

Monetizing Forestland Carbon Values



THE CHALLENGE

Forestland has become an attractive asset class to a broad variety of investors. With increasingly competitive prices, it has become imperative for investors to monetize a broad array of timber and non-timber values, whether harvesting timber, selling assets for development, leasing recreation rights or acreage for natural gas, or granting conservation easements. At the same time, concerns over climate change have fostered explosive interest in carbon markets as a means for both pollution mitigation and green investing. As the role of forests in sequestering carbon gains global attention, forestland owners and investors have growing opportunities to realize incremental returns from ecosystem services. The Winrock-Sewall team has decades of experience serving landowners and investors, and is uniquely positioned to help clients evaluate opportunities to manage property for carbon offsets, and to identify the best markets for these offsets. Monetizing carbon values through trading emission credits not only earns investors a financial return, but encourages sustainable forest management practices, improves the health of forest ecosystems, and reduces greenhouse gases (GHGs) in the atmosphere, all of which builds the green profile of the organization.

The process of qualifying an offset project for sale on the carbon market includes measuring and monitoring existing carbon stock, modeling changes in stock, verifying net change over time and registering with the Chicago Climate Exchange, American Carbon Registry, California Climate Action Registry or Voluntary Carbon Standard Registry. Critical to the process is determining (1) how differing timber management strategies sequester carbon, (2) what quantity of credits must be produced to offset transaction costs and how best to market them, and (3) whether revenues will exceed the opportunity costs of converting land to a non-traditional forestry resource.

INTEGRATED SOLUTIONS

To assist clients with carbon projects, the Winrock-Sewall team provides full project life-cycle support, including:

- Carbon project consulting--planning, design & development
- Aerial imaging, photo interpretation & accurate GIS mapping
- Forestland modeling, appraisal & inventory
- Site selection & inspection
- Carbon baseline & leakage analysis, growth & yield modeling
- Sequestration monitoring & verification
- Project reporting & registration; direct or offset aggregator trading
- Field training in carbon estimation, measurement & monitoring

THE BENEFITS

Successful carbon projects yield multiple benefits:





- Carbon offset trading supports other values in a portfolio of assets
- Profitability in a fast-growing market increases over time
- Sequestering carbon promotes an organization's green profile
- Sustainable forest management improves water, air & habitat

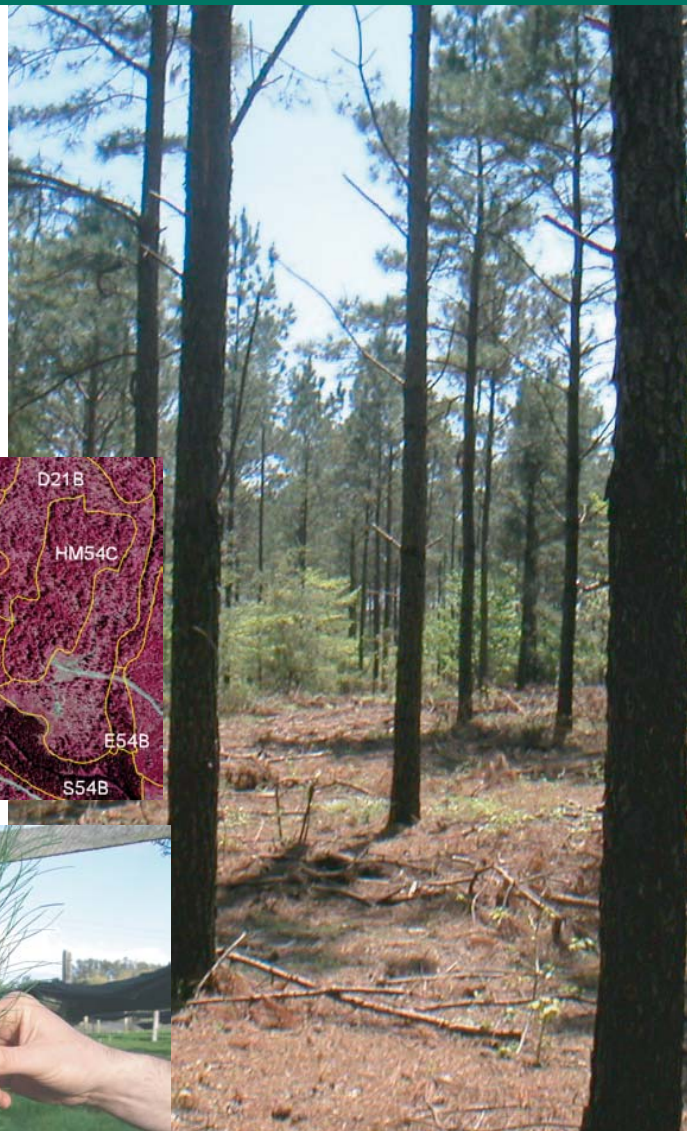
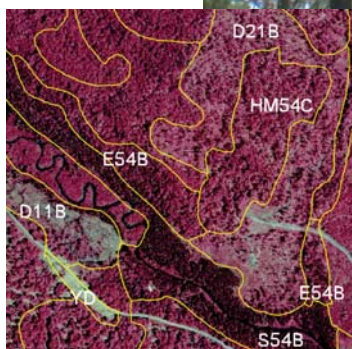
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WHY WINROCK-SEWALL

The Winrock-Sewall team brings together two leaders in the forestry, natural resource and ecosystem services industries to meet the investment needs of our clients. Winrock, a pioneer in the carbon market, has set the standard globally for carbon measurement and monitoring and deforestation modeling, assisting clients in 65 countries worldwide. As the oldest forestry firm in the US, Sewall has 128 years' experience in forestland modeling, appraisal, inventory and mapping in North America and offshore.

Expertise in carbon mitigation projects

-  Project designs, baselines, measurement, monitoring and verification of forestry, clean energy and land use change projects for energy companies, forest products companies, private landowners, environmental organizations, and governments
-  Project review, evaluation, baselines, measurement and verification for companies seeking to broker sales of carbon credits
-  Design and/or evaluation of carbon offset project portfolios intended to achieve environmental performance objectives
-  Greenhouse gas emissions trading of high-quality, tradable verified project-based carbon offsets in the U.S. voluntary and pre-compliance markets through operation of the American Carbon Registry



Breadth of related project experience

Winrock has implemented over 125 forest carbon projects in the US and abroad since 1992. With an outstanding reputation in the climate change arena, the organization is looked to by national government agencies, state governments, private industry, and national organizations to provide carbon project services. Sewall has appraised over 100 million acres of land and has provided independent third-party due diligence in many major transactions across North America and offshore, including the largest private timberland sale in US history. Recent experience includes quantifying carbon values in both planted and natural forests.

*For more information on Winrock-Sewall solutions for carbon offset projects, please contact:
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