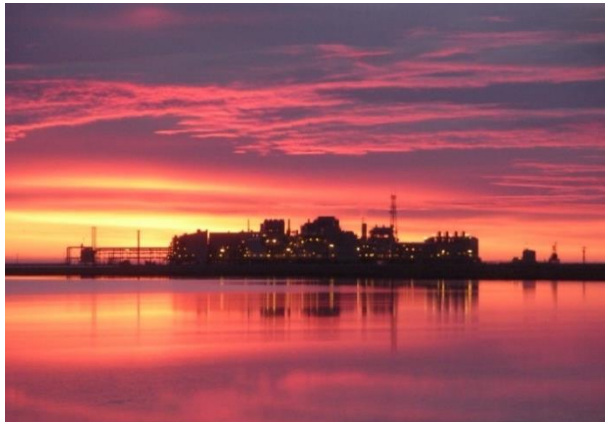


HB 49: Carbon Offset Projects on State Lands

House Resources Committee



Presented by
Rena Miller, Special Assistant to the Commissioner
Alaska Department of Natural Resources
March 1, 2023

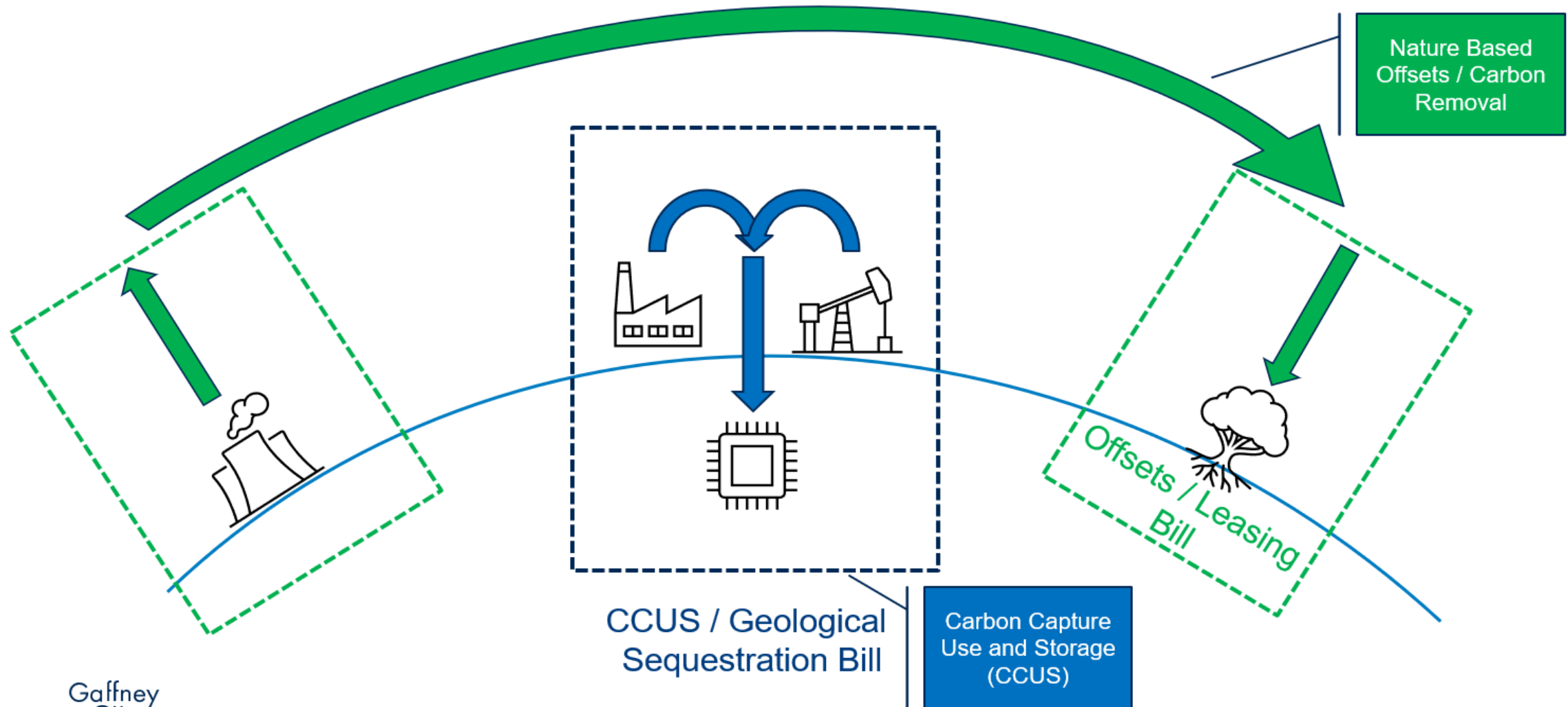


Outline



- Carbon offset opportunities
- Next steps
- HB 49 overview and sectional analysis

What is carbon management?





Carbon markets - Growth

Insights from:



2021

Compliance market soared to



The voluntary market reached



~\$850bn in value

2.5x value of 2020

~15 GtCO₂ transacted volume

~\$2bn in value

4x value of 2020

~500 MtCO₂ transacted volume

2022

was a record-breaking year for both compliance and voluntary carbon markets

During which, approximately

166Mt

of carbon emissions were covered by retirements

Voluntary markets expected to be

5x

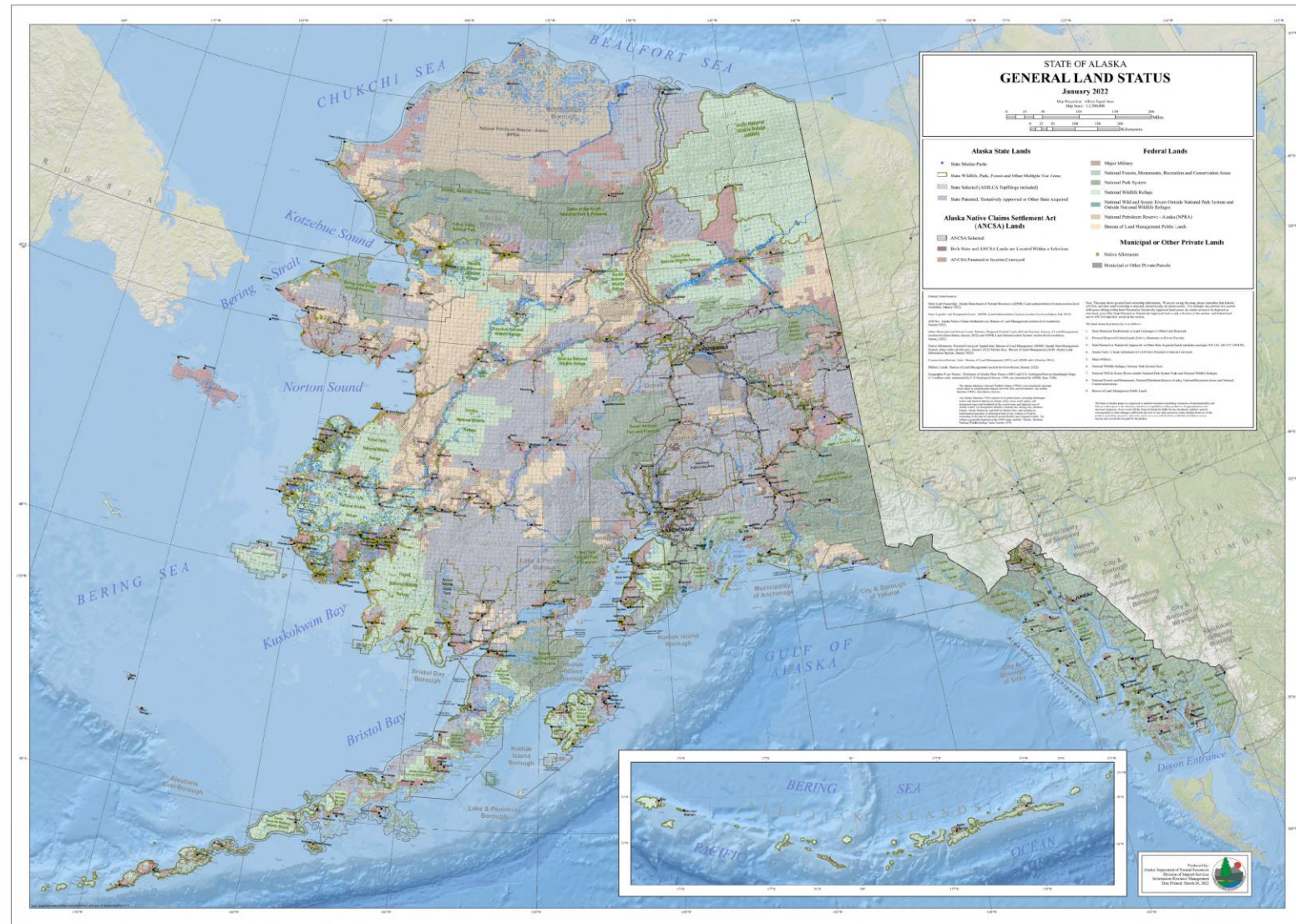
bigger by 2030

Reaching a market size of

\$10-40 bn in value
and **0.5-1.5 GtCO₂** in scale⁴

That is comparable to the emissions of the aviation industry, which reached ~1 GtCO₂ in 2019⁵.

Carbon markets – Alaska's potential



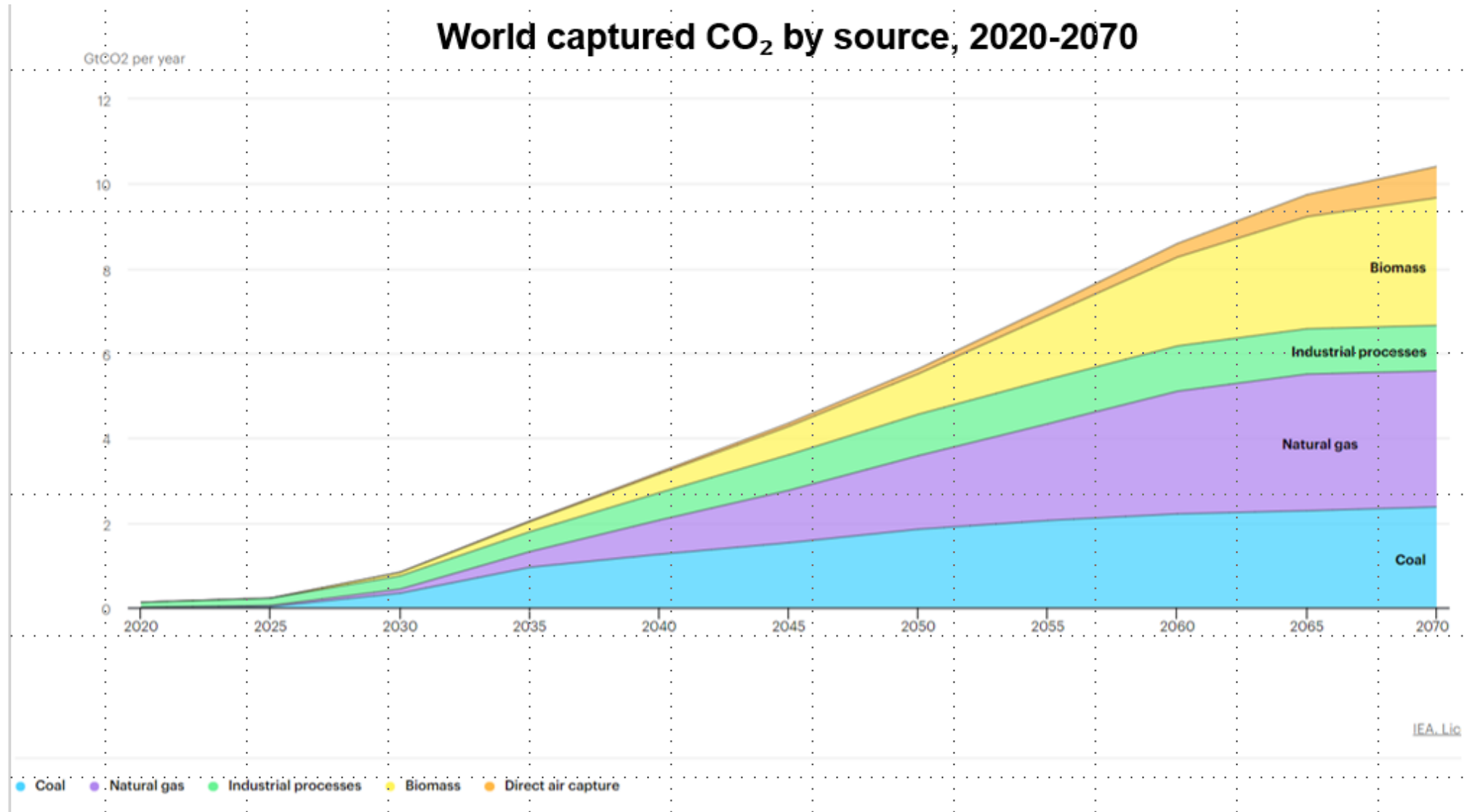
Carbon markets – Potential benefits



- Adds a new, revenue-generating tool to state's lands management toolkit
- Compatible with other land uses
- Likely economic/
value-added benefits



Carbon markets – Potential benefits



Next steps



- Charge the Department of Natural Resources (DNR) with exploring opportunities for new projects that align with Alaska's resource, land interests and responsibilities
- Enable carbon offset projects on state land and shorelines

HB 49: Overview



- Enables private parties to lease state land for carbon management projects
- Establishes the Carbon Offset Program at DNR
- Authorizes use of the 3 state forests for state-sponsored carbon offset projects

HB 49: Sectional Analysis



- Section 1: Exempts carbon offset program contracts from procurement code
- Section 2: Directs program revenue into a new fund to pay for program costs

HB 49: Sectional Analysis, con't.



(State lands leasing)

- Section 3: Conforms to Sec. 4 / waives typical lease award process
- Section 4: Sets new leasing process for carbon management purposes
- Section 5: Conforms to Sec. 4 / exempts carbon land lessee from lease preference statute

HB 49: Sectional Analysis, con't.



(State lands leasing)

Section 4: Sets new leasing process for carbon management purposes

- Establishes basic application requirements
- Addresses multiple applications, appeals
- Caps lease term at 55 years
- Requires compensation be designed for maximum returns to state
- Requires best interest finding, public process

HB 49: Sectional Analysis, con't.



(DNR Carbon Offsets Program)

Section 6: Establishes the Carbon Offsets Program at DNR

- Affirms private landowner rights
- Sets project evaluation criteria, including viability and state/local economic impacts
- Requires best interest finding and public process
- Allows DNR to register, sell offset credits
- Protects existing access, use of state lands
- Establishes new fund for project revenues, costs

HB 49: Sectional Analysis, con't.



(Alaska State Forests)

Sections 7-9: Enable DNR carbon offset projects within Haines State Forest Resource Management Area

Sections 10-13: Enable DNR carbon offset projects within other state forests

HB 49: Sectional Analysis, con't.



Section 14: Authorizes DNR to adopt regulations implementing the bill

Section 15: Sets immediate effective date for authority to adopt regulations

Thank you!



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