CASE STUDY
Alligator River Avoided Conversion Project

Duke Forest Carbon Offsets Workshop
Chapel Hill, NC
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About Blue Source

Carbon Credit Portfolio

- Leading N. American project developer and marketer since 2001
- >100M tonne portfolio, >20M tonnes sold
- All active voluntary and regulatory standards/registries (CAR, VCS, ACR, AB, CSA)
- Projects in 48 states, all Canadian provinces
- Most CAR listed forestry projects
- First-of protocol development in numerous carbon categories

Services

- Carbon Credit Supply – structuring, marketing, sales
- Project Development – net-back model aligns incentives, provides landowner full market upside without upfront cost/risk
- Technical Services – quantification and valuation of emission reductions, market and regulatory strategy
Blue Source’s portfolio has been amassed over the past 10 years and totals 100s of million tonnes in the US (4 states) and Canada.
Forestry Project Development & Commercialization

Blue Source has extensive experience in creating and selling tonnes in the market. Speed, technical knowledge, premium pricing are central to success.

- Protocol Assessment &/or Development
- Forest Carbon Inventory Design & Implementation
- Management Plan Development & Baseline Analysis
- Project Design
- Validation / Verification
- Registration
- Marketing, Sales, Contracting
- Transition to California ARB Compliance
Additional Case Studies: 9 North Carolina Forest Projects

Registered &/or Sold:
- Pungo River Forest Conservation
- Noles North & South Forest Conservation
- Pocosin Forest Conservation/Restoration
  - 5k acre AC (agriculture) + AR
  - Revised soil methodology
  - Aggregation

In Process:
- Alligator River Forest Restoration
- 1 Additional Forest Conservation
- 1 Additional Forest Improvement
- 1 Additional Forest Restoration
Other Examples: Audubon, TNC, TIMOs

Audubon Beidler Forest Improvement
- ~6k acre IFM (no-harvest)
- Preserves unique ecosystem

Bishop Forest Improvement
- 250k acre IFM (FSC)
- Scale (acreage, products)

TNC Working Woodlands
- FSC plan and certification provided by TNC
- Small landowner aggregation
- >20k acres protected

vs.
Case Study 1 - Alligator River Forst Conversion Project

- CAR Avoided Conversion
- ~3K acres, Hyde County, NC
- Native bottomland hardwoods
- Conversion to agriculture prevented by easement

- 2010-11 verified, registered, sold (pre-sale accelerated owner value)
- First of CAR forestry outside CA, soil carbon quantification
Alligator River Habitat Protection
Costly and Time-Consuming Process (Plus ARB Transition)

Multiple tasks, documents, analyses:
- Designation of Authority Form
- Project Submittal Form
- Attestation of Title
- Boundary Map
- Signed Easement
- Inventory
- Growth Model / Baseline
- Monitoring Plan
- Project Design Document
- First Verification / Validation
- Project Implementation Agreement
- Initial Registration / Transfer
- Sales, Contracting
- Ongoing monitoring/verification

Significant upfront costs (>$100k/project)
- Inventory
- Legal
- Appraisal
- Growth, baseline modeling
- Verification
- Registration
Forest Project Development Observations

- Restrictions on management can be limited (easement terms, reversals)
- Still burdensome for small projects (stocks and acres, easements)

- Solutions exist to 100 year+ commitment and invalidation risk

- Great progress by CAR and verifiers but still “first-ofs” for all
- No substitute for local knowledge + project experience to mitigate risk
Thank You!

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