Soil Carbon Sequestration: A working contract

A contract between Northwest no-till farmers and a Louisiana energy company, Entergy
Introduction

- How did we begin?
- Pacific Northwest Direct Seed Association (PNDSA) 1999
- Environmental Defense (ED) partnership
- One page offer sheet
- Why Entergy responded
  - “Looking toward tomorrow”
  - Building an offset forest
Topics of Discussion

- No Federal mandates
- Willing seller and willing buyer
- Kyoto agreement
What the PNDSA desired

A working contract where money actually changed hands and to create opportunities such as;
1. Future contracts
2. Stimulate measurement research
Cash up front
A lease arrangement
What Entergy wanted

Kyoto ready
Long term contract: 10 year
Low price
Emission Reduction Credits
What we negotiated

A ten year lease of 3000 tons CO2 credits annually, through direct seed production practices, for a total of 30,000 tons

$2.50/ton paid up front

Verified annually by local Conservation District employees visual inspection of direct seed methodology

Emission reduction credits

Aggregation fee of 20% paid to PNDSA

Contract signed May of 2002, started aggregating credits in September 2002
PNDSA / aggregator contract with farmers

- 100 acre maximum @ .55 ton CO₂/acre/year
  - More farmers a chance
  - Future contracts
  - Actuarially sound

- Ten year term
  - Payback criteria if reverting back to tillage during term of contract
Next Steps

- PNDSA / ED agreement
- ED development of additional markets
- May need other groups to meet demand
- Questions and discussion