

Idaho Carbon Sequestration Advisory Committee
Ag Subcommittee
Conference Call
Thursday, December 21, 2006
10:30 AM (MST)
Meeting Minutes

The meeting was called to order at 10:38 AM by Chairman Tony Bennett. Those participating in the call were:

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| 1. Bill Schlosser, <i>Northwest Management, Inc.</i> | 9. Mike Hoffmann, <i>ISCC</i> |
| 2. Carol Youtz, <i>ISCC</i> | 10. Randy Purser, <i>Payette SWCD</i>
<i>rpurser@atcnet.net</i> |
| 3. Claude Bruce, <i>Payette SWCD</i> | 11. Rod Kyar, <i>FSA / NRCS</i> |
| 4. Dick Wittman, <i>PNDSA</i> | 12. Ron Parks, <i>Simplot</i> |
| 5. Don Bueller, <i>Farmer</i> | 13. Russ Evans, <i>PNDSA</i> |
| 6. Jerry Nicolescu, <i>ISCC</i> | 14. Tony Bennett, <i>ISCC</i> |
| 7. Jodi Johnson-Maynard, <i>U of I</i>
<i>(Moscow)</i> | 15. Wayne Newbill, <i>IASCD</i> |
| 8. Marv Patten, <i>ISDA</i> | |

Overview and purpose of conference call

The purpose of this meeting is to discuss the agricultural components of the most recent edition of the white paper entitled, “***Idaho Carbon Exchange Program, Version 20061218***, (hereafter referred to as the ‘white paper’) which has been prepared by Dr. William E. (Bill) Schlosser in his capacity as a contracted consultant for the Idaho Soil Conservation Commission.

Dr. Schlosser submitted three proposed goals for this subcommittee meeting, which were:

1. Concurrence on the framework of the proposed project
2. Discussion baseline issues
3. Development of a procedure to measure project impact (the more automated the better)

1. CONCURRENCE ON THE FRAMEWORK OF THE PROPOSED PROJECT

Dr. Schlosser stressed that participation in this carbon trading program is completely voluntary. Farmers can still market their carbon independent of the program, but using the program may give farmers a better price for their carbon. The proposed program is “*Voluntary until*



you sign up,” meaning there will be standards that the entire state will follow.

Idaho won't establish an emissions guideline, but will only set up a protocol for farmers/ranchers to trade the carbon they sequester from farming.

2. BASELINE MEASUREMENTS FOR AG

- a. Project level emissions (net emissions vs gross)

Tony Bennett: Use the year 1990 as a baseline. Use historical baseline as well as a field-based measurement.

Dick Wittman agreed that 1990 was a good measure, as his operation has been conserving soil and water with no-till practices since 1990. He doesn't want to only go back one year as some have suggested.

Bill Schlosser: For agricultural lands, do we need to verify that a crop was on the parcel as of 1990? Since this is a voluntary program, it should not be the State's responsibility to verify what was on the land in 1990 – the landowner should substantiate their crops as far back as 1990, or any point forward to the present.

Claude Bruce / Wayne Newbill – Idaho OnePlan helps keep good records. However, verification of agricultural use as far back as 1990 will be hard to see. **Rod Kyar** / FSA doesn't see how we can obtain the data, as farmer participation in the Idaho OnePlan was, and still is, voluntary.

Wayne Newbill is under the impression that all the carbon sequestered since 1990 will be available for trade, if we can find a way to measure it each year. For no-till lands, it can be measure by comparing the carbon in the no-till parcel to the neighboring farmer's parcel, if the neighbor uses conventional tilling methods.

Bill Schlosser: Records should be kept at the landowner level, and must be aggregated down to the landowner level, so the landowner can get paid for his specific parcel. An automated database **MUST** be developed. Some farmers may want to use a mass spectrometer to measure their carbon, and Bill encourages them to do so. However, a standardized database will probably be used by most landowners.

Idaho is not buying a single unit of carbon. The marketplace (buyers) will determine the parameters. The buyer will have differing conditions depending on the parcel and its location within the state. This committee's charge is to establish a market-based protocol.

Dick Wittman:

Will there be a difference in the farmer's ability to trade carbon if the state establishes an OVERSIGHT organization? He doesn't think our



guidelines should be specific to any particular buyer or aggregator. Some type of verification model should be used. Dick has a concern about mentioning only NCOC (*National Carbon Offset Coalition*) as an aggregator. By agreement with the subcommittee, Bill will strike NCOC from the white paper, and refer to all aggregators in a generic sense.

Dick is worried about lumping the sequestering and emission together. **Bill** says we have to use the totals, going back to Tony's comment on *'net' carbon versus 'gross' carbon*. If xxx tons of carbon are sequestered by planting a new wheat crop, but the tilling of that same crop produces xxx tons of carbon emissions, the difference between the sequestration and the emission is the amount of carbon that can be traded.

Bill – Should we put together a minimum model (Comet Model?). The committee could present a baseline model for measuring agriculture carbon sequestration, but if a landowner or buyer has another model, they'd be free to use their preferred method of measurement. This is all voluntary.

Jodi Johnson-Maynard – how can a single carbon model be used for the entire state, as we have so many different types of soils, climates, etc.?

3. MEASURE PROJECT IMPACT

- a. **Carbon Encumbrance Inventory** (a web-based database application to be developed by Northwest Management, Inc?), which, at a minimum, should track:
 - i. Legal description of parcel
 - ii. Landowner's name
 - iii. Date of trade
 - iv. Duration of trade
 - v. Amount of carbon traded
 - vi. Models or links to regional areas (based on the forest growth model?), with five different models, depending on what type of soil and/or climate is in a particular area of the state.
- b. **Public education, especially for sellers.** Buyers understand the market very well, and the landowners (sellers) need to get up to speed. Leasing vs selling carbon (or land?) Criteria for which model to use to give the landowner the best financial advantage.

Discussion on the AG POLICY FRAMEWORK document, Prepared by DICK WITTMAN

Q #1: (**Wittman**) Who will develop and authorize the education, training, and monitoring of consultants, landowners, aggregators, and consultants?



A: The Idaho Soil Conservation Commission, per **Bill**, but the state legislature may need to establish a budget to cover the additional costs associated with this workload. The Carbon Sequestration Advisory Committee has reserved time in the January 2007 Legislative Session to present their findings and recommendations to the lawmakers.

Infrastructure issues that may need to be addressed include the establishment, training, and registration of:

- a. **Auditors** (1/2 day standardized training required)
- b. **Offset Aggregators** (requires a background check and registration)
- c. **Carbon Consultants** (to assist landowners to write the CS Management Plan and establish amounts of carbon) The Carbon Sequestration Management Plan will typically be a 5-7 page document (standardized training to be required)

Q #2: How many tons of carbon will be stored in different systems?

A: See Pg 14 of the draft white paper to compare the forestry part. Develop a similar table to track agricultural lands.

Q #3: Do we want to include a table that will measure how much carbon is sequestered AND how many emissions were not released?

A: Good idea!

Q #4: Will this committee be considering the needs of the Rangeland and Dairy Industries?

A: Marv Patten and an NRCS Rangeland person may meet with the committee after reviewing Dr. Schlosser's white paper and the Forestry Subcommittee's meeting minutes.

General Discussion

The word "*Framework*" will replace Program or Protocol in Dr. Schlosser's white paper.

The algorithm in the **King Paper** will be deleted from the Dr. Schlosser's white paper, as this formula is proprietary to the developer. Some committee members prefer that any recommendations in the white paper remain as generic as possible, thus removing any appearance of favoritism for one service provider over another.

The meeting adjourned at 12:03 PM

Respectfully submitted,

Carol P. Youtz
Administrative Assistant
Idaho Soil Conservation Commission

