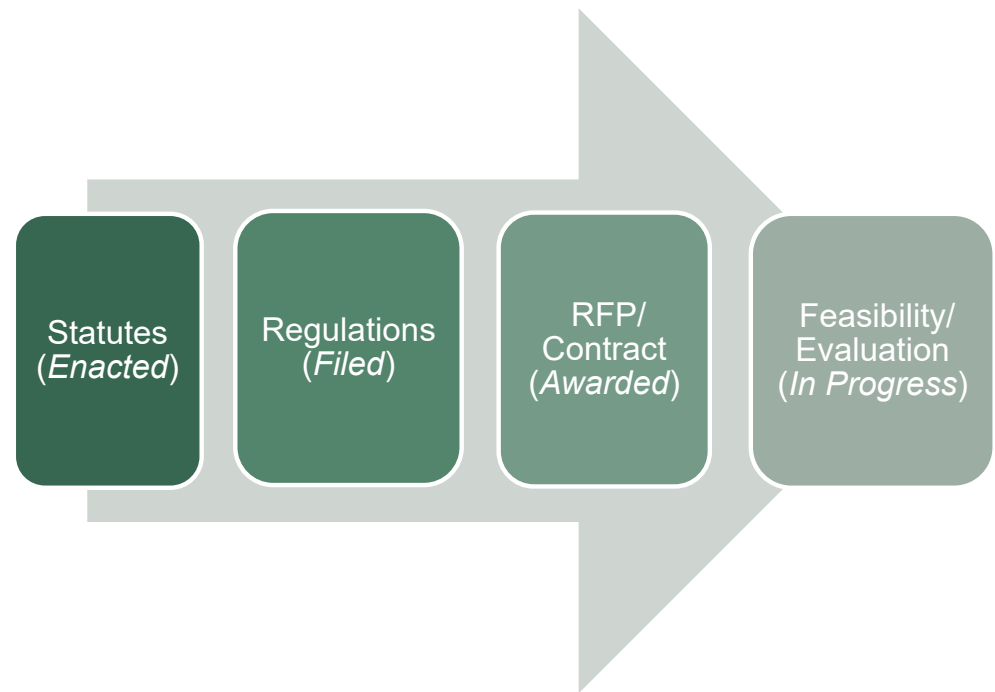
Request for Proposals (RFP) issued seeking a project development partner for forest carbon projects

November 2024

Contract awarded to Terra Verde, an Alaska-based carbon project developer and forestry consultant

Current

Tanana Valley forestlands being evaluated for project feasibility; future areas to be assessed include Kenai Peninsula, Mat-Su Valley, and Haines



Tanana Valley Project

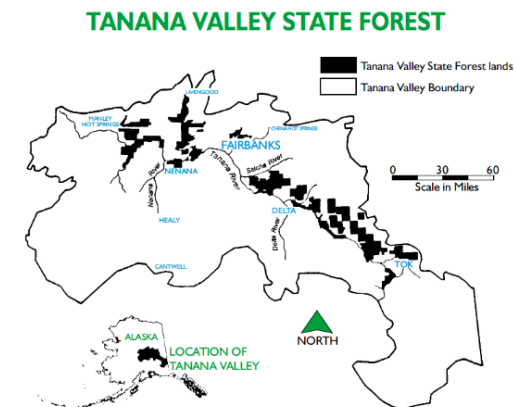


Project Timeline

STAGE	DEVELOPMENT PERIOD																							
	2025												2026											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1 Feasibility Study																								
2 Evaluation/Best Interest Finding																								
3 Project Listing																								
4 Forest Carbon Inventory																								
5 Modeling/Documentation																								
6 Verification																								
7 Registration																								
8 Credit Issuance																								

	= Current Stage
	= Development Stage
	= Public Notice and/or Comment

- Target dates are approximate
- Next steps include evaluation, best-interest finding, field work, modeling, and verification
- ~18 months from project listing to credit issuance
- Consider each step a go/no-go “stage-gate”; some are State decision points, others are registry decisions



Carbon Management Leasing

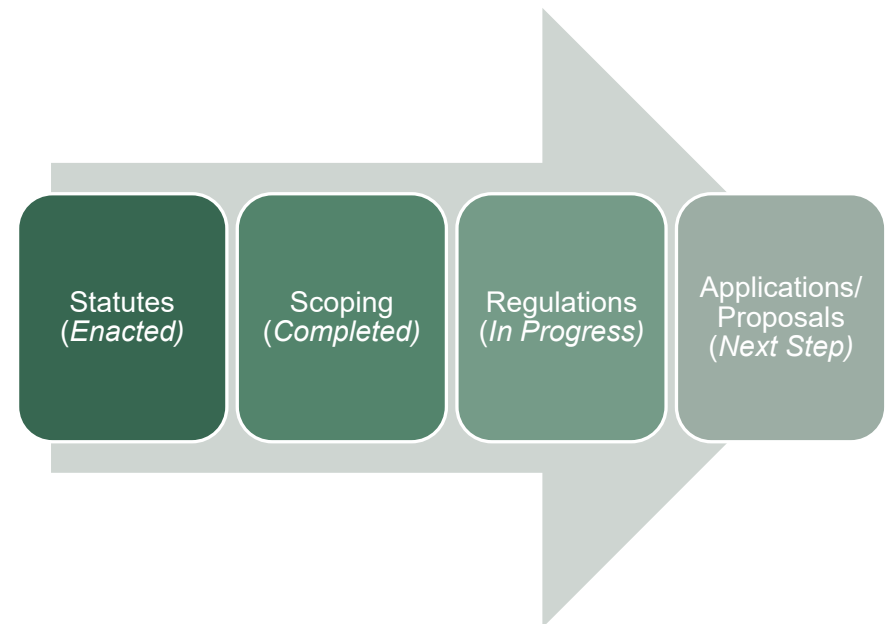


Purpose

- Provides process for third parties to lease State land for carbon management purpose
- Creates private sector carbon management opportunities
- Third parties develop projects; State compensated for the use of land through lease fees and/or a percentage of project revenue

Status

- **May 2023**
SB48 signed
- **June - July 2023**
Public scoping for draft regulations
- **Q3 2023 - Q4 2024**
Regulations drafted and submitted to Department of Law for review



Contact



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