Chicago Region Carbon Program

Informational Packets

The Chicago Region Carbon Program offers three Informational Packets so you can learn more about participating in the program. You have opened the first of the three informational packets.

You can move through these Packets at your own speed and request a consultation at any time by contacting Zach Wirtz at the Chicago Region Trees Initiative at zwirtz@mortonarb.org.

Informational Packet 1 – Introduction to Carbon Credits

 Includes: a general program overview, frequently asked questions, and a self-screening checklist

Informational Packet 2 – Detailed Information on Carbon Credits

 Includes: a 1-page work flow diagram of a carbon project, a protocol summary based on project type, detailed frequently asked questions, fees, staff time estimates, and a pro forma income statement for a sample project

If you are interested in joining the regional program and starting your own project, please

schedule a consultation at this point with Zach.

Informational Packet 3 – Starting Your Project

 Includes: all of the information and documents you need to start your project

For more information or to request additional packets, please contact Zach Wirtz at Chicago Region Trees Initiative at zwirtz@mortonarb.org.

# Informational Packet 1: Introduction to Carbon Credits

**Contents**

[Informational Packet 1: Introduction to Carbon Credits 2](#_Toc149720410)

[Chicago Region Carbon Program Introduction 3](#_Toc149720411)

[Frequently Asked Questions (FAQ) 5](#_Toc149720412)

[Self-Screening Checklist for Local Projects 8](#_Toc149720413)

[Timeline 9](#_Toc149720414)

## Chicago Region Carbon Program Introduction

**Tree planting and carbon credits for your community!**

The Chicago Region Carbon Program (CRCP) is working with communities just like yours to plant and preserve more trees and register those trees for carbon credits. The benefits and potential payback can help your community to be greener and more sustainable. Interested in finding out more? Read below and talk to Zach Wirtz at the Chicago Region Trees Initiative (CRTI) at zwirtz@mortonarb.org.

**Why participate?**

* Deliver more benefits to your town
	+ Stormwater retention
	+ Cooler temperatures and lower energy usage
	+ Increased community cohesion
	+ Safer streets
* Certified carbon credits for trees planted and preserved
	+ Help your community reach sustainability goals
	+ Generate carbon credits for potential sales
* Money for future tree plantings and/or tree maintenance
	+ Sell the credits generated from tree plantings to reinvest in community trees
	+ Receive funding at regular intervals for a steady stream of dollars

**What do I need to do?**

* Plant or preserve trees
* Maintain trees for 26 years for planting projects and 40 years for preservation projects
* Work with CRTI to provide information on all trees planted and acres preserved, document survival at key intervals, and to sell carbon credits.

**How much money can I expect from the carbon sale for reinvestment?**

Planting Projects

The following are examples of the potential revenue from carbon credits for planting trees. More trees can create more dollars for your community. Trees from carbon crediting can come from seedlings to larger six to eight foot trees. Staff time through the first issuance of credits after planting ranges from 40 to 70 hours.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Yearly Tree Planting** | **Carbon Credits Generated (tons)** | **Year 1 Revenue ($30/credit)** | **Year 4 Revenue ($35/credit)** | **Year 6 Revenue ($35/credit)** | **Year 14 Revenue ($40/credit)** | **Year 26 Revenue ($50/credit)** | **Total Estimated Revenue** |
| 500 trees | 1,367 | $ 304 | $ 11,963 | $ 11,963 | $ 2,921 | $ 6,303 | $ 33,454 |
| 1000 trees | 2,734 | $3,858 | $24,676 | $24,676 | $7,842 | $18,606 | $79,658 |
| 2500 trees | 6,834 | $ 14,518 | $ 62,806 | $ 62,806 | $ 22,602 | $ 55,506 | $ 218,238 |
| 5000 trees | 13,669 | $ 32,288 | $ 126,367 | $ 126,367 | $ 47,206 | $ 117,017 | $ 449,245 |
| *Numbers based of a 75/25 percent split between large and medium deciduous trees. These numbers are estimates only and depend on factors not known at this time such as future carbon prices. Amounts are net of fees paid to City Forest Credits.* |

Preservation Projects

Preservation project revenue varies depending on factors like forest type, forest age, canopy coverage, underlying zoning, and more.

As a very rough approximation, one acre of forest preserved in the Chicago region may generate between 110 and 150 tons or credits. For a 50-acre parcel, this would be between 5,500 and 7,500 credits, which at $34/credit (the price paid for the 2021 city forest credits in the national sale) amounts to $187,000 to $255,000. For parcels under 50 acres, the credits are issued and can be sold immediately in Year 1 after validation of the project compliance by CFC and third-party verification. CFC fees would reduce these amounts by approximately 11%. Projects can also earn credits during the 40-year project for growth in carbon during the 40 years. More information available upon request.

Staff time to get these types of projects through issuance of credits can range from 60 hours to 90 hours. Staff time to for the triennial monitoring reports is estimated at a total of 70 hours for the 40-year project - 5 hours every 3 years.

## Frequently Asked Questions (FAQ)

What communities are eligible to participate?

Any community in the Chicago Wilderness Area that fit within CFC’s eligibility requirements can participate. For 2024, we have a minimum 500 tree requirement for planting, but the 500 tree minimum can be planted over 3 years. For preservation projects, we have a 10-acre minimum.

Note: we are seeking small communities as a pilot group in 2024 for plantings smaller than 500 trees.

What size trees can a community plant?

Communities can plant seedlings up to landscape sized trees.

Where can the trees be planted or preserved?

Preservation projects may be on public or private property. Land trusts, Forest Preserve Districts, and Conservation Districts are good candidates for preservation projects.

Planting projects should be on public property.

What is the allowable tree mortality rate?

For planting projects, City Forest Credits (CFC) applies a standard 20% mortality deduction if you are planting trees at least 16.5 feet apart. If you have any historical data showing greater or lesser mortality, we can consider applying that. If you are planting trees closely together over areas larger than several acres, there is no up-front mortality deduction.

Can trees be replanted and what is the timeline for that?

Yes, trees can be replanted within the first 3 years of your carbon project. After that, the mortality deduction will occur.

Can a community enroll trees in the CRCP that were planted prior to 2024? If so, what type of documentation is needed to enroll those trees?

You can enroll trees that were planted during Fall 2021 through now. Documentation needs to include tree planting data, including GPS points and a spreadsheet with species information (common name and scientific name), as well as location information (address, latitude/longitude), and date planted.

If the trees die, does the community have to pay back the money earned from the sale of the carbon credits?

If trees die due to storm, fire, unforeseen pest infestation or other so-called acts of God, you do not have to pay back money.

In planting projects, if the mortality deduction applied to you is 20%, and if you lose more than 20% of your trees due to your own intentional actions or gross negligence, then you have to pay back credits you've received or forego credits that you would be entitled to receive.

In preservation projects, if you lose more than about 10% of your trees due to your own intentional actions or gross negligence, then you have to pay back credits you've received or forego credits that you would be entitled to receive.

Does a community need to have a tree maintenance plan in place?

Yes. We encourage you to think of the carbon revenues as contributing to your maintenance budget.

Can a community continue to enroll the tree planting projects year after year?

Yes, you can enroll tree planting projects every year. Or you can enroll trees planted over a 3-year period once every 3 years. If you follow a three-year plan, then all trees planted in that 3-year period will be credited as a project.

What does a community have to do to participate in the program?

We can give you a more detailed information packet that will explain this. And you can contact Zach Wirtz at zwirtz@mortonarb.org to set up a consultation.

How often does a community need to monitor their project and what does that entail?

For Preservation projects, you need to file a monitoring report every three years that shows imaging of your project area and describes any significant changes in the site.

For Planting projects, you need to file a short, 2-page report once a year for the 26-year planting project. The report updates any of your contact information, any eligibility issues, and describes any significant change in the project trees. You also attach screenshots or links to Google Earth images of the trees.

At years 4 and 6 of the project, you need to visit approximately 10% of the project trees and take a picture of them showing that they are alive or dead.

At years 14 and 26, you need to do the same thing plus get DBH of those 10% of the trees.

How do I sell my credits?

You can sell your credits to your own buyer. CRTI is also working on finding buyers in the Chicago area.

In 2021, 13 projects from around the U.S. aggregated their credits into one package and sold them all efficiently to one buyer. Both Lake County FPD and Kendall County FPD sold their first credits in that bundle. Given the success of that effort, the 2022 National Sale is underway and all CRCP projects are participating.

How does the money flow?

CFC issues credits to you. You can sell those credits in whatever way and to whomever you choose.

The payment from the buyer goes directly to you. You must pay the CFC fees, which are about 10% of the gross carbon revenue. If you request CRTI assistance with the crediting process, there may be a required fee for that.

## Self-Screening Checklist for Local Projects

**Planting Projects**

* Urban area location– check [storymap](https://storymaps.arcgis.com/stories/d15f7caa547c427bbd9e2b0935f717ed) to determine project location eligibility
* At least 500 trees or 10 acres of area planting, all planted since Fall 2021? Can include 3 years of plantings in one project. Note: we are seeking small communities as a pilot group in 2024 for plantings smaller than 500 trees
* Will you commit to a 26-year project duration and sign a contract with City Forest Credits?
* Will you track and monitor these trees for 26 years? Must submit annual 1-page monitoring reports, accompanied by photos or Google Earth imaging.
* Will you check trees at Years 4, 6, 14, and 26? Depending on your project design, you can do this by imaging or by calculating a sample of project trees and visiting that sample.
* Tree Loss (reversals): You will not be responsible for tree loss due to storms, fires, or acts of god. But you will need to return credits if you abandon the project before 26 years. Will you make this commitment?

**Preservation Projects**

* Urban area location– check [storymap](https://storymaps.arcgis.com/stories/d15f7caa547c427bbd9e2b0935f717ed) to determine project location eligibility
* Have acquired the development rights or title to at least 10 acres of forested land in the last two years?
* Will you commit to a 40-year project duration and sign a contract with City Forest Credits?
* Did the zoning of the property when you acquired your rights to it allow a non-forest use?
* Did the project area meet ONE of these three requirements at the time you acquired your rights to it?
	+ Surrounded on 30% of its perimeter by improved or developed uses?
	+ Been assessed or sold within the last three years at least $8,000/acre?
	+ Had a study by an appraiser state that the highest and best use when converted out of forest would be higher value than preserved as forest?
	+ Will you record an easement, covenant, or deed restriction specifically protecting the trees for 40 years or more?
	+ Will you track and monitor the project area for 40 years? Must submit a monitoring report every three years (containing imaging of Project Area).
	+ Tree Loss (reversals): You will not be responsible for tree loss due to storms, fires, or acts of god. But you will need to return credits if you abandon the project before 40 years. Will you make this commitment?

## Timeline

|  |  |  |
| --- | --- | --- |
| **Activity** | **What Occurs** | **Due Date** |
| Project Outreach | Local Project Operators (LPIs) consult with CRTI and CFC | January-June 2024 |
| Application | LPIs submit 2-page application | June 3,2024 |
| Project Implementation Agreement with CFC | LPIs get contracts approved and signed | June 28, 2024 |
| Monthly check-in meetings | Meet with LPIs monthly to assist with project progression | July-October 2024 |
| Project info and draft documents | LPIs gather their project info, draft project documents | Sept 6, 2024 |
| Final project documents for crediting | LPI submits all final project documents | Dec. 3, 2024 |
| Validation and Third-Party Verification | CFC validates and obtains third-party verification | Feb 14, 2025 |
| Credit Issuance | CFC issues credits after validation and verification | March 15, 2025 |