CHE Scenario Questions Feb 6

1: (Credit Scenario) The Echo Ranch initiates conservation efforts to try and produce income through CHE Credits in 2015. Subsurface rights belong to BLM and the ranch is surrounded by BLM lands. CHE measures 1,000 FA credits in 2015. What if no one wants to buy some of the credits until 2020? Can Echo still sell what was accumulated from 2015 to 2020? What if oil and gas is developed on adjacent BLM lands? The Echo Ranch plans on providing credits into the future (but don't want to commit to permanent credits), how far out could someone buy their credits?

2: In 2015, a company consults on a project to be completed later when market conditions are favorable. The company seeks guidance (from whom?) on avoidance, minimization, and compensatory mitigation. In 2015, the company buys credits from CHE to cover anticipated future debits. Five years later the company is ready to initiate the project. New technologies have been developed to reduce impacts and new research improves how impacts are measured. The impacts are measured using the newly updated best available science. How strongly is the company encouraged to adopt the new minimization technology?

3: Alpha is worried that future operations might be disrupted by a listing. The location and type of impact their operations will have is unclear. In 2015, Alpha buys 100 Functional Acre (FA) credits that will last 30 years. Five years from now, the bird has been listed and Alpha wants to initiate a project on BLM lands. After consultation and the mitigation hierarchy have been applied to the project, the project is anticipated to have 80 FA debits for 40 years. What happens?

Alpha has five years of 100 FA credit (or 500 FA years, but are FA years allowed?) at the time the project starts. Alpha will need 80 FA for 40 years or 3,200 FA years. Over what time period and dates? Does there need to be a strong alignment between when debits are incurred and credits are occurring?

If Alpha knew where they were going to implement their project on BLM lands and were comfortable planning the future project now, a Conference Opinion with BLM (if BLM is willing) could improve Alpha's operational predictability.

4: Bravo scenario is the same as Alpha but the debit project is on private lands. What are the differences? What if the landowner in Bravo wants regulatory predictability?

5: Charlie wants to compensate for unavoidable impacts today, but is also worried that future operations might be disrupted by a listing. Charlie works with CHE and measures 20 FA debits this year that will last for 20 years. Charlie buys 22 FA credits that will last 21 years this year (providing a quantitative and temporal net benefit). Charlie also buys 50 FA credits in 2015 that will last 30 years. Five years from today, the bird is listed and Charlie has a project on BLM lands. After consultation and the hierarchy have been applied, CHE estimates the new project will have 200 FA debits for 40 years. What happens?

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Can Charlie use the credits bought for the first project that weren't required, now that they are required? Does it matter if Charlie bought them as credits or certificates?

6: Delta Debit scenario: Can CHE help estimate debits for any type of operation? How are indirect effects calculated?

7: How could FWS provide regulatory certainty to a private credit provider in a pre-listing scenario?

8: How could FWS provide regulatory certainty to a private credit provider in a post-listing scenario?

9. Oil Company Oxford is working with COGCC to permit a future drilling site. Through consultation with CPW, COGCC recommends offsetting unavoidable impacts through transfer of 50 credits through the Exchange in Service Area A. Oxford presents compensatory mitigation options for 40 acres of restoration on their own private land in Service Area B. What happens?

 9.1. *This question is related to how the state will use the Exchange, if the Exchange is required to be used, and if not, if the state will utilize the same mitigation standards for service areas, metrics, etc. for any non-Exchange mitigation.*

10. Landowner Larry has a 30 year participant agreement with the Exchange for Habitat Conservation. His site meets full performance in 2 years and all credits are released. These credits are then transferred in full to a developer with a 30-year debit need. Through annual payments, Larry is paid in full for his credits by year 10. At year 15 Larry is no longer in compliance with his agreement. What recourse does the Exchange Administrator have?

 10.1. *This question is to help us understand the role and legal ability of the Administrator in compliance.*