

Projects

National Carbon Offset Coalition (NCOC)



Throughout the international discussion of climate change, one of the major concerns has been the well-documented increase of carbon dioxide (CO₂) in the atmosphere over the past century. CO₂ is among several atmospheric compounds (generally called greenhouse gases) that have the effect of reflecting heat waves and preventing them from going into outer space. This heat trapping effect is responsible for the moderate climate on earth, but any significant increase could, it is proposed, cause global warming that could disrupt many natural and human systems on earth. Studies have shown that the increase in greenhouse gases is largely due to the burning of fossil fuels and deforestation in the tropics.

While the most direct and effective means of slowing the increase in greenhouse gases is to reduce fossil fuel burning and tropical deforestation, neither of these can be done easily or rapidly with the social and economic conditions under which they occur. As a result, in addition to those efforts, other means of reducing emissions and/or increasing the transfer of CO₂ from the atmosphere into stable terrestrial systems has been encouraged. Two of the most effective ways of doing this are to increase the sequestration of stable carbon compounds in agricultural soil and forests.

In 2003 a voluntary market in carbon offsets began to flourish through an organization known as the Chicago Climate Exchange (CCX). The market promotes sustainable farming, ranching and forestry practices that provide local environmental benefits, as well as providing greenhouse gas reductions. At the same time the trading of the offsets provided landowners a new revenue source. In Montana alone nearly 500 Montana ranchers and farmers are currently participating in the market.

Nearly half of the Montanan's are in the market through the National Carbon Offset Coalition (NCOC). NCOC has carbon offset contract with foresters, farmers ranchers and tribal governments in eight states covering over two million acres. Types of projects in the market include no-till, grass plantings, managed forests, reforestation and afforestation, methane capture and sustainable grazing. Due to the current political uncertainty these landowners have watched as their offsets value continue to drop to where the voluntary market now has basically ceased to operate.

How this will all play out is still anyone's guess. NCOC is holding the vast majority of its offsets and developing partnerships with other market participants in preparation for the expected lack of a federally mandated cap and trade program. Until the uncertainty is addressed investment capital for carbon offsets, green energy projects, and other energy investments is setting on the sidelines.



Without a price on carbon the fledgling voluntary market will most likely cease to operate. Like everyone else the landowners who contracted to deliver offsets to the market must watch as the politics play out, as only then will the answer to this market short term future be determined.