



“The Texas Coastal Exchange (TCX) was conceived at the SSPEED Center as a market based, non-structural flood damage reduction concept. Essentially, the goal of TCX was to establish a process whereby ranchers could be paid to store flood water on their land during flood events. This rather narrow goal expanded into a system to buy and sell ecological services in order to generate new revenue streams for landowners in order to make the open space of their farm and ranch land economically competitive with developed land. In this way, reducing the likelihood that farm and ranch land would have to be sold for more lucrative options that would increase flood damages in the future.

This initial inquiry into ecological service sales led to the realization that ecosystems offer more products than simply storing water. Ecosystems store carbon, generate biological diversity and provide recharge for aquifers and base flow for streams and rivers. Of these, the storage of carbon rapidly moved to the top of the list of potential benefits worth investigating.

Over time, the SSPEED Center team discovered a strong interest in nature-based carbon capture and storage within the oil and gas industry as well as other sectors such as airlines, chemicals, waste disposal and product distribution. Because of this interest, a separate stand-alone non-profit called the Soil Value Exchange (SVX) has been formed with the specific goal of establishing a system for measuring carbon storage in a landowner’s property and then selling the commodity – stored carbon – to buyers interested in becoming carbon neutral or even carbon negative in their operations.

Today, SVX is soliciting membership in a so-called buyers club whose members help develop this system by providing grant monies to landowners as well as underwriting the operations of SVX. To date, two oil companies have made preliminary commitments with discussions continuing with others.

At the same time, TCX has not gone away. Indeed, other ecosystem services besides carbon storage need to be evaluated and placed into commerce. Chief among these is land management to restore seeps and springs as well as to shave the peak off of flood events. The research on these efforts will be undertaken either by SSPEED Center or by TCX, which also exists as a stand-alone non-profit organization.

Together, SVX and TCX are creating ecological service markets. Under certain scenarios, peak flooding events can be reduced, water supplies enhanced and a dent can be made in United States carbon dioxide emissions. The future is about to become very interesting.”

For more information, please contact Jim Blackburn (blackbur@rice.edu) or Dr. Henk Mooiweer (henk.mooiweer@soil-value-exchange.org).