



Is Stacking Needed to Incentivize Conservation Activities?

**EPRI Greenhouse Gas Emissions Offsets Workshop
#13: Environmental Credit Stacking**

Nov. 9, 2012

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Will Stacking Improve Environmental Outcomes?

When do markets come into play?



USDA and Environmental Markets

What incentivizes producers to implement practices?

Trading with and without stacking

What to Consider for Stacking

USDA

Incentives

Trading

Stacking



USDA and Environmental Credits

Environmental benefits generated from USDA Conservation programs like CRP, WRP and EQIP belong to the landowner

So what does that mean for environmental markets?





What causes adoption?

Knowledge networks

Access to information

*Environmental attitude/
awareness*

Farm size/Farm ownership



USDA

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Trading

Stacking



When to enter the Market?

Farmer C

3 Benefits

Farmer B

2 Benefits

Farmer A

1 Benefit

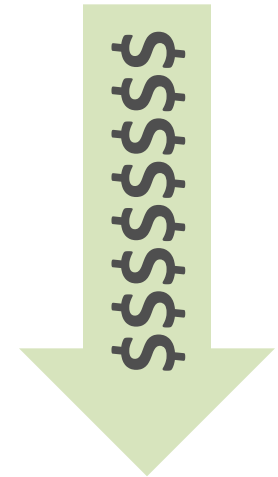
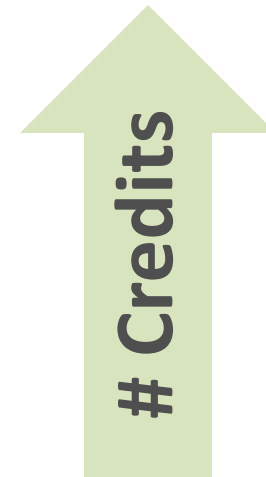




Allowing the sale of multiple benefits

Increased Participation

Increased Supply





Will Stacking Improve Environmental Outcomes?

Credit Trading
without
Stacking

Credit Trading
with
Stacking

Which scenario is preferred?

USDA

Incentives

Trading

Stacking



Optimizing vs Maximizing



Longleaf Pine

VS



Bamboo

USDA

Incentives

Trading

Stacking



What to Consider for Stacking

Policy Issues

Transaction Costs

Life of a Credit – Severability

Uncertainty in Valuation of Credits

Market Weaknesses

This credit expires on...

I intend to sell on x market...

USDA

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Thanks!

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