

City of Whale Pass, Alaska  
Carbon Project Proposal Letter

**“Making Governor Dunleavy’s Carbon Offset  
Program a success ”**

September 30, 2023

TO: DNR Commissioner John Boyle

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**Commissioner John Boyle,**

The City of Whale Pass congratulates the Governor on passing the Carbon Offset Program of 2023 (SB 48) and developing new ways to create wealth from Alaska’s natural resources. A carbon project for Whale Pass and Southeast Alaska’s State Forests presents an exciting opportunity to diversify our state budget, while maintaining emerging opportunities for diversifying the local economy. We’re very excited to work on this project with the Alaska Department of Natural Resources to make Alaska’s first carbon credit project a success.

The City of Whale Pass proposes pausing the Whale Pass Timber Sale (SSE-1378K) to amend the land management plan to allow for carbon offset credit projects (*AS 41.15.315 (e) as amended by SB 48 Sect. 11.*). Carbon offset credit sales may be a lucrative direction for the state forest lands in Southeast Alaska. Thanks to the Governor, the new authorization creates an opportunity for the State to increase the monetary value of the land and achieve multiple concurrent benefits for our local economy.

**Whale Pass Carbon Project could generate \$1.3 to \$6.8 million for the State of Alaska.**

Whale Pass is a great place for one of the state’s first carbon offset credit sales because the land has particularly dense concentrations of carbon per acre compared to other lands in the state. The lands within the Whale Pass timber sale are estimated to have 137,080 metric tons of carbon dioxide equivalent (CO<sub>2</sub>e) in aboveground forest carbon. We applied a wide range of current market prices to capture plausible pricing scenarios (\$10-50/ton) based on existing North America markets.

A Whale Pass carbon offset project could be worth \$1,370,802 - \$6,854,011 in revenue for the state (Sec. 38.95.440. (3)). In the analysis presented here, we see a huge opportunity for the State to develop a carbon offset credit program around Whale Pass that could be the start of a robust state carbon offset program. The opportunity is huge. The total combined value of carbon in Southeast's State Forest could range from \$105,931,520 - \$529,657,600 using the same. The numbers in this analysis represent a good faith effort to illustrate the potential value on the table, recognizing that additional analysis and verification through a reputable carbon credit verification standard will be needed.

### **The Carbon Offset Credit Markets are looking for projects like Whale Pass.**

Carbon offset credits make sense for Alaska. Credits allow Alaska to meet the clear market demand for carbon forest products and retain the other values of the land that are growing the state's economy.

A Whale Pass project would be a win-win scenario that can demonstrate success for the State's new carbon offset program. A carbon offset project could monetize maintaining the forest carbon and continued carbon storage. Whale Pass is an exciting place to start.

### **Win-Win multiplier effect for local economy and community.**

A carbon project would allow other growing sectors to flourish on Prince of Wales Island. As the state brings in revenue from the carbon offset credit project on these lands, residents can continue to grow our local tourism economy that would otherwise be adversely impacted by logging immediately behind the town. The present and future of our town's economy is sharing the wealth of this land with visitors.

Jobs associated with monitoring the carbon offset project could be prioritized for local hire, adding to our local economy over the 55 year horizon of the project. Additionally, the significant value of this carbon offset project could be reinvested to Alaskans by creating a carbon dividend for individuals in our community.

Our community is concerned about the safety of homes that would be exposed to landslides if logging occurs in the immediate areas above town. Like many Alaskans, we value our opportunities to hunt. However, the cumulative impacts of logging across Prince of Wales Island are hurting opportunities to hunt. Young growth forests desperately need thinning to address a deer habitat crisis and remaining old growth habitat is critically important for deer. A clearcut in the middle of our community will negatively impact the local rental and recreational businesses in Whale Pass. These businesses depend on outdoor activities and

provide lodging for the many that come to view our beautiful city. A carbon offset credit project is a great way to address all these concerns and create revenue for the state.

**Attached is a resolution regarding support for a Whale Pass Carbon Offset Program that was passed by the Whale Pass City Council on 9/19/2023.**

*Sincerely,*

James Greeley

Whale Pass City Council Member

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