

June 23 Mediator Notes – Permanence – Draft Matrix Discussion

“C” – denotes recorded individual comment

“A” – denotes group agreement

Comments and Agreements on Permanence

Discussion of the matrix led the group to the following overarching conclusions expressed as agreements and comments:

1. A – The originator of a “carbon credit” has the responsibility for permanence.
 - C – There are a variety of options for a party to achieve this.
 - C – It is good to have a multitude of options.
 - C - Legal and scientific aspects of permanence are both necessary.
 - C – The “carbon credit risk” will vary by provider. Those with higher risk will be required to provide more assurances that permanence can be met.
 - C – “Voluntary Carbon Standard” has a risk assessment tool that may offer insight to our work.
 - C – The carbon liability must stay with the land in the event of ownership changes.
2. A – Risk assessment is a necessary part of meeting a permanence standard. Both reversibility and reliability must be assessed.
3. A – There should be a menu of approaches available to address the risks identified.
4. A – Forest certification systems are not viable approaches to assure permanence.
5. A – There needs to be a publicly recorded legal instrument to ensure transferability and transparency from one landowner to another.
6. A – Periodic (5-10 years) carbon accounting that demonstrates compliance/non-compliance with the standards of performance is necessary. Adjustments to get in compliance are also necessary.
 - A – Periodic measurement to assure “true-up” against modeling forecasts of expected carbon offsets is necessary.
 - A – Need a check to ensure that credits are being provided based on CO₂ offsets that have actually occurred.
 - A – Congruence of inventory period and compliance period is currently unresolved
7. C - The pool of providers in the system should be inclusive of participants of many different performance levels and rewards the better performers over time.

Comments and Agreements by Desired Outcome

As the group worked through each Desired Outcome and Approach, the following comments and agreements were noted:

Desired Outcome: Encourages participation from within all landowner types by being simple, cost effective, and operationally and administratively functional.

Comments and Agreements

1. A –The cells in the matrix are OK as listed.
2. C – In the case of an aggregating organization or other large scale carbon credit provider – the relative ranking for the “Reserve Pools” approach might be better described as “more so”. The issue of scale and at what point it makes sense to a provider to self-insure should be kept in mind by the group.

Desired Outcome: Provides opportunities for projects that promote sequestration and projects that maintain carbon storage.

Comments and Agreements

1. A - The cells in the matrix are OK as listed.

Desired Outcome: Is measurable and can be monitored/verified so as to serve as a reference for measuring the carbon benefits attributable to the project.

Comments and Agreements

1. A - The cells in the matrix are OK as listed.

Desired Outcome: Is inclusive of all significant carbon pools affected by the project. Carbon pools include but are not limited to: (a), (b), (c), ..., wood products and woody material for biomass energy.

Comments and Agreements

1. A - The cells in the matrix are OK as listed.

Desired Outcome: Should be able to incorporate into national/global protocols and designs.

Comments and Agreements

1. A – The cells in the matrix are OK as listed.

Desired Outcome: Is “long enough” defined based on the atmospheric science regarding how long CO₂ needs to be removed from the atmosphere so as to achieve the climate change mitigation objective.

Comments and Agreements

1. A – Conservation easements approach should be changed to “more so”.
2. Steve Brink passed out a handout – “The effective lifetime of CO₂ and other GHG compounds” by Bill Steward (dated January 26, 2008) it discusses the interplay between reducing greenhouse gases today and future concentrations of greenhouse gases.

Desired Outcome: Sets specific performance and other conditions so that achieving permanence is enforceable.

Comments and Agreements

1. A - Renting approach should be changed to “should be”.
2. A - Certification approach should be changed to “less so”.
3. A – Certification does provide some value and should be considered as a positive when “stacking” approaches for meeting the permanence requirements. However, the group agreed that in and of itself, sustainable forest management certification is not an effective approach to permanence.
- 4.

Desired Outcome: Responsibility for achieving permanence is clearly defined as being an obligation of the offset provider, the offset purchaser, a third-party or some combination.

Comments and Agreements

1. A – Conservation easement, Short-term contract, and Project risk assessment approaches should all be changed to “more so”.