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Introduction to Carbon Markets

October 5, 2023

But First A Few Key Terms

- **Net Zero:** a target of completely negating the amount of greenhouse gases produced by human activity, to be achieved by reducing emissions and implementing methods of absorbing carbon dioxide from the atmosphere.
- **Carbon Offset:** occurs when an individual company or organization directly or indirectly (by funding projects in other locations) removes greenhouse gases from the atmosphere or prevents a certain quantity of greenhouse gases from being released. One carbon offset is equivalent to removing or preventing 1 metric ton of CO2 from entering the atmosphere.
- **Natural Climate Solutions:** conservation, restoration, or improved land management actions that increase carbon storage or avoid greenhouse gas emissions in landscapes and wetlands across the globe[1]

Summary

- Why The Focus On Reaching Net Zero?
- Why Choose A Natural Climate Solution?
- Why Is Working Alongside Landowners Key?

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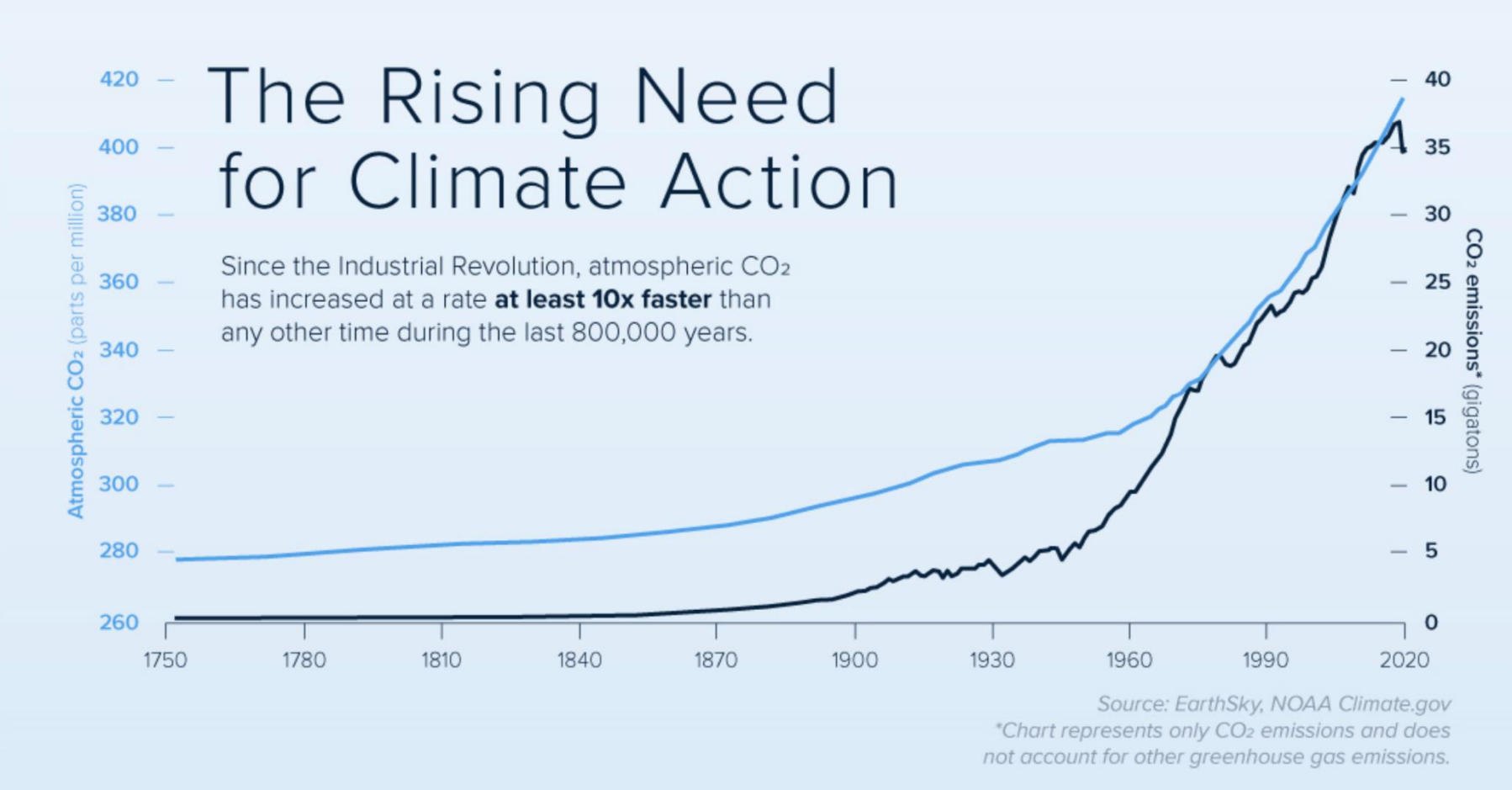
Why The Focus on Reaching Net Zero?

The Back Drop



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Growing Commitments to Net Zero

Source: Trove Intelligence

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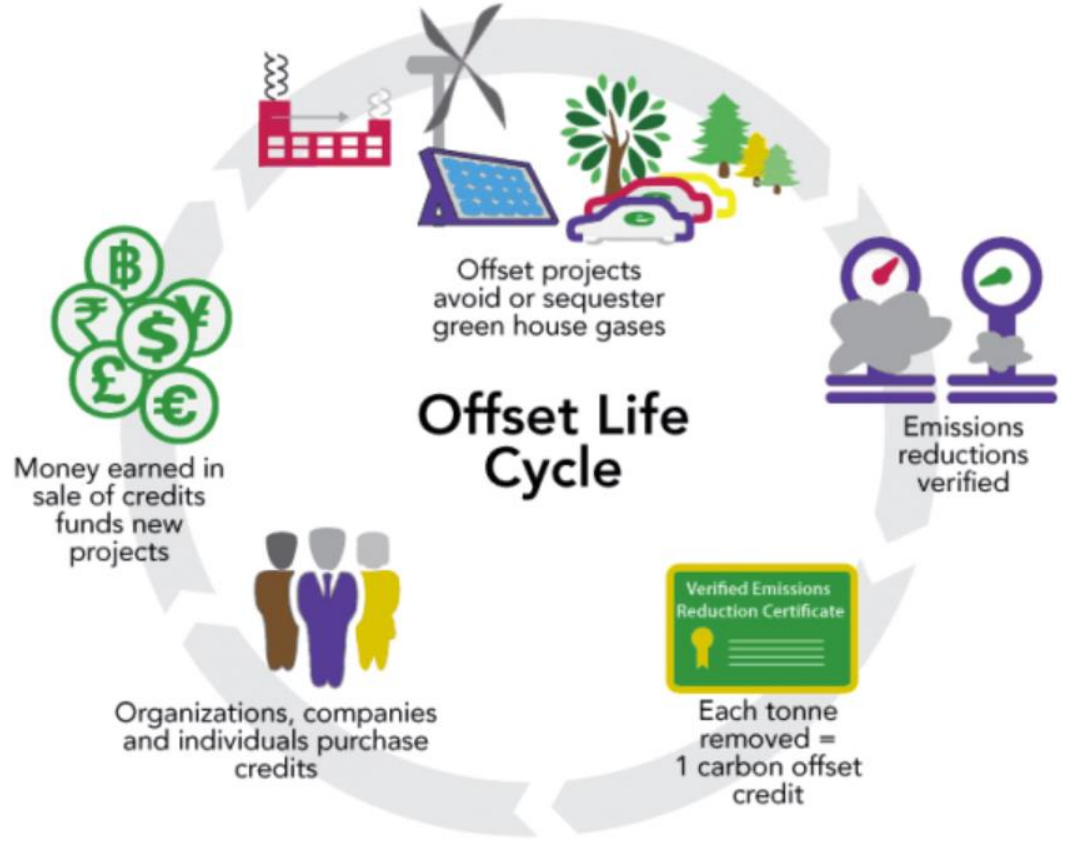
Achieving Net Zero

- Tandem approach to reaching net zero operations
  - Reduce emissions
  - Offset remaining emissions
- Offsets can be sold on carbon markets
  - Voluntary market
  - Compliance markets



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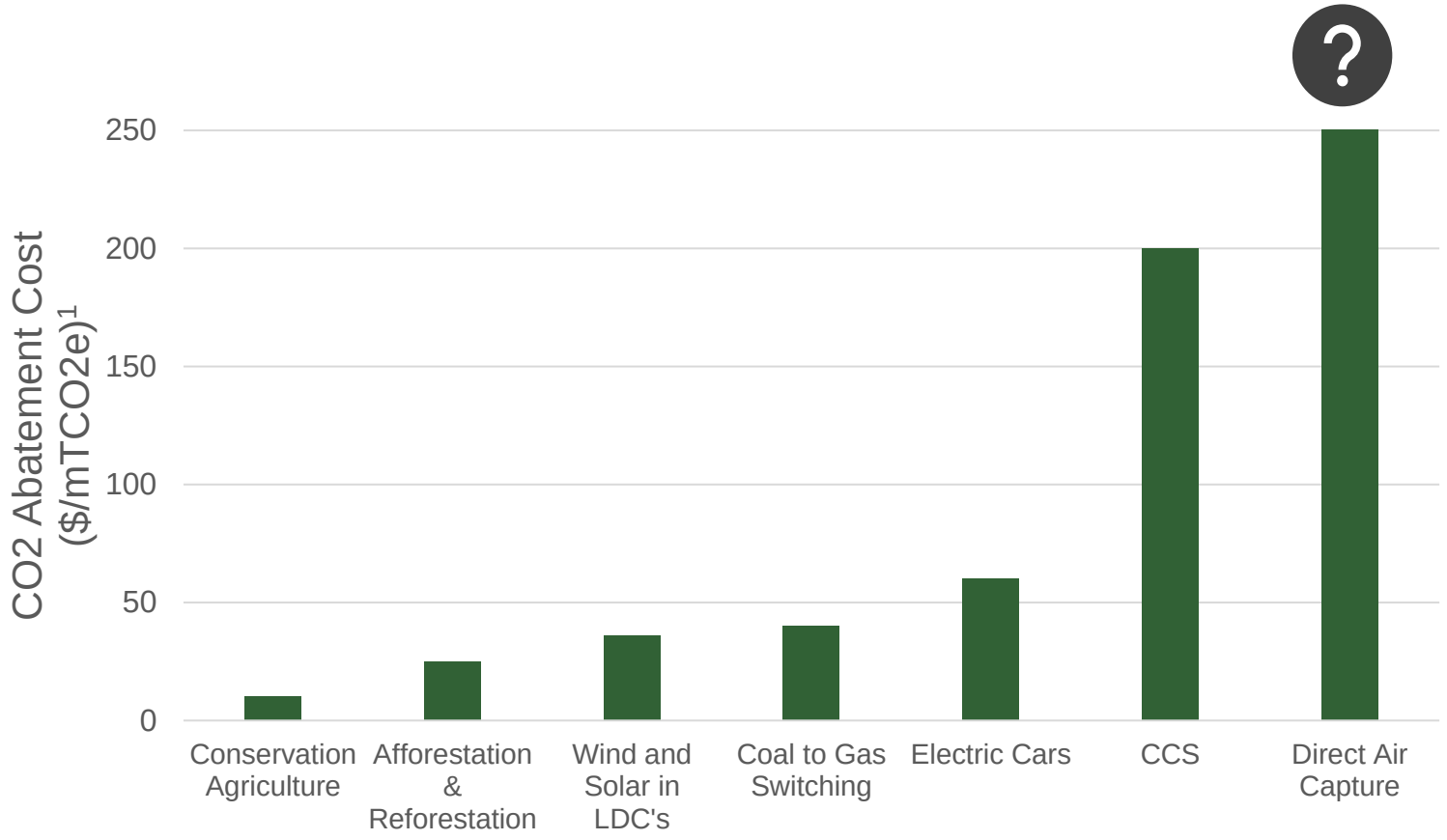
Why A Natural Climate Solution?

Natural Climate Solutions

- Low Cost
- Technology Ready
- Scalable
- Environmental co-benefits



Direct Air Capture technology is still largely in the R&D stage. Reported abatement costs range from $100/ton to $1000/ton. Commercial scale costs are still unknown.

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Natural Climate Solutions in Oklahoma

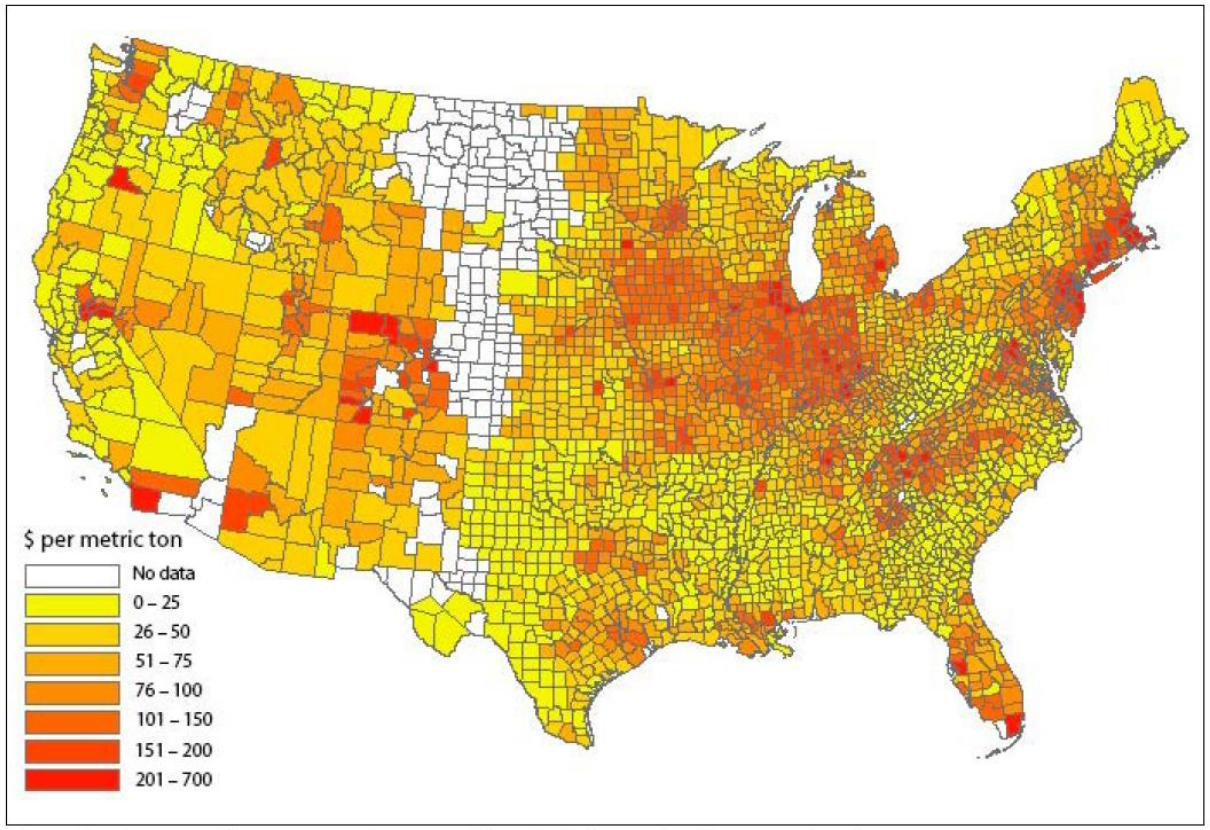

Figure 6—Average carbon sequestration costs with periodic harvesting ($ per metric ton).

- Lower cost to re-establish forests
- Lower cost to generate carbon offsets

CO2 Sequestration Cost For Reforestation and Afforestation ($ per mTCO2e)[1]

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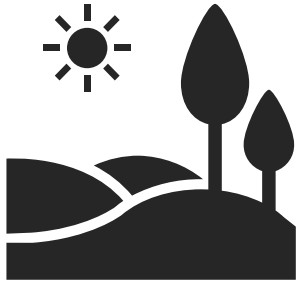
Natural Climate Solutions in Oklahoma

3 Million Acres of Oklahoma Used To Be Forests[1]



Lower Cost to Re-Establish Forests[2]

Improvement Of Local Air Quality, Soil Health, And Water Retention

Protection And Creation Of Wildlife Ecosystems Within Oklahoma

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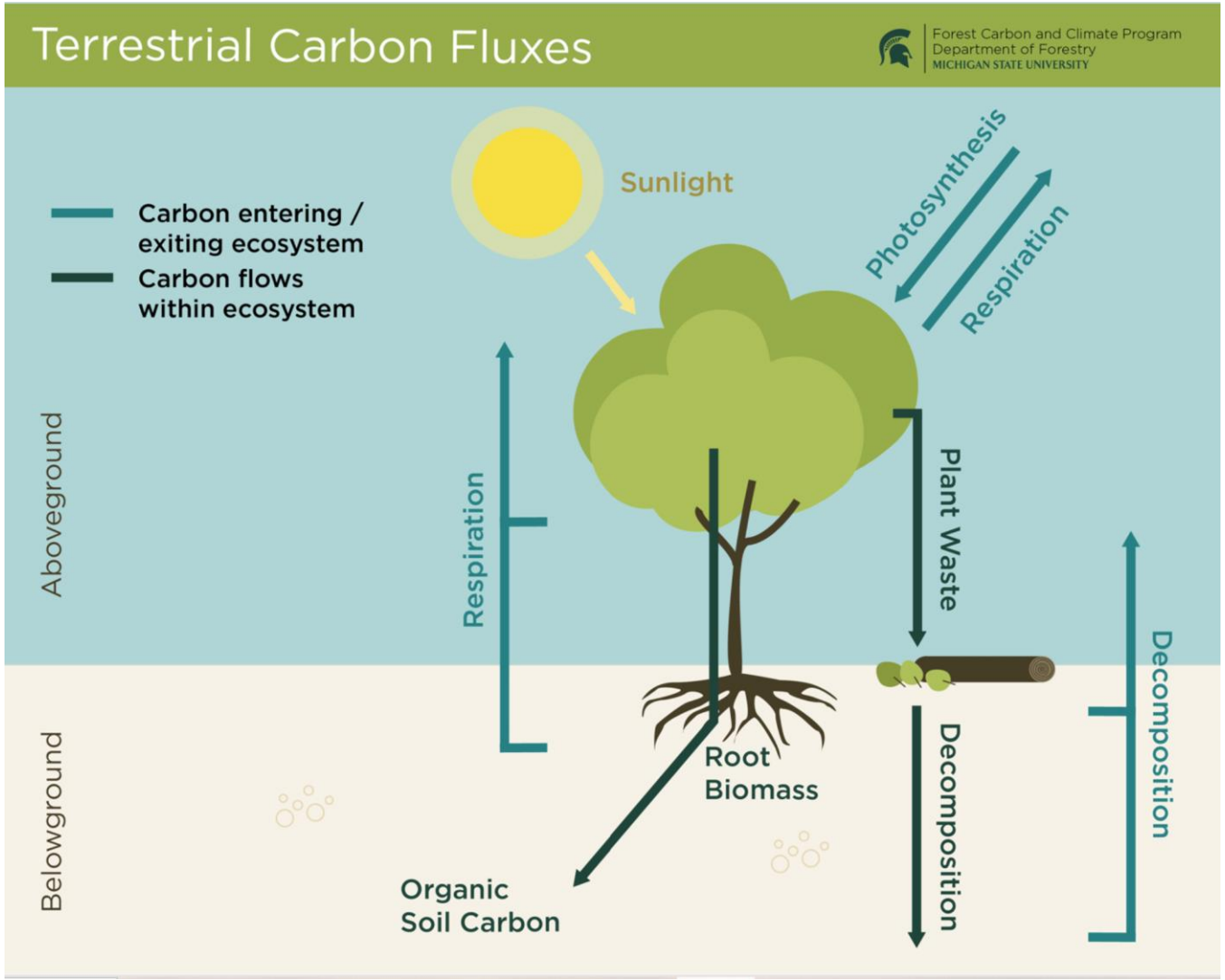
Where Is The Carbon Stored?



- Tree is approximately 50% carbon by dry tree weight
- One acre of densely planted loblolly pines could sequester 1.5 to 2 tons of carbon per year
  - 5 to 7 mtCO2e per year

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Why Is Working Alongside Landowners Key?

Working Alongside Landowners

- **Natural Climate Solutions:** conservation, restoration, or improved land management actions that increase carbon storage or avoid greenhouse gas emissions in landscapes and wetlands across the globe[1]

- Landowner priorities
- Landowner knowledge and expertise
- Landowner community
- Landowner passion

Questions?

- Contact Jenny Hellman at jhellman@renewwest.com

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