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# The Climate Action Reserve and the California Forestry Protocols

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California Climate Action Registry



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## Overview

- California Climate Action Registry
  - The Climate Action Reserve
  - The Forestry Protocols
  - Current Projects
  - The Forestry Update Process
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## Background on the Registry



- Spearheaded by a coalition of forward-thinking CEOs
  - Public/private partnership created by state legislation in 2000
    - Develop GHG accounting protocols
    - Encourage voluntary public reporting and promote early actions to reduce GHG emissions
    - Board represents business, government, NGOs
  - Defines a “standard of excellence” for tracking GHG emissions
  - Members = Over 300
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## What is the Climate Action Reserve?



- New CCAR program to register and track carbon reduction projects from throughout the U.S.
  - Climate Action Reserve
    - Will be established as its own name, but co-branded with CCAR
  - Intended to be the premier place to register voluntary carbon reduction projects.
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## Why is CCAR Doing This?



- Current status of voluntary carbon market
    - Bad press, skeptical public
  - Key concerns
    - Projects aren't real or additional
    - Projects create other social or environmental problems
    - Credits are being double counted or sold
  - CCAR reputation for credible, transparent, accurate, and high-quality accounting standards can address these concerns
  - Ensure carbon market has environmental integrity
  - CCAR goal: To be the recognized "seal of approval" for market participants
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## How does the Climate Action Reserve work?



- Developer opens an account in CCAR's web-based software system
  - When CCAR accepts the project documents and verifier's opinion, it credits the project developer's account with the appropriate number of CRTs (carbon reduction tons, pronounced "carrots")
  - Each CRT has a unique serial number for tracking
    - Includes embedded information about the project, project type, vintage, and location
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## Protocols—A Critical First Step



- Protocol is an accounting standard
  - Protocols developed in an open, public, transparent process
  - Protocols developed for specific project typologies
  - Protocol defines the baseline and what is additional and addresses permanence of reductions
  - Credibility of protocol is central to credibility (and value) of a project
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## CCAR's Forest Protocols



- Forest Sector Protocol
    - Reporting guidance for entity level reporting
  - Forest Project Protocol
    - Reporting guidance for project developers
    - 3 project types: Reforestation, Conservation-Based Forest Management, & Avoided Deforestation
  - Forest Verification Protocol
    - Verification guidance for approved certifiers
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## Protocol Development Process



- Voluntary multi-stakeholder workgroup
  - Internal Review
  - Expert Review
  - Agency and Public Review
  - Board Review and Consideration
  - Ongoing opportunity for public feedback and comment
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## Key Project Accounting Concepts



- Generally accepted international standards (CDM, WRI, ISO 14064, etc.):
    - Additionality is central to project accounting (reductions must be above and beyond BAU, baselines must be conservative)
    - Permanence must be assured in sequestration projects
    - Leakage must be accounted for and deducted appropriately
    - Project boundaries must include all relevant sources and sinks
    - Monitoring must be regular and verified by an independent party
  - To be credible, all project protocols must adhere to these standards, including forestry
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## Project Baseline Characterization



- **Reforestation:**
  - Expected future practices on land based on practices (or lack thereof) of previous ten years
- **Conservation-Based Forest Management:**
  - Based on regulatory background
- **Avoided Deforestation:**
  - Immediate site specific threat or
  - Land use conversion trends (state data)



## Additionality



- Project activity must exceed baseline, including mandatory legal requirements
- Must characterize & quantify project activity



## Permanence



- Perpetual easement dedicates land to permanent forest use (i.e. secures land base)
  - Annual reporting to Registry verifies duration of GHG reductions (i.e., storage of additional carbon)
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## Leakage



- Activity-shifting (on-site): assessment/quantification required
  - Activity-shifting (off-site): assessment required
  - Market leakage assessment/quantification strongly encouraged
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## Forest Verification Protocol



- Ensures completeness, consistency, and accuracy of data/methodologies
  - Approved verifiers must include a Licensed Professional Forester
  - Verification components:
    - Direct sampling at selected sites
    - Annual monitoring reports
    - Assessment of methodologies, estimations, models and calculations
    - Reported data must be free of material misstatements
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## Current Verified Projects



### Forest Management Projects Underway:

- van Eck Forest - ~2,100 acres in Humboldt County
  - Garcia River Forest - ~ 24,000 acres in Mendocino County
  - Sempervirens Fund Project ~ 200 acres in Santa Cruz County (verification not yet completed)
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## Projects Underway and Funded



Calif. registry verifies two forest projects (02/12/2008)

Colin Sullivan, Greenwire West Coast reporter

SAN FRANCISCO -- California's budding effort to create a viable market for carbon offsets took another step forward yesterday when the state's nonprofit registry verified a pair of forest projects.

The California Climate Action Registry issued its stamp of approval for the 24,000-acre Garcia River Forest in Mendocino County and the 2,100-acre Van Eck Forest in Humboldt County.

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## Projects Underway and Funded



### **PG&E announces carbon-offset deal with 2 forests**

[By Matt Nauman](#)

[Mercury News](#)

Article Launched: 02/26/2008 12:00:05 AM PST

- Pacific Gas & Electric will announce investments in two Northern California forests today, including the Lompico Headwaters Forest in the Santa Cruz Mountains - the first tangible results of its year-old ClimateSmart carbon-offset program.
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## What will the Registry Forest Protocol Workgroup do?

- Update and expand the Registry's voluntary protocols for use with
  - Publicly-owned lands
  - Other Privately-owned lands
  - Other states
- Respond to stakeholder input
- Streamline and improve protocols

## Vision of Updates and Extensions



- Use existing forest protocols as general structure.
- Develop extensions through modular design.
- Complete review and update process by end of 2008.

Conceptual Approach to Addressing Optional Approach to Project Accounting Themes*													
Geographic Assessment Area for Onsite Activity Shifting Leakage		Baseline		Permanence		Verification		Co-Benefits		Leakage (Offsite Activity Shifting and Market Shifting)		Quantification	
Option		Option		Option		Option		Option		Option		Option	
1	Entry in California	1	Forest Management	1	Permanent Conservation Easement	1	Verification	1	Natural Forest Management	1	Leakage Assessment 'A'	1	Low Reliance on Look up Tables
2	Entry in United States	2	Avoided Conversion	2	Deed Restriction			2	Forest Certification			2	High Reliance on Look up Tables
3	Project Boundary			3	Contract								
Example of Possible Project Outcome													
The geographic area assessed for onsite activity-shifting leakage		The baseline approach		Permanence is demonstrated through		Verification achieved by		The Project addressed co-benefits through		The Leakage Assessment was Accomplished using		Quantification is accomplished through	
2	Entry in United States	1	Forest Management	1	Permanent Conservation Easement	1	Verification	2	Forest Certification	1	Leakage Assessment 'A'	2	High Reliance on Look up Tables

\*Options presented are hypothetical and yet to be vetted within the work-group, expert opinion, or the public at large. Some of the options may result in a discounting approach based on a risk assessment within each theme.

## Contact Information



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