

WESTCARB

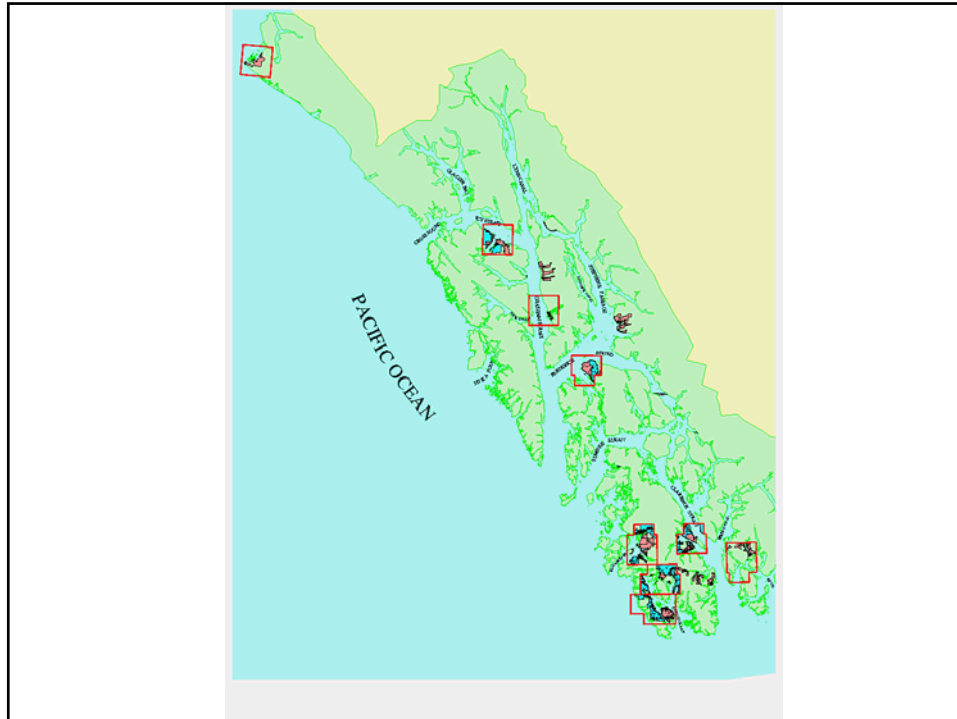
Annual Business Meeting

October 1, 2008

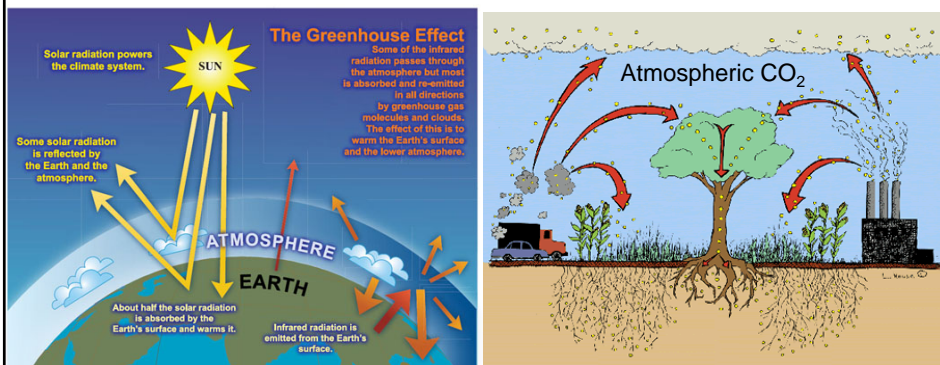
Ron Wolfe
Sealaska Corporation
Natural Resource Manager

Sealaska Corporation

- The Alaska Native Claims Settlement Act (ANCSA) created two classes of corporations
 - Village Corporations
 - Regional Corporations
- Sealaska is the Alaska Native Regional Corporation for Southeast Alaska
- One of 12 Regional Corporations created as authorized by the Alaska Native Claims Settlement Act (ANCSA)

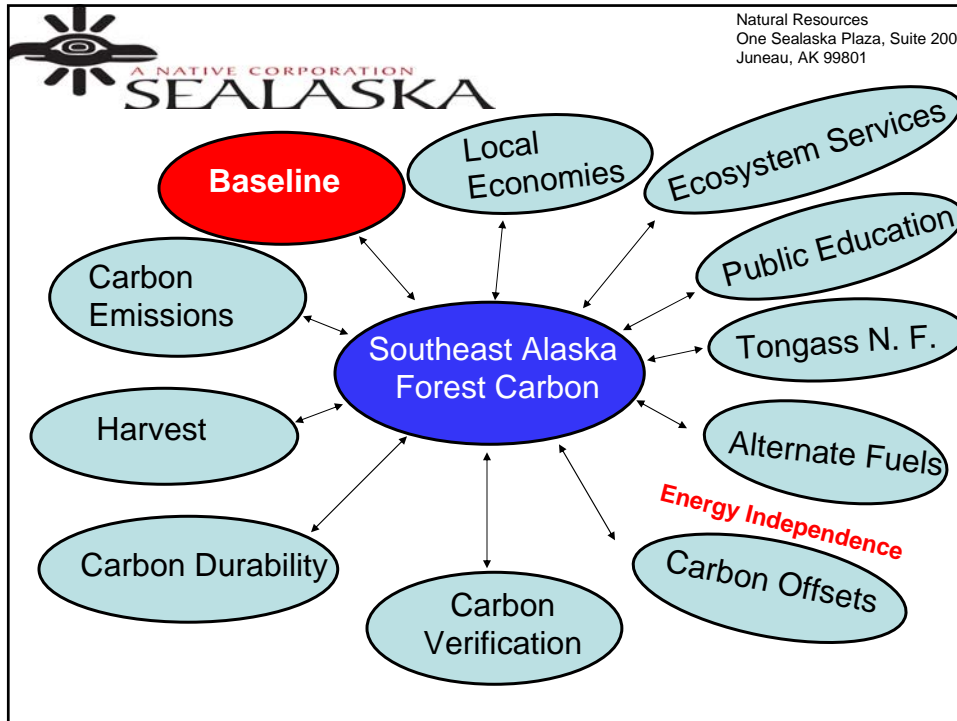


Global Warming and Carbon Sequestration: A future for Sealaska?



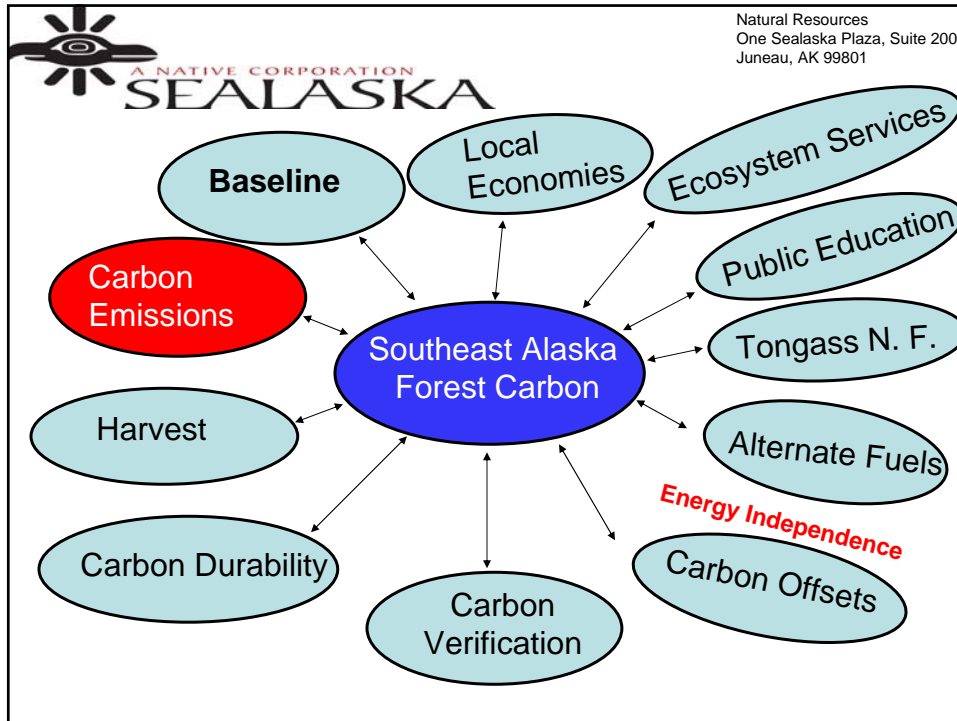
Sealaska's forests: A place where carbon (and thus money) grows on trees.





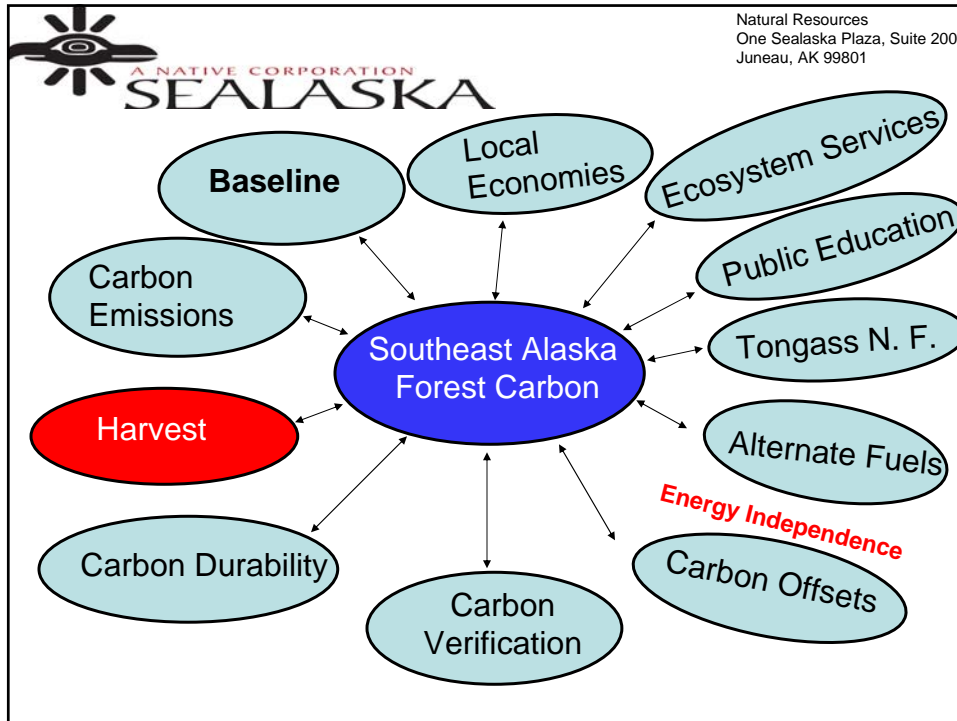
Baseline

- Amount of carbon on your forest
 - Business as usual
 - Increase carbon stored
 - Rotation
 - Longer rotations store more carbon
 - How is this defined?
 - Increase site productivity
- Leakage
- Reforestation of non-forest areas
- Protection from harvest
- Additionality – sell tons of carbon above the business as usual



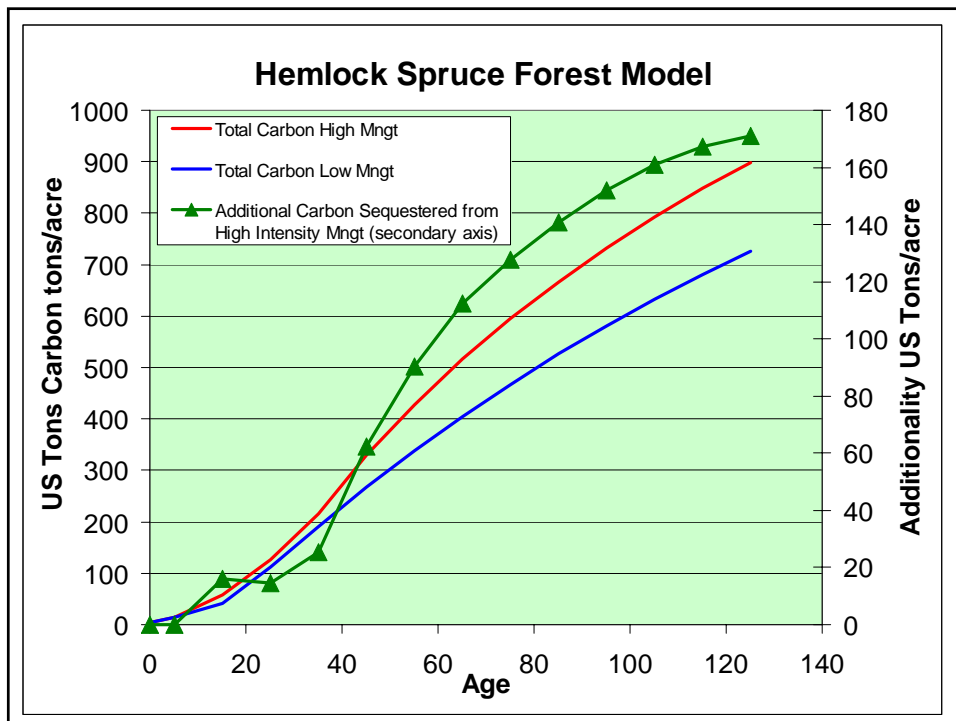
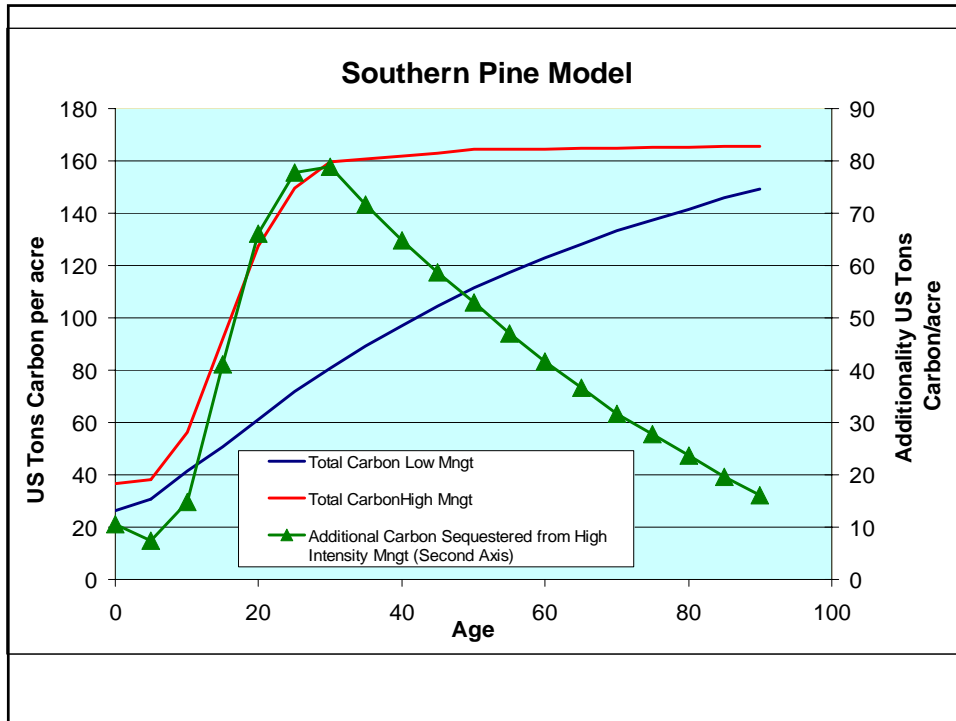
Carbon Emissions

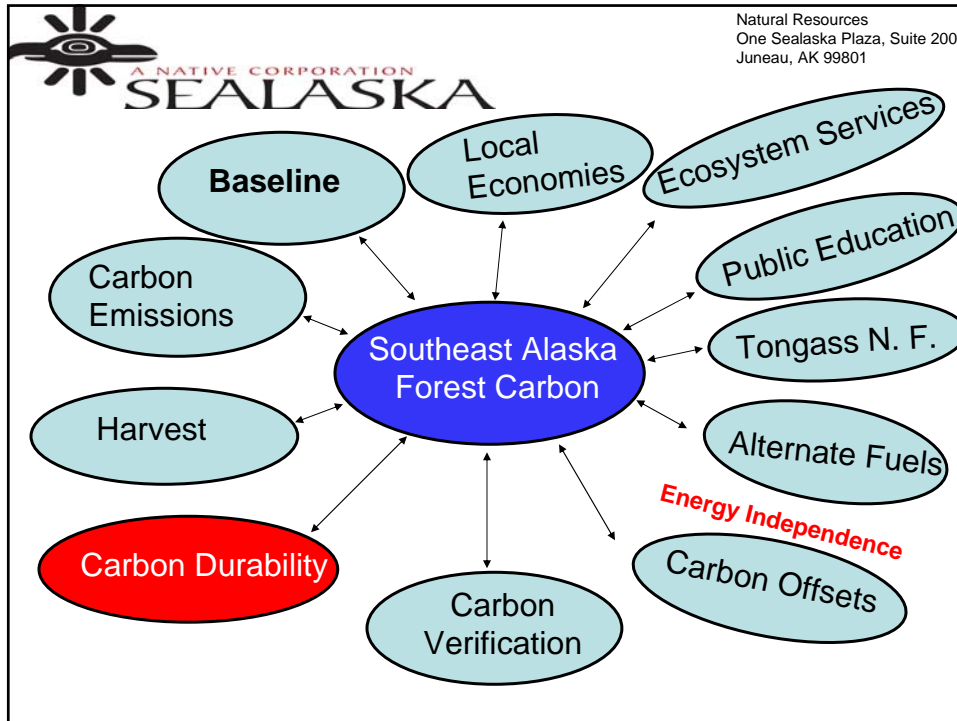
- Natural carbon emissions in the forest
- Loss of carbon through destructive agents
 - Wildfire
 - Insects
 - Disease
- Old forests absent destructive agents are at equilibrium
- Southeast Alaska does not have these and is a very good carbon sink
- In Southeast Alaska, tremendous amounts of carbon are transported via creeks, streams, and rivers to saltwater for long-term sequestration



Harvest

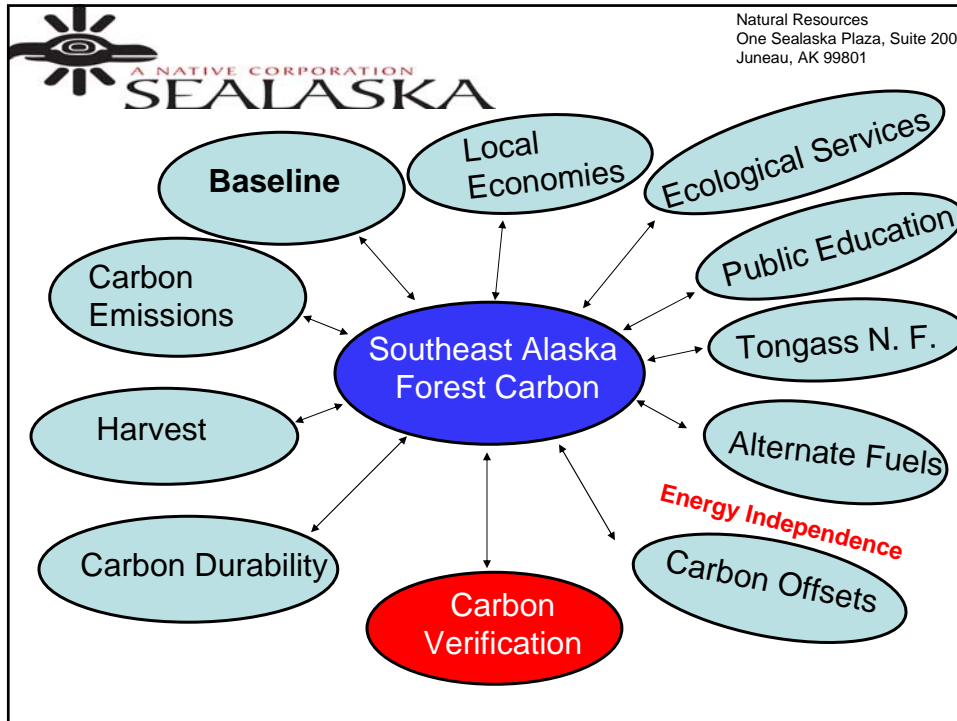
- Considered by some to be a total carbon emission
 - Soil is warmed – increases activity
 - Slash left for decay
- Harvest is not a total emission
- Carbon is transported to saltwater for long-term sequestration
- Capacity for increased transport from harvest?





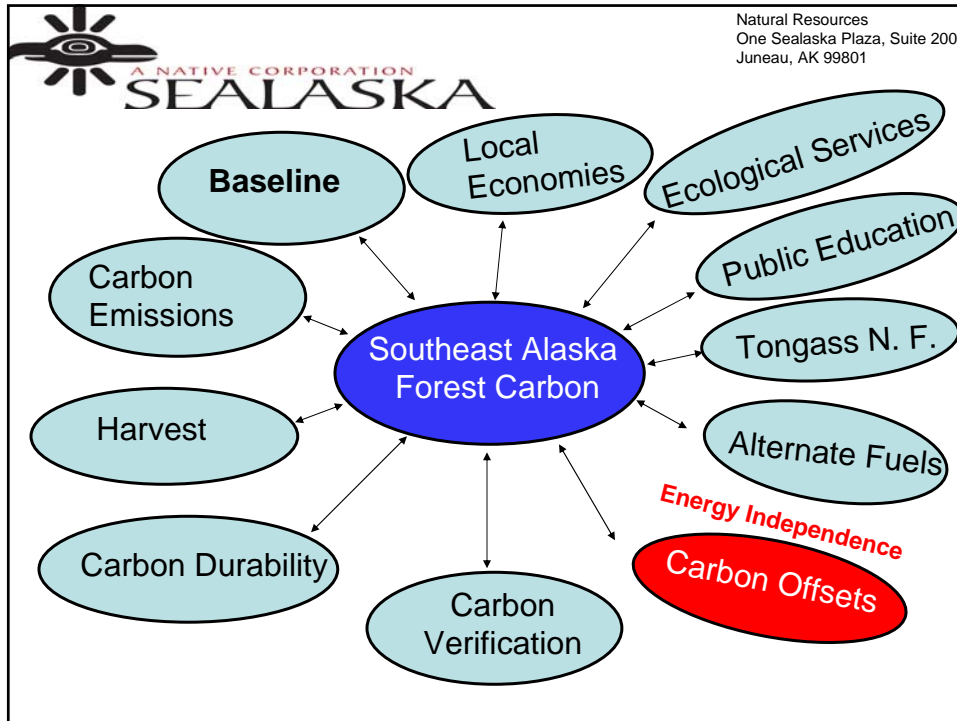
Carbon Durability

- Carbon is stored in forest products
 - Short term – paper
 - Long term - buildings, furniture, etc.
- Harvest is not a total emission
- How to account for carbon durable products?
- Who gets credit for carbon durable products?



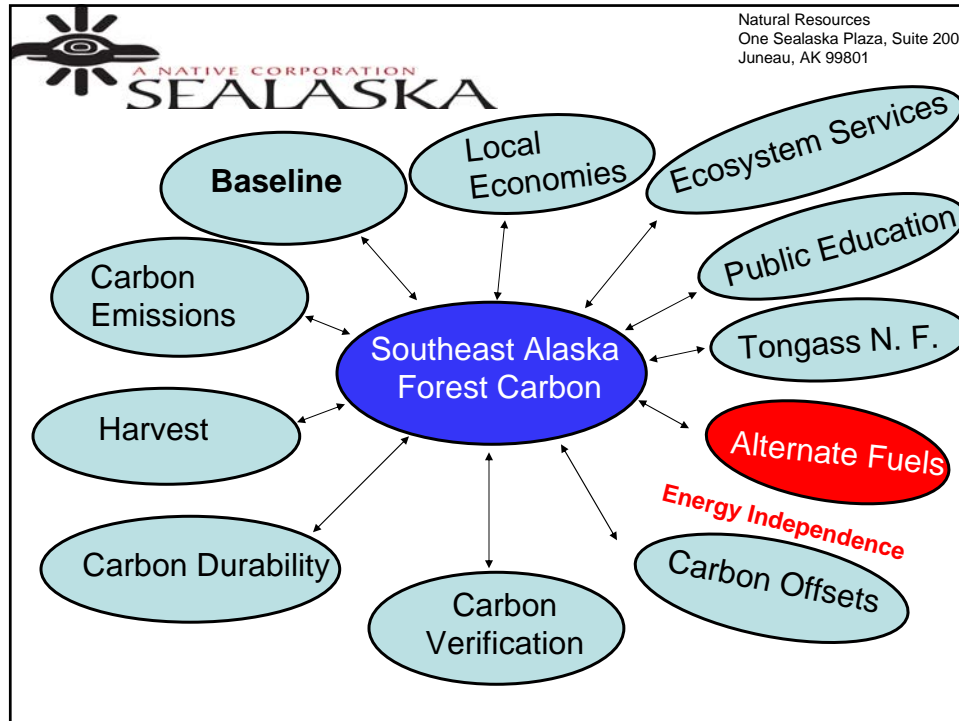
Carbon Verification

- Similar to an accounting firm auditing a company's books to publish an annual report
- Third party certifies the carbon is there and has properly been accounted for
- Forest Stewardship Council Certifies forests are properly managed in accordance with their principals and criteria



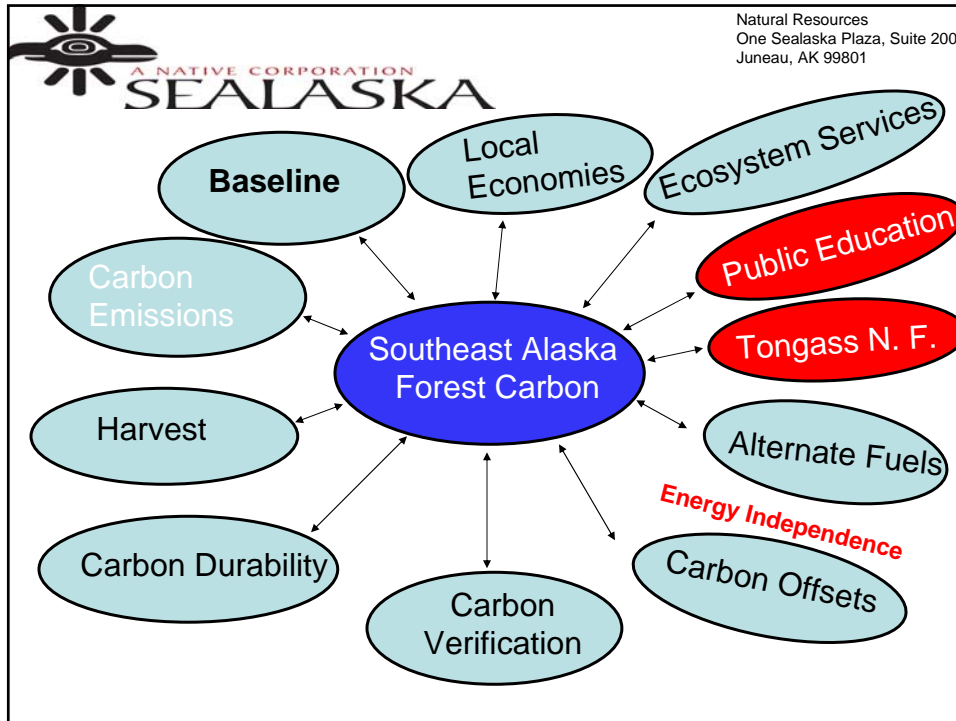
Carbon Offsets

- Kyoto International Treaty
- European Union Emissions Trading Scheme
- Cap carbon gas emissions
- Carbon emitters need carbon credits
 - Regulated market
 - Regional Greenhouse Gas Initiative (RGGI)
 - California Climate Registry
 - Western Climate Initiative
 - Voluntary market
 - Chicago Climate Exchange
 - Individual transactions
- Unique concept as opposed to regulatory mandates
 - Wetlands regulation
 - Alaska Forest Resources and Practices Act anadromous fish stream protection
 - Bald Eagle Protection Act



Wood Biomass Alternate Fuels

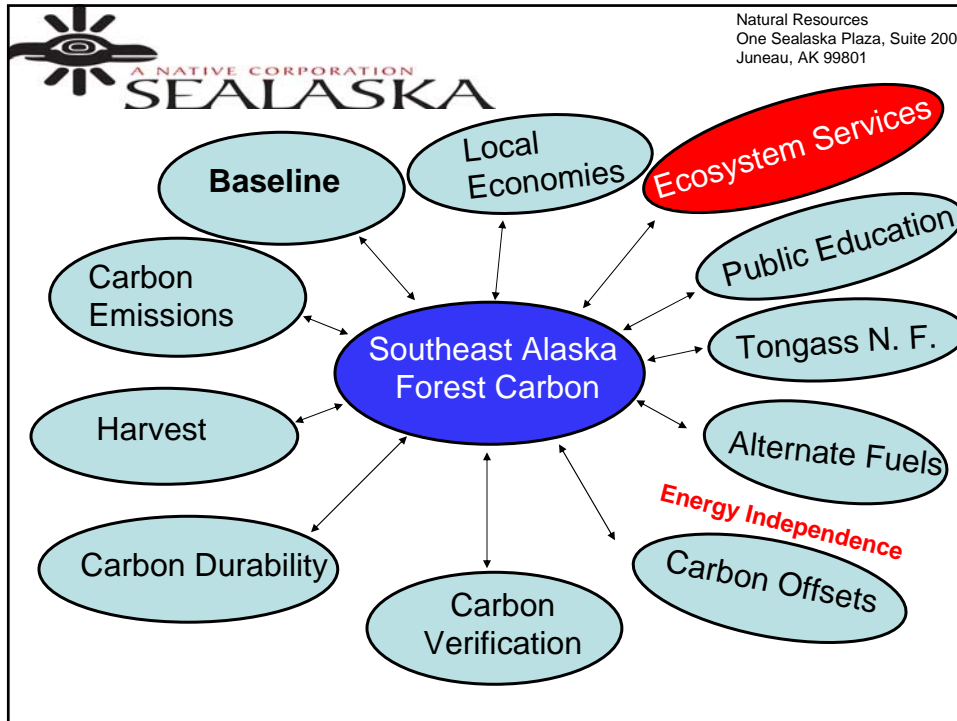
- In lieu of costly diesel fuel
- Heating
 - Pellets
 - Briquettes
 - Chips
 - Biodiesel
 - Ethanol
 - Other (?)
- In northern latitudes, \$1,000 per month diesel fuel cost to heat a home (\$5/gallon)
- 1 ton of pellets – (\$300 to \$400)
- Cost to convert boilers and storage



Tongass National Forest

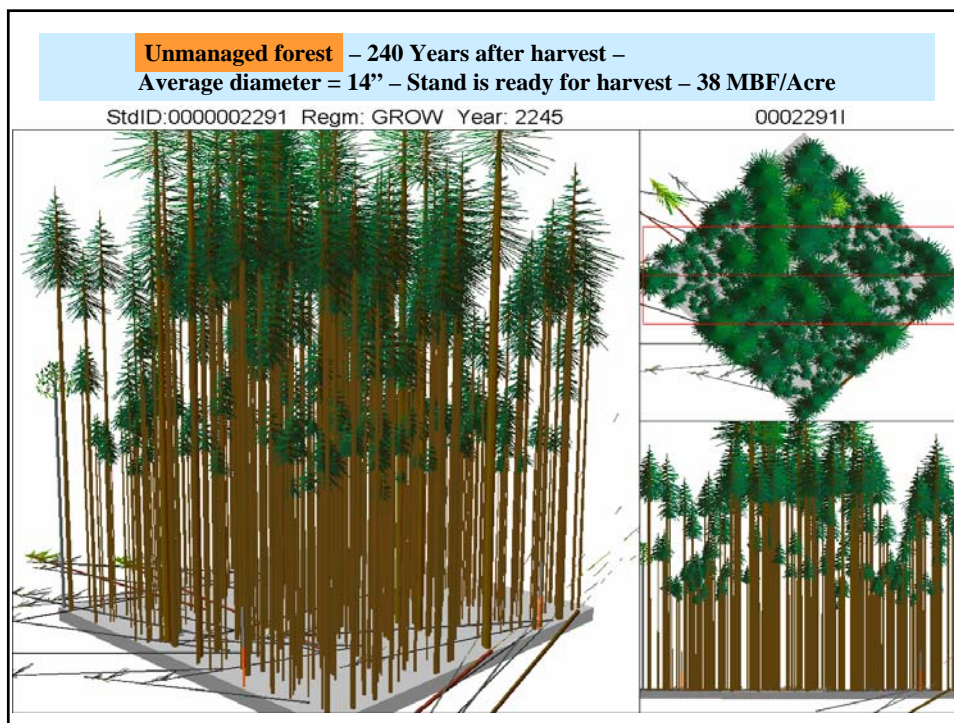
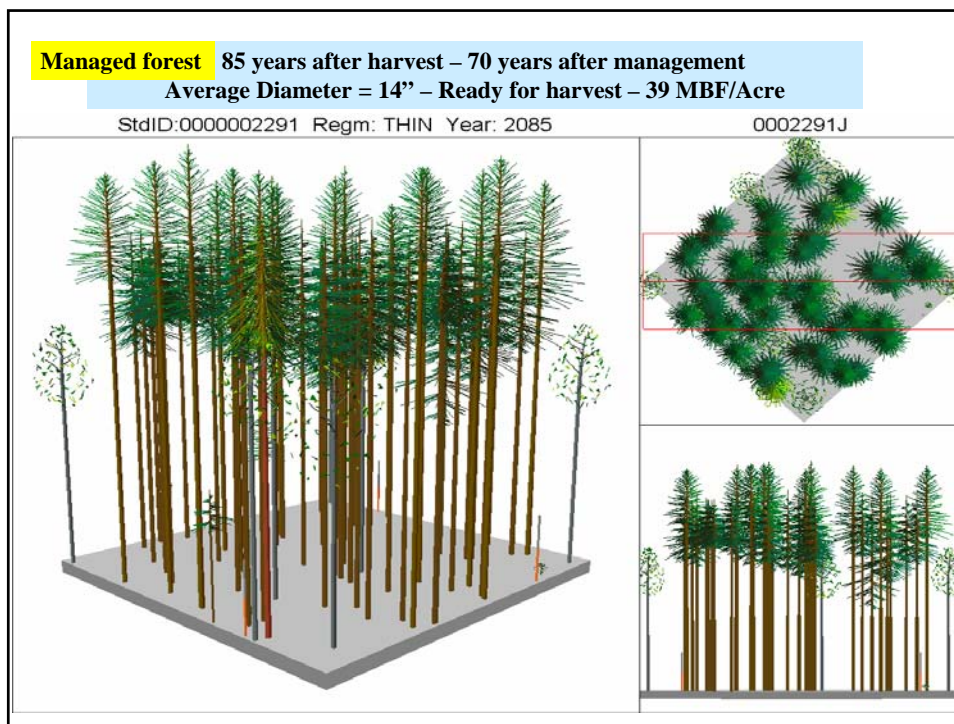
- TNF = 17,000,000 acres
 - High profile forest
 - Public controvesry
- Sealaska = 375,000 acres
- Village & Urban Corp. = 300,000 acres

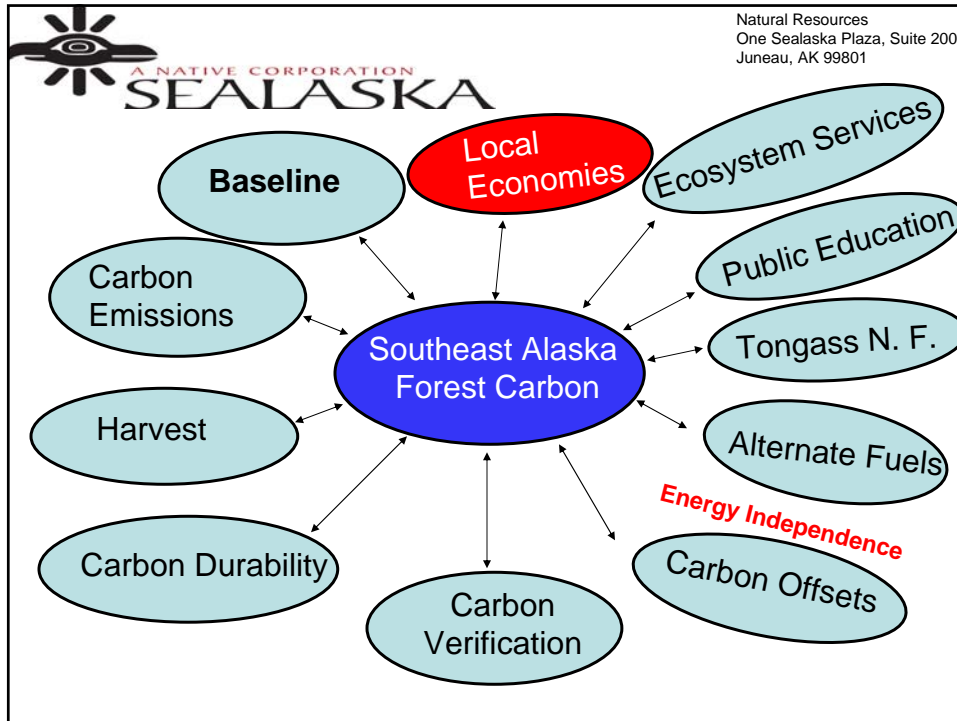
- Public Education and Acceptance



Ecosystem Services

- Clean air – carbon and other gas credits
- Focus just on carbon may not achieve a desired ecological result
- Other Ecological Functions
 - Wetlands mitigation – Sealaska wetland bank
 - Clean water - TMDLs
 - Wildlife habitat – Endangered Species Act
 - Anadromous fish production – Above what is required by law (?)
 - Other functions
 - How to monetize them?
- Niche market for Alaska Native Carbon Credit – a Super Carbon Credit





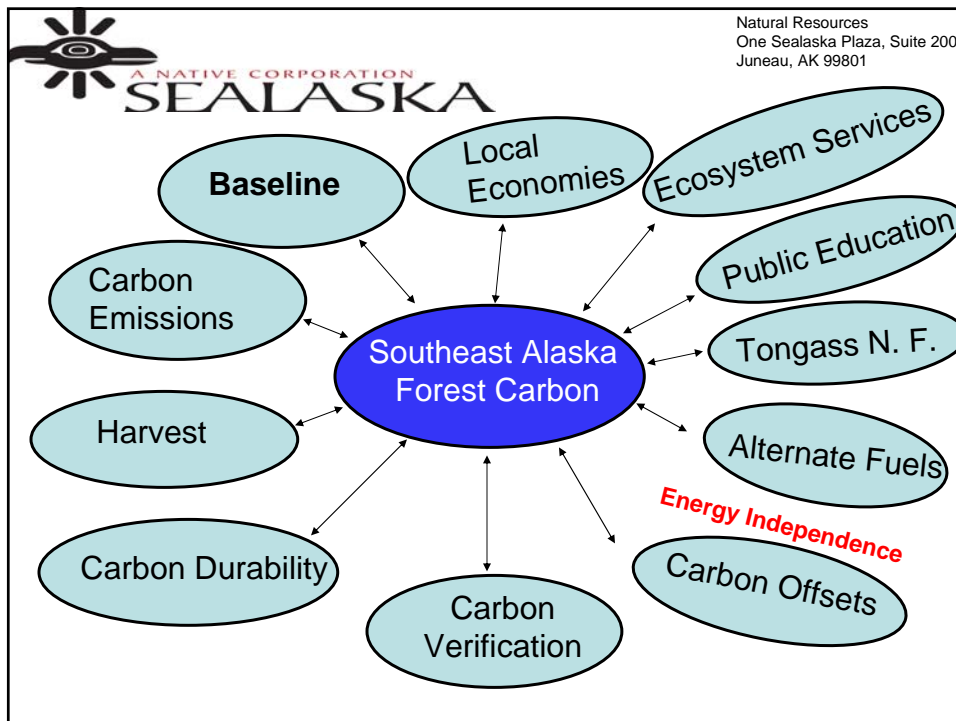
Local Economies

- Timber industry
 - Logging
 - Manufacturing
- Silviculture industry
 - Tree planters
 - Thinners
 - Timber Stand Improvement
- Production of wood waste alternate fuels

Rural Southeast Alaska Native Unemployment

| | | | | |
|----------|-----|--|---------------------------|------------|
| Angoon | 87% | | Yakutat | 49% |
| Hoonah | 70% | | | |
| Hydaburg | 90% | | <u>URBAN AREAS</u> | |
| Kake | 75% | | Juneau | 17.5% |
| Kasaan | 49% | | Ketchikan | 23.0% |
| Klawock | 59% | | Sitka | 24.5% |
| Saxman | 71% | | Average | 62% |

Calculated by CCTHITA TANF Program
as of December 31, 2006



END

