

# Colorado Habitat Exchange

## ENVIRONMENTAL INCENTIVES THAT WORK



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Coloradoans and the nation face a challenge: Can we move toward energy security without doing irreparable damage to wildlife and the landscapes on which they depend? It's a huge challenge, especially since state and federal funds for land and wildlife conservation are being cut. The Colorado Habitat Exchange creates the incentives needed for all parties to act now and avoid the need to list the species. The Exchange creates an outcome-based approach, enabling net-positive outcomes for wildlife. While the current focus is on the greater sage grouse, the Colorado Habitat Exchange will serve as a model for how to effectively conserve a wide variety of species, both listed and unlisted, and other natural resources such as clean air and water, by focusing on incentives for generating quantifiable conservation outcomes.

### Creating a win-win-win for people, wildlife and the economy

The Colorado Habitat Exchange is a pro-active, collaborative solution that can help push the greater sage grouse toward recovery so that listing is not necessary, while enabling energy development and agriculture, both vital to the Colorado economy, to continue. The Colorado Habitat Exchange will provide positive new incentives to energy companies to minimize and mitigate their impacts and to private landowners to improve and expand habitat for the species. In addition, the program will help

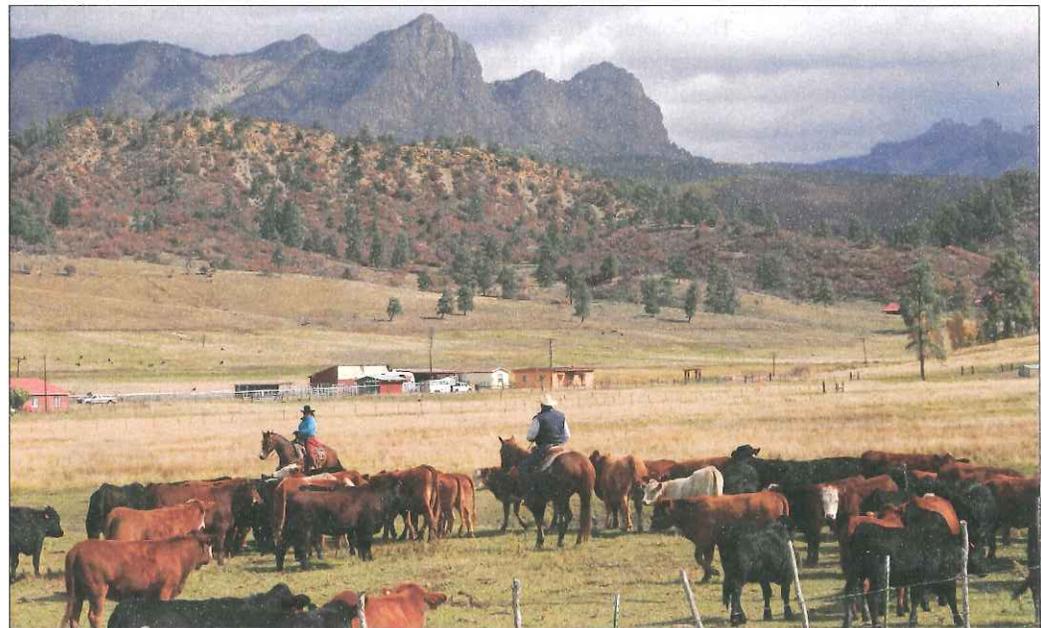
energy companies and agriculture to comply with current and future regulations. By emphasizing quantifiable conservation outcomes, the Colorado Habitat Exchange will significantly improve the effectiveness and efficiency of conservation investments, and result in more meaningful and longer-lasting benefits.

### How it works

The Colorado Habitat Exchange enables those who impact habitat to create financial opportunities for those who can provide or improve habitat. For example, in order to meet a

“The Colorado Habitat Exchange gives ranchers a new return on investment for stewarding wildlife and land resources.”

—Terry R. Fankhauser,  
Executive Vice President,  
Colorado Cattlemen's  
Association



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The Colorado Habitat Exchange creates regulatory assurances and gives ranchers more dollars for more conservation.



“The Exchange provides incentives for the quantified outcomes we all want—improved greater sage grouse habitat.”

—Ted Toombs, Regional Director, Center for Conservation Incentives, Environmental Defense Fund

mitigation obligation, an energy company could buy habitat benefits created by a rancher. The Colorado Habitat Exchange establishes a structured, transparent infrastructure for these types of habitat exchanges to occur. The basic parts of the infrastructure are: the protocol (the rules and procedures to facilitate exchanges), the quantification tools (methods and processes to consistently measure impacts and benefits), and regulatory assurances (agreements with regulators that the conservation activities satisfy regulatory requirements).

This unique infrastructure will enable companies to more efficiently fulfill their mitigation and sustainability objectives while providing a financial incentive to agriculture to improve stewardship. In this way, the Colorado Habitat Exchange creates the incentives needed for all parties to act now and avoid the need to list the species.

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### Status of program development

The Colorado Habitat Exchange is being designed to support initial transactions in 2013. Representatives from the Colorado Cattlemen's Association (CCA), Colorado Division of Parks & Wildlife, Colorado Department of Natural Resources, Colorado Oil & Gas Association (COGA), Colorado State Land Board, Environmental Defense Fund and Partners

### Objectives of The Colorado Habitat Exchange

- Standardize a set of tools and protocols to quantify habitat and species' benefits from restoration activities
- Provide a registry that tracks benefits and reports on progress towards achieving permit requirements and conservation goals
- Establish clear operation protocols to validate projects and quantify, register, certify, and transfer associated credits
- Establish a trading platform for credits
- Begin credit exchange transactions in the summer of 2013
- Facilitate an adaptive management process to improve tools and protocols as new information becomes available
- Provide regulatory assurances for participating private landowners and development interests

for Western Conservation are leading the conceptual development of the Exchange. If you are interested in learning more about the Colorado Habitat Exchange, please contact:

- **Ted Toombs**, Environmental Defense Fund, [ttoombs@edf.org](mailto:ttoombs@edf.org)
- **Terry Fankhauser**, Colorado Cattlemen's Association, [terry@coloradocattle.org](mailto:terry@coloradocattle.org)
- **Ginny Brannon or Lisa Dale**, Colorado Department of Natural Resources, [Ginny.Brannon@state.co.us](mailto:Ginny.Brannon@state.co.us), [Lisa.Dale@state.co.us](mailto:Lisa.Dale@state.co.us)

For additional information, please contact:



### **What is the Colorado Habitat Exchange?**

- The Colorado Habitat Exchange is a market-based conservation mechanism that will initially be used for mitigating greater sage grouse and mule deer habitat impacts from energy development.
- The long-term vision for the Colorado Habitat Exchange is to support the maintenance, restoration, and enhancement of Colorado's natural resources. This will be accomplished by creating a scalable, market-based conservation platform that can accommodate a wide array of environmental needs and is usable by multiple investment sectors over time.

### **What has been done so far?**

- A working group of local leaders has convened to collaboratively develop the Colorado Habitat Exchange and communicate progress to relevant stakeholder groups.
- A Technical Working Group has been established to guide the development of a sagebrush habitat quality quantification tool for greater sage grouse and mule deer.

### **Who is involved?**

- The Colorado Habitat Exchange Working Group meets bimonthly, and currently consists of representatives from Environmental Defense Fund, Colorado Cattlemen's Association, Colorado Division of Parks & Wildlife, Colorado Department of Natural Resources, Colorado Oil & Gas Association, Colorado State Land Board, and Partners for Western Conservation.

### **What is the overall timeline for designing the Exchange?**

- The initial tools and guidance for the Exchange will be ready to support initial transactions in 2013. Integration of habitat credits into streamlined permitting and regulatory structures will continue into 2014.

### **Where are current and future actions taking place on the ground?**

- Members of the Working Group are convening a Science Committee to inform the development of a quantification tool for measuring functional acres of habitat improvements for sage grouse and mule deer. Their first meeting will be held on October 9<sup>th</sup>.
- The Colorado Habitat Exchange submitted materials for the CO Department of Natural Resources' package of materials to the US Fish & Wildlife Service describing how the Exchange can help secure the future for greater sage grouse, landowners and energy developers (September 28<sup>th</sup>).

### **Links to new products ready for distribution**

- The Colorado Habitat Exchange Working Group has recently completed three new communication materials – Colorado Habitat Exchange Overview, Vision Document, and set of Frequently Asked Questions. Please contact Ted Toombs or Terry Fankhauser (below) for copies of these documents.

### **How can I learn more?**

- If you are interested in learning more, please contact
  - **Ted Toombs**, Environmental Defense Fund, [ttoombs@edf.org](mailto:ttoombs@edf.org)
  - **Terry Fankhauser**, Colorado Cattlemen's Association, [terry@coloradocattle.org](mailto:terry@coloradocattle.org)
  - **Ginny Brannon & Lisa Dale**, Colorado Department of Natural Resources  
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