

**Climate Action Reserve Comments at ARB Board Meeting – February 25, 2010**

Good afternoon Chairman Nichols and members of the board. My name is Gary Gero and I am the President of the Climate Action Reserve. As you are aware, the Climate Action Reserve is the successor organization to the California Climate Action Registry which was created by the State of California in 2001 to encourage and assure recognition for early actions to reduce greenhouse gas emissions. This was our original mission and remains our fundamental promise today.

I want to start by thanking the board for making it very clear that it continues to support, encourage, and recognize early voluntary actions that are accounted for using the highest quality standards, such as those we have promulgated and that you have previously approved. Indeed, such recognition is explicitly called for in AB32, and we are appreciative to the board for its past consideration of our offset protocols and its recognition that they represent the highest standards for greenhouse gas accounting.

I am here today to not only voice the Climate Action Reserve's support of the ARB's clearly defined process for moving forward but also to share with you the Reserve's experiences that are applicable to the process before you now.

We continue to strongly advocate that any offset, either in the voluntary or compliance market, must have strong rules to ensure that it meets the key tests of being real, additional, permanent, verifiable, and enforceable. Anything less not only undermines the credibility of the market, but severely damages our ability to achieve our greenhouse gas emission reduction goals, thereby, imperiling the planet itself.

In particular, as the ARB begins to develop its compliance program, we are pleased that you are articulating a clear path for how registered emission reduction projects and their associated credits will be transitioned from our voluntary, early action program to the full compliance program.

As you may be aware, the Climate Action Reserve is the fastest growing, largest, and the highest quality offsets program in operation in the U.S. today. In less than two years, we already have more than 200 voluntary projects in our system from 41 U.S. states. From these projects, which include a large number here in California, we expect to certify and issue nearly 10 million tons of emission reductions by the end of this year.

We believe it is important that the ARB's compliance offset standards be completed as soon as possible so that offset projects have sufficient time to be developed and start generating emission reductions prior to the launch of the compliance market. Having clarity and certainty about the rules will help ensure that there is a pool of offsets available for use when California's cap and trade program is initiated.

We fully support the ARB's initiation of this process and very much look forward to working closely with you in that effort. The Climate Action Reserve Board of Directors has now adopted 10 separate offset protocols, including most recently for organic waste diversion activities and for the destruction of ozone depleting substances. As you know, these substances have very high global warming potential, so this is a very effective protocol for combating climate change. We are soon to be launching our effort to address agricultural offset projects and continue to further expanding our work.

Finally, we are pleased to be able to provide the ARB with significant infrastructure and real-world experience in the implementation of a robust emissions reduction certification program and look forward to sharing our efforts with you.

Our verification training, accreditation, and oversight program is well-developed and rigorous, and our operating rules and procedures for offset project registration are finely detailed and fully transparent. This experience can inform and support the ARB as it moves forward.

We, therefore, very much look forward to our ongoing collaboration and partnership. Indeed, our efforts together over the past 8 years have demonstrated the real success that true public-private partnerships can achieve and we are excited to continue and expand this effort.

Finally, as you know, we have consistently supported California and its landmark global warming legislation and we will continue to do so as your efforts move forward. I thank you for your time and consideration here today and would be happy to answer any questions you may have.