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Governor Mike Dunleavy  
STATE OF ALASKA

January 26, 2023

The Honorable Gary Stevens  
Senate President  
Alaska State Legislature  
State Capitol, Room 111  
Juneau, AK 99801-1182

Dear President Stevens:

Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting a bill related to carbon management and establishing carbon offset projects on state lands.

There is increasing global interest in carbon offset programs as companies and governments attempt to meet greenhouse gas emissions targets and net zero goals. Participation in this growing industry presents an economic opportunity for Alaska because of our abundant state land and waters. This bill capitalizes on the carbon market opportunity by establishing a statewide carbon offset program within the Department of Natural Resources (DNR). The proposed carbon offset program has the potential to generate additional revenue for the State of Alaska through biologic carbon storage projects that can mitigate a portion of the carbon dioxide emitted by activities around the state, nation, and world.


The bill would allow the state to participate in the evolving carbon market in two ways. First, DNR would be authorized to lease state lands to private parties for carbon management purposes. These projects include greenhouse gas mitigation measures or non-geologic carbon sequestration projects that generate revenue as established in a lease agreement.

Second, it would establish a carbon offset program authorizing DNR to implement carbon offset projects on state lands, including state forest lands. The bill identifies the criteria to be used to establish the program, provides administrative direction for the department, requires a public decision process for carbon offset projects on state lands, and allows for the sale of carbon offset credits. Revenue from carbon offset sales will be placed in a new carbon offset revenue fund to provide funding for the administration and implementation of the program, and excess funding can be drawn from the fund for general state expenses in the future.

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This bill presents a strong economic opportunity for the state. I urge your prompt and favorable action on this measure.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mike Dunleavy", with a long horizontal flourish extending to the right.

Mike Dunleavy  
Governor

Enclosure