Carbon Markets for Small Landowners

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VP Forest Operations
Finite Carbon
Finite Carbon is North America’s leading developer and supplier of forest carbon offsets

51 projects over 3.1 Million Acres

86.2 Million OFFSETS ISSUED

$750M+ REVENUE GENERATED FOR LANDOWNERS
Two Markets

Compliance

- 225M offsets issued for ~200M+ total demand (2013-2020)
- Pricing ~$12+/CCO outside CA delivery by 10/2021; $15+ for CA
- Program reauthorized for 2021-2030 period, but:
  - Offset use reduced from 8% to 4/6% and DEBS
  - Very limited opportunity for new projects outside CA (?)

Voluntary (ACR, VCS, and CAR)

- Shorter commitment periods
- Demand: CSR buyers = lower, sporadic demand; smaller transactions
- Demand increasing, but this doesn’t always mean better pricing
- Pricing: lower relative to compliance ($4 to $10/offset gross)
- IFM (avoided emissions) vs. removals (reforestation)
“Voluntary Carbon Markets hit a record $1 Billion in 2021 as new trades are reported by EM Respondents. This special State of the Voluntary Carbon Markets (SOVCM) bulletin from Ecosystem Marketplace shows that prices are on the rise and that projects with additional co-benefits achieve higher prices than the rest.”

“When breaking down the newly reported 2021 transactions into their underlying categories, we again see that Forestry and Land Use credits and Renewable Energy credits dominate volume traded. Forestry and Land use credits account for 61% while Renewable Energy credits account 38% of transactions reported.”

“Projects with accompanying co-benefits have again fetched a higher average weighted price at $5.95 per tonne while projects without had a weighted average price of $2.77 per tonne.”

https://www.ecosystemmarketplace.com/
Stand alone compliance (ARB) projects with DEBS or a secure offtake agreement. Projects have a single owner, long ownership tenure or objectives, high stocking compared to regional averages.

Stand alone voluntary IFM projects (ACR) that are typically greater than 5,000 acres. 40 year contracts.

Dedicated programmatic design approach (PDA) voluntary IFM projects (ACR) where multiple medium sites between 500 and 6,000 acres are brought together under one project. Few to many site owners or participants in one project. Need to have aligned interests. 40 year contracts.

Small landowner programs under an approved third party standard. PDA project design strategies. Emerging new opportunities with variable terms and qualities.
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Finite Carbon
CORE Carbon is a no-cost online platform that allows small landowners (40 to 5,000 acres) to participate in the carbon market

- Streamlines project development, management, and payment
- Reduces costs and increases efficiencies through the use of technology
- Easy for landowners and their foresters to use
- Direct access to the market through real time quotes
How does CORE Carbon work?

Start by going to www.corecarbon.com

Find your property by typing in an address, coordinates, a parcel number, or upload your own map.

Create your project by selecting whole stands as outlined in the platform, or draw your own custom boundaries.

Get a no-cost instant quote for the areas you included in your project site.

Submit your project for approval and upload necessary documentation.

The landowner will begin receiving payments 6-12 months after approval.
Commitments

- First project type on CORE will use the Small Landowner Methodology published by the **American Carbon Registry. 09/29/21!!!**

Under the ACR small landowner methodology landowners would **commit to a harvest deferral of 20 or 40 years**

**Required to report:**
- Bi-annual report on project status
- Natural disturbance events
- Harvests on sites outside the project area
How the crediting cycles work

First cycle
Years 1-20
Defer harvest & receive payments

Second cycle
Years 21-40
Continue deferring harvest & Generating Offsets

Year 20
landowner chooses:

Option 1: Continue generating credits
Option 2: STOP generating credits

Maintain stock and harvest growth instead of receiving payments
Built in flexibility for landowners

Landowners want to know that they will have options for the future

- Landowners may cut up to 5 cords of wood for personal use
- Landowners may clear small areas
- Carbon project can be transferred to new landowners
- Forest certification is an option but not a requirement
What is a good fit for CORE?

Project scenarios or strategies for deferred harvest projects:

- Bottomland hardwoods or mixed forests
- Areas of high conservation value such as rare habitats
- Areas of special significance such as historical sites
- Areas of sensitive aesthetics
- Riparian zones
- Areas where longer rotations are desirable
- Areas where extractive forest values are secondary in importance to other management objectives
Delivering carbon revenue to small landowners

- New revenue stream. No cost to participate.
- Easy-to-use online platform designed with landowners in mind.
- Receive instant quotes and manage multiple projects in one interface.
- ACR backed credibility with thoughtful flexibility.
Thank you!
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