

11 AAC is amended by adding a new chapter to read:

Chapter 78. Carbon Offset Projects on State Land.

Section

- 10. Applicability.
- 20. Identification of potential carbon offset projects.
- 30. Informal evaluation of a potential carbon offset project.
- 40. Land use planning and classification.
- 50. Best interest finding.
- 60. Application, registration, and management of carbon offset projects.
- 70. Contracts.
- 990. Definitions.

11 AAC 78.010. Applicability. (a) This chapter applies to carbon offset projects that the department undertakes on state land under AS 38.95.400 – 38.95.499.

(b) This chapter does not apply to a lease of state land for carbon management purposes under AS 38.05.081. (Eff. ____ / ____ / ____, Register ____)

Authority: AS 38.95.400 AS 38.95.410

11 AAC 78.020. Identification of potential carbon offset projects. (a) To identify potential carbon offset projects the department may solicit recommendations from

(1) department staff;

(2) a state agency, including the University of Alaska, the Alaska Mental Health Trust Authority, and state public corporations;

- (3) a municipality, borough, or city organized under AS 29;
- (4) non-profit organizations;
- (5) the public;
- (6) industry representatives;
- (7) private companies; or
- (8) service providers the department contracts with under 11 AAC 78.070.

(b) A person may submit an unsolicited recommendation for a potential carbon offset project to the department in writing. The department is not required to review every unsolicited recommendation it receives.

(c) A person that submits a recommendation for a potential carbon offset project to the department is not entitled to compensation from the department unless the recommendation and compensation is part of a contract between the person and the department.

(d) After identification of a potential carbon offset project under (a) or (b) of this section, the department may elect to informally evaluate the potential carbon offset project under 11 AAC 78.030. (Eff. ____ / ____ / _____, Register _____)

Authority: AS 38.95.400 AS 38.95.410 AS 38.95.440

11 AAC 78.030. Informal evaluation of a potential carbon offset project; evaluation criteria. (a) If the department elects to perform an informal evaluation of a potential carbon offset project, the department will review the project for consistency with AS 38.95.410 – 38.95.499 and the evaluation criteria in (d) and (e) of this section.

(b) An informal evaluation under this section does not constitute a best interest finding under 11 AAC 78.050. An informal evaluation under this section is not a final, appealable

decision under AS 44.37.011. The department may discontinue an informal evaluation at any time. The department's informal evaluation under this section does not need to be in writing.

(c) The department's informal evaluation involves considering the criteria in (d) of this section and gathering information relevant to the potential carbon offset project to determine whether the potential project warrants a formal review under 11 AAC 78.050. The informal evaluation may include soliciting information from the Department of Fish and Game, the Department of Environmental Conservation, and other state agencies, industry experts, and service providers.

(d) When conducting an informal evaluation, the department will consider the criteria outlined in AS 38.95.410(a) and:

- (1) whether the identified state land is classified in a manner that is appropriate for the potential carbon offset project;
- (2) whether the potential carbon offset project would conflict with existing use of the land by a state agency;
- (3) the anticipated revenue of the potential carbon offset project;
- (4) any indirect benefit to the state derived from the potential carbon offset project;
- (5) if two or more potential carbon offset projects are suggested for the same state land, which project, if either, warrants continued evaluation;
- (6) whether the potential carbon offset project complies with state law and this chapter;
- (7) whether the potential carbon offset project would impede public access, resource development, or other uses under AS 38.95.410(f); and

(8) any other information useful to the department's informal evaluation.

(e) The department will evaluate a potential project's baseline and predicted additionality under AS 38.95.410(a)(1) by assessing the best available data the department obtains from industry representatives, the public, private companies, and service providers.

(f) The department will conclude an informal evaluation of a potential project under this section before it proceeds with a best interest finding under 11 AAC 78.050 and AS 38.95.410(d). (Eff. ____/____/_____, Register _____)

Authority: AS 38.95.400 AS 38.95.410

11 AAC 78.040. Land use planning and classification. (a) If a potential carbon offset project would conflict with the classification or land management plan applicable to the state land identified for a potential carbon offset project, the department may

(1) reclassify the land identified for the potential project consistent with AS 38.04.065 and AS 38.05.300;

(2) seek to amend or revise the management plan; or

(3) complete a management plan exception for the potential project consistent with AS 38.04.065.

(b) The department will reclassify land, amend a management plan, or complete a management plan exception for the project and identified lands before it completes a best interest finding for a potential carbon offset project. (Eff. ____/____/_____, Register _____)

Authority: AS 38.95.400 AS 38.95.410

11 AAC 78.050. Best interest finding. (a) A best interest finding for a carbon offset project must comply with AS 38.95.410(d) and this chapter. A written best interest finding will consider the evaluation criteria under AS 38.95.410(a) and 11 AAC 78.030(d) and (e).

(b) A best interest finding is a formal evaluation of a potential carbon offset project under AS 38.95.410(a). When the department evaluates a potential carbon offset project's potential baseline and predicted additionality under AS 38.95.410(a)(1), the department will consider the best available data it obtains from industry representatives, the public, private companies, or service providers. (Eff. ___/___/_____, Register _____)

Authority: AS 38.95.400 AS 38.95.410

11 AAC 78.060. Application, registration, and management of carbon offset projects.

(a) After a written best interest finding is completed for a potential carbon offset project under AS 38.95.410(d), the department may submit an application for the carbon offset project to a registry to earn carbon offset credits.

(b) If a registry rejects the department's application, the department may submit an application for the potential carbon offset project to another registry.

(c) The department will manage a carbon offset project on state land in a manner consistent with the registry's standards, protocols, and methodologies. (Eff. ___/___/_____, Register _____)

Authority: AS 38.95.400 AS 38.95.420

11 AAC 78.070. Contracts. (a) The department may contract for services under AS 38.95.440 for a person to provide

(1) carbon offset project-related services to carry out the purposes of AS 38.95.400 - .499, including:

(A) evaluation of the financial feasibility of a potential carbon offset project;

(B) potential carbon offset project inventory and modeling;

(C) registering a carbon offset project;

(D) verification of a carbon offset project;

(E) marketing carbon offset credits; and

(F) selling carbon offset credits;

(2) consultation with the department regarding implementation of the potential carbon offset project;

(3) recommendations for potential carbon offset projects; and

(4) data or research services necessary to complete an informal evaluation under 11 AAC 78.030.

(b) A contract between a registry and the department under AS 38.95.400 - AS 38.95.499 does not need to comply with AS 36.30.

(c) Except as provided in (b), a contract under this section must be consistent with AS 36.30 and 2 AAC 12.010 - 2 AAC 12.990. (Eff. ____/____/_____, Register _____)

Authority: AS 36.30.850 AS 38.95.400 AS 38.95.440

11 AAC 78.990. Definitions. In this chapter,

(1) "department" has the meaning provided in AS 38.95.499;

(2) "potential carbon offset project" means a carbon offset project the department

is evaluating under this chapter;

(3) "register" means a process whereby a registry reviews a carbon offset project and determines whether the carbon offset project complies with that registry's standards, protocols, and methodologies. (Eff. ___/___/___, Register ___)

Authority: AS 38.95.400 AS 38.95.430 AS 38.95.499
AS 38.95.410 AS 38.95.440
AS 38.95.420 AS 38.95.450

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