



# CLIMATE ACTION RESERVE

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## RE: Request for Stakeholder Comments on Program Review

The Climate Action Reserve (the Reserve), a 501(c)3 not-for-profit organization, is pleased to have the opportunity to provide you with our comments as you undertake your program review. As you are aware, the Climate Action Reserve is the largest and most widely-respected offsets registry in the U.S. with nearly 500 offset projects from 45 U.S. states in its system and nearly 25 million metric tons of greenhouse gas emission reductions certified to date. We have extensive experience in pioneering and implementing standardized, performance-based approaches to offset quantification, verification, and registration and four Reserve protocols have been adopted by the State of California for use in its regulatory cap-and-trade program. Our comments for your program review are, therefore, specific to the questions regarding offsets and RGGI's potential offset program modifications.

With regard to the criteria used to evaluate existing and potentially new offset project protocols, the Reserve uses and recommends a thorough assessment of screening criteria such as the following:

- Will the GHG reductions occur outside of proposed or potential capped sources?
- Are the GHG reductions direct emission reductions?
- Is the project type likely to be additional?
- Does the project type lend itself to standardized additionality and baseline determinations?
- Is there a significant U.S. potential for reducing GHG emissions from the activity?
- Do well-developed quantification methodologies already exist?
- Are high quality data available for quantification and establishment of additionality thresholds?
- Are accurate and cost-effective measurement and monitoring techniques available?
- Would project activities have positive environmental and social co-benefits?

More information on these criteria and how they are applied – along with papers and other evaluations we have done for several potential offset types – can be found on our website here:

<http://www.climateactionreserve.org/how/future-protocol-development/>

The Reserve would also recommend that RGGI consider adoption of existing standardized, performance-based protocols such as those promulgated by the Climate Action Reserve. The Reserve has adopted 10 offset protocols for use in the United States, two for use in Mexico, and one for gasses sourced from Article 5 countries that are destroyed in the U.S. These protocols have been developed in public, stakeholder-driven processes and are routinely reviewed and updated to ensure accuracy and continued applicability and stringency of the standards. A complete list of Reserve's adopted protocols and links to the protocol documents and associated materials can be found on our website here:

<http://www.climateactionreserve.org/how/protocols/>

Indeed, our experience in managing the development and implementation of the Reserve offsets program strongly suggests that RGGI should have the ability to provide regular clarification and guidance relative to the protocols that they implement and should have the ability to quickly modify the protocols in both minor and major ways as necessary to reflect best available science and practice.

Further, offset program administration can and should be streamlined following a model similar to that adopted by the State of California for its cap-and-trade program. In its regulations, California has allowed for offset program administration to be implemented by accredited third parties, such as the Climate Action Reserve, with appropriate training, oversight and management by the California Air Resources Board. Such a model relies on existing infrastructure and expertise, creating efficiencies in program administration while assuring offset quality and integrity.

We appreciate the opportunity to provide these comments and welcome further discussion on these and related points.

Kind regards,



Gary Gero  
President