



Rangeland Soil Carbon Management Offsets

Introduction

Chicago Climate Exchange® (CCX®) is the world's first and North America's only active voluntary, legally binding integrated trading system to reduce emissions of all six greenhouse gases (GHGs), with offset projects worldwide. CCX employs independent verification and has been trading GHG emission reductions since 2003. CCX Members that cannot reduce their own emissions can purchase credits from those who make extra emission cuts or from verified offset projects.

CCX issues tradable Carbon Financial Instrument® (CFI™) contracts to owners or aggregators of eligible projects on the basis of sequestration, destruction or displacement of GHG emissions. Eligible projects include: agricultural methane, landfill methane, coal mine methane, agricultural and rangeland soil carbon, forestry and renewable energy.

- New income source
- Reward sustainable ranching
- Improved environmental quality

Basic CCX Specifications for Rangeland Soil Carbon Management Offset Projects

Offsets may be issued to land owners who commit to increase carbon stocks realized on managed rangelands in approved geographic areas. Eligible projects include:

- Minimum 5 year contractual commitment.
- Non-degraded rangeland managed to increase carbon sequestration through grazing land management that employs sustainable stocking rates, rotational grazing and seasonal use in eligible locations.
- Restoration of previously degraded rangeland through adoption of sustainable stocking rates, rotational grazing and seasonal use grazing practices initiated on or after January 1, 1999.
- Projects must take place within designated land resource regions.
- Offsets are issued at standard rates depending on project type and location. Rates vary from 0.12 to 0.52 metric tons of CO₂ per acre per year.

CCX has developed simple, standardized rules for issuing credits for agricultural carbon emission reductions and soil sequestration.

Eligible projects include:

- Methane capture and combustion
- Continuous no-till and strip-till cropping in the U.S. and Canada
- Grass planting
- Tree planting
- Improved rangeland management

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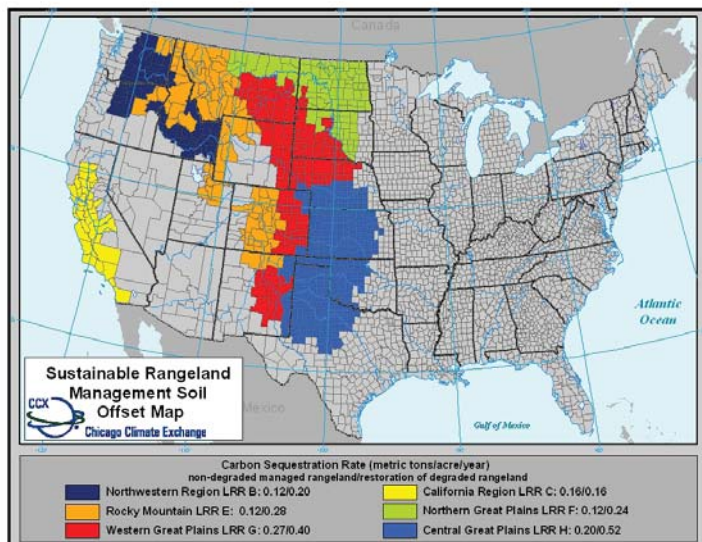




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Frequently Asked Questions About CCX Rangeland Soil Carbon Management Offsets

- **What are CCX rangeland soil carbon management offsets?**
Rangeland soil carbon management offsets are tradable Carbon Financial Instrument (CFI) contracts, issued to project owners that commit to increase soil carbon sequestration through grazing land management that employs sustainable stocking rates, rotational grazing and seasonal use in eligible locations.
- **What is the soil offset issuance rate?**
Offsets will be issued on a per acre per year basis when eligible practices are employed. The actual rate depends on the management practice, the location (NRCS Land Resource Region), and the status of the land (degraded or non-degraded). For instance, rangeland restoration projects enrolled in the program in the Central Great Plains Winter Wheat and Range Region earn offsets at a rate of 0.52 tons of CO₂ per year. Had this project been on a non-degraded ranch, it would earn offsets at a rate of 0.2 tons of CO₂ per year. For eligible regions, contact CCX staff. Offsets may be issued for each year that verifiable grazing practices have been implemented from 2003 to 2010.
- **How do CCX rules address the risk of carbon storage reversal?**
In order to preemptively address the risk that CO₂ removed from the air through CCX-eligible sequestration practices might be released by a reversal (e.g., due to failure to maintain the contracted soil management practices), each year 20% of the CFI contracts generated through these practices is placed into a reserve pool. To compensate for any carbon storage reversal, CCX will cancel CFI contracts in the set-aside pool in an amount corresponding to the CO₂ tonnage loss resulting from the reversal. If a project owner fails to conform to the practices specified in its CCX contract, continued participation in CCX by that land owner is disallowed.
- **What is the role of an Offset Aggregator?**
An Offset Aggregator is an entity that serves as the administrative representative, on behalf of offset project owners, of multiple offset projects. Offset projects involving less than 10,000 metric of CO₂ equivalent per year should be registered and sold through an Offset Aggregator. The terms of the business and legal relationships between Aggregators and offset project owners are left to the discretion of those parties. A list of Offset Aggregators can be found on the CCX website.
- **What is the role of an independent third party verifier?**
At least once per year, an independent CCX authorized verifier will conduct in-field inspections to ensure that the rangeland management practices are in accordance with the CCX protocols.
- **What types of evidence must I be able to provide in order to earn soil offsets in CCX?**
Among other requirements, site photographs, ranch stocking records and records from agricultural extension agencies will be required. To obtain a copy of the complete protocol for quantifying GHG reductions from managed rangeland, please contact CCX.
- **How much money will I receive for my soil offsets?**
Prices have ranged from below \$1 to above \$5 per metric ton. Daily volumes since January 2007 have averaged in excess of 100,000 metric tons. Prices may vary according to market conditions. To view historical transaction data please visit the CCX website.



Rangeland Rates and Eligible Regions*

Land Resource Region	Previously Degraded	Improved Management
B	0.20	0.12
C	0.16	0.16
E	0.28	0.12
F	0.24	0.12
G	0.40	0.27
H	0.52	0.20

*Additional regions may be added based on expert input.