

Advancing Conservation Markets

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- Engaged in mitigation/conservation markets for 4+ years for various public and NGO clients
- Currently working on:
 - Fee-based mitigation strategy for the Portland riverfront
 - Analysis of mitigation/compliance potential of salmon recovery sites
 - Design of farm-based conservation markets
 - Concepts for a Puget Sound multi-resource bank

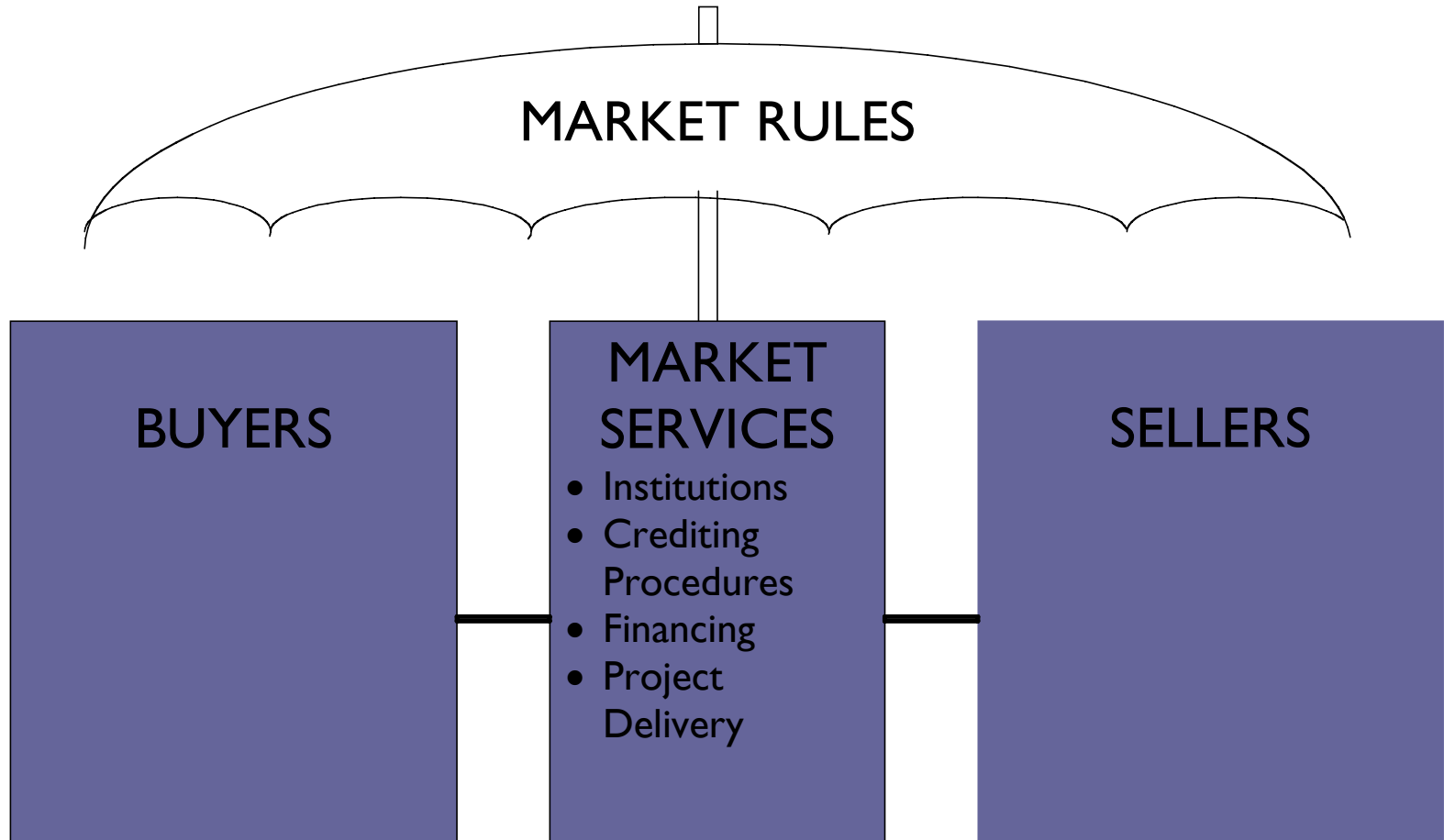
What's a Conservation Market?

- An organized mechanism to buy and sell environmental resources to achieve conservation benefits
- A type of ecosystem market focused primarily on conservation goals

Examples of Conservation Markets

- Wetland mitigation banks (400+ in US)
- ESA conservation banks (75+ in US)
- Air quality markets (several operational for carbon, sulfur dioxide, carbon dioxide)
- Water quality trading (10-15 regional pilots, many permit-specific examples)

Components of a Conservation Market



Potential Benefits of Conservation Markets

- May offer higher ecological performance
- May be more efficient – less process and lower transaction costs
- Establishes an appropriately high value on quality of the environment

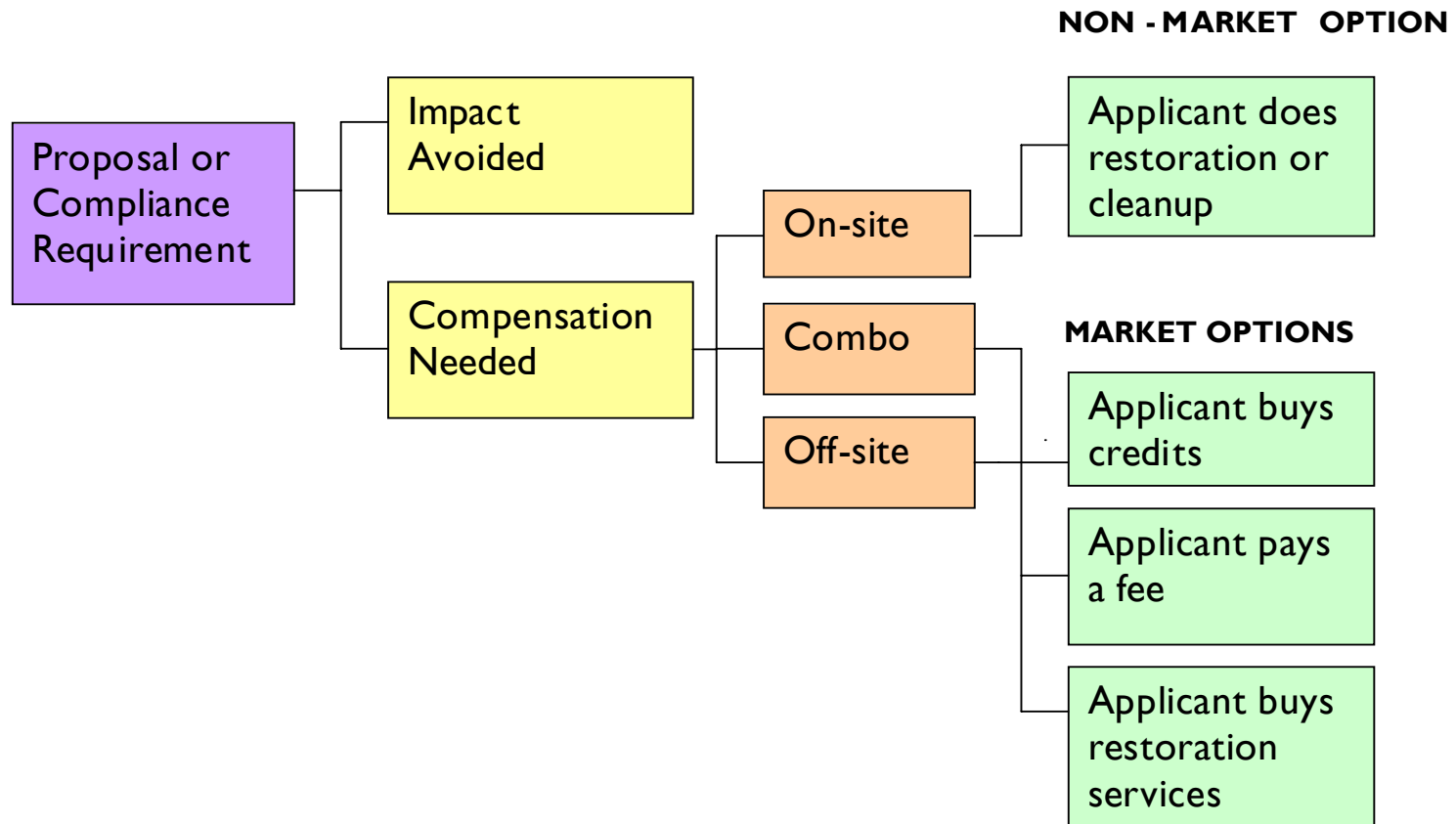
Market Drivers

- Higher regulatory standards (carbon, SO² markets)
- Flexibility in reaching existing standards (water quality trading, wetland banking)
- Voluntary participation (green tags, other offsets)

Understanding “Cap and Trade”

- Cap: Ceiling on all sources of a given pollutant or environmental impact
- Trade: Ability to exchange responsibilities and alternatives to achieve a solution
- Carbon, but also water quality, wetlands, etc.

Markets in a Regulatory Process



Markets in the Pacific Northwest

- Water quality trading: Boise River, Willamette basin
- Wetland mitigation banks: 15-20 in WA and OR
- Multi-resource banks: emerging
- Numerous regional and national offset programs

Opportunities to Advance Markets in the Northwest

- Water quality compliance - TMDL's and NPDES compliance
- Regional restoration strategies (Puget Sound Partnership, Cascade Agenda, etc.)
- Big transportation improvement packages
- Others?