01/12/2023 BCarbon Stakeholder Meeting Zoom Chat

08:59:19 From Robin Rather to Everyone:

Good morning to all! Opening up the chat. Feel free to drop comments or questions or links here or “raise” your hand and we’ll go via voice too!

08:59:44 From Claude Griffin to Everyone:

Good Morning Team and Happy New Year!

09:04:19 From Bob Hendricks to Everyone:

Growing Climate Solutions Act passed as part of the Ombudsman Bill.

09:05:05 From Julie Curry to Everyone:

My resolution is to practice what I preach—buying a hybrid car soon.

09:06:12 From Bob Hendricks to Everyone:

Consider a plug-in hybrid. Mine allows me to go only electric for almost all city driving.

09:14:11 From James Nieset to Everyone:

Is there an actual screening of the carbon credits purchasers?

09:16:17 From Elliott Bouillion to Everyone:

Are you working on methodology for water nutrients offsets to help with community water quality through TMDL compliance here in Texas?

09:21:19 From Randall to Everyone:

Any marketing advice for approaching buyers?

09:21:34 From John Brooks to Everyone:

Interesting question about TMDLs and nutrient credits, living in the Chesapeake Bay watershed, I am very familiar with the generation, bank and nutrient reduction (TN, TP, TSS). Always a good pairing with Carbon Credits. Always interested in other states and localities that are getting more focused on nutrient reduction.

09:22:06 From Anthony Colin to Everyone:

Is there typically willingness on the part of project managers to be flexible/collaborative with their projects and monitoring protocols to make things easier to frame from an ESG perspective for buyers?

09:22:39 From Aldyen Donnelly to Everyone:

Many existing credit buyers do not immediately uses or "retire" the credits they buy. They intend to resell them in different forms of transaction, including options, puts, futures, swaps, etc. In this context, it is not if--it is when--the SEC and CFTC will intervene with some KYC rules. It might be a good idea to to get ahead of the regulators on this one--rather than wait for a scandal and SEC/CFTC intervention after that.

09:24:51 From Ron Drees to Everyone:

Can Joni's volume be turned up?

09:27:20 From Anthony Colin to Everyone:

Thanks!

09:28:49 From Marin Katusa to Everyone:

platforms like Xpansiv already require full KYC for all accts

09:40:29 From John Brooks to Everyone:

I have found that the European Market is less concerned on the location of the carbon credit and more focused on the quality of the credit. Many potential buyers with needs to complete carbon offset credits.

09:40:34 From Aldyen Donnelly to Everyone:

Last time I checked, Texas sources generated ~710 MMTCO2e/year. The 2nd largest state emitter was California, at ~ 410 MMTCO2e/year. So we should expect, over time and AOTBE, demand for CO2 credits to be largest in Texas.

09:42:18 From Aldyen Donnelly to Everyone:

I probably should note that while Texas ranks #1 among US states in absolute GHG terms, on a per capita GHG basis, Texas ranks #9or #10.

09:48:59 From Aldyen Donnelly to Everyone:

We likely should expect credit location to increase as a priority, if existing trends in GHG market design do not change. The EU recently released the proposed design of the EU "Carbon Border Adjustment" (CBAs)--a CO2 tariff on imports. The Biden administration is working on something similar. CBAs will translate into barriers to trade in CO2 credits, especially as long as said "credits" represent perpetually bankable rights to discharge GHGs (a form of GHG discharge quota). There is an alternative emission market design that supports free trade in credits. That is how the Montreal Protocol worked, leading to the curing of the hole in the Lower Ozone Layer. But, so far, we have not elected to embraced that model for GHG market design. (I says with not a little bit of frustration.)

09:55:31 From James Nieset to Everyone:

-will we be able to get copies of this morning’s slide decks?

09:56:39 From Robin Rather to Everyone:

Yes James we will send them out in our follow up sub stack email called “Fresh Carbon.”

09:57:12 From Beth Bader to Everyone:

The top row resonates. Last year at NACW conference, there were multiple references to the voluntary market as "pre-regulatory" by leaders in the carbon offset space.

09:59:52 From James Nieset to Everyone:

making a pledge to do now runs into increasing ESG responsibility

10:00:58 From Charles Craig to Everyone:

Fantastic summary of the market's evolution, Ian

10:06:26 From Kathy Jack to Everyone:

Thanks all, I have to join another call. Always good information!

10:10:22 From Bryan Hummel to Everyone:

I think that Hudson Carbon was setting up a market that sold their carbon by the pound, at point of sale.

10:11:26 From Beth Bader to Everyone:

Soil carbon (and regenerative ag) can be complex in the offset market. We are seeing a lot of discussion around insetting and the value of Scope 3 emissions reductions for food companies, and managing traceability and reporting for supply chains.

10:13:24 From Beth Bader to Everyone:

Additionally, the revenue from offsets is limited compared the profitability potential for regenerative methods. For example, conventional production has a thin margin of usually about 15%. Mature regenerative ag operations can be about 70% profitable due to reduction in input use primarily. This is especially true as fertilizer costs rise exponentially.

10:19:16 From Bob Hendricks to Everyone:

You mention government regulations a a primary motivation for getting carbon credits. What about the desire to market your goods as climate friendly?

10:23:05 From Bryan Hummel to Everyone:

Peter, I love your focus on Dividends: (Carbon Plus?). FEMA is starting to invest in these hazard mitigation dividends as well. Check out Manhattan Kansas in Region 7, where FEMA is looking at Regenerative Agriculture and soil carbon as a flood mitigation strategy. The BRIC program funds 2.1 Billion dollars of mitigation work annually. https://www.fema.gov/press-release/20220523/fema-advances-equity-provides-direct-support-underserved-communities-invest

10:26:32 From Sara Gray to Everyone:

Congratulations Miguel!

10:26:43 From Elliott Washington to Everyone:

Congratulations Miguel!!

10:27:06 From Claude Griffin to Everyone:

Congrats Miguel!

10:27:19 From John Brooks to Everyone:

Congratulations Miguel!

10:27:40 From Beth Bader to Everyone:

At the state level in KS, there is a related program on flood control and regenerative ag: https://kswraps.org/kansas-healthy-watersheds-project/ (also congrats Miguel!)

10:27:48 From Julie to Everyone:

Formal review by whom?

10:28:16 From Robin Rather to Everyone:

Julie - BCarbon does a formal review prior to certification.

10:28:32 From Julie to Everyone:

Thank you, so no 3rd party VVB?

10:29:09 From Robin Rather to Everyone:

There is 3rd party verification after baseline testing and at the 5 year “true up” point. Miguel can explain more off line?

10:29:33 From Julie to Everyone:

Thank you.

10:30:42 From Bryan Hummel to Everyone:

Thanks Beth... the Army Corps of Engineers has correlated flood reductions to soil health improvements: ….in Kansas.   The EPA is able to fund the regenerative agriculture equipment to help farmers transition to regen ag. Lets connect!   Hummel.Bryan@epa.gov https://conservationwebinars.net/webinars/watershed-wide-infiltration-and-flood-benefits-from-the-fields

10:30:47 From Miguel to Everyone:

Absolutely, Julie, we can chat. we certify projects (and issue credits) at onset/application internally, then verificiation throughout.

10:31:21 From Robin Rather to Everyone:

The coastal shoreline sub group is reviewing the draft. We will send it out to all when they are finished. If you want to join the subgroup, let us know.

10:33:11 From Sara Gray to Everyone:

Of those applied soil carbon projects, do you know how many are within cropping systems?

10:34:10 From Aldyen Donnelly to Everyone:

There is an important distinction between the voluntary and existing regulated CO2 markets that we never talk about--and should. There is NO C retention--let alone permanence--requirement in existing regulated CO2 markets (including California and EU). If this remains the case, it will be prudent for voluntary market participants to demand the right to opt into regulated markets--to qualify for credit issuance according to the same method that results in free CO2 allowance allocations to regulated GHG sources (who face no C retention requirement or permanence tests). Of course, this is silly. We need to fix this.

10:34:28 From Robin Rather to Everyone:

Hi Sara, we can have Miguel take a look and calculate for you.

10:35:00 From Miguel to Everyone:

Sara - Most are rangeland/grazinglands, some are no-till /cover cropping agronomic projects. But they are smaller in scale.

10:35:17 From Sara Gray to Everyone:

Thanks Robin and Miguel! We would definitely be curious to see the result

10:35:38 From Beth Bader to Everyone:

Lots of potential with grazing and grasslands, congrats!

10:35:54 From Whit Whitmire to Everyone:

Thank you for some wonderful presentations and discussion!

10:36:07 From Aldyen Donnelly to Everyone:

Happy 2023!

10:36:09 From Brandon Craft to Everyone:

Thanks everyone!

10:36:13 From Bezaye Tessema to Everyone:

Thanks for the great presentations.