



CLIMATE
ACTION
RESERVE



Climate Action Reserve Monthly Newsletter

Dec 2013

- Quote -

"We have a problem that carbon going into the atmosphere is trapping heat, which is changing radically and irreversibly the climate on which we all depend. Therefore, we have to reduce carbon emissions, and you do that by laws, by regulations, and by putting a burden on it, called a tax or a price or a fee."

--Governor Jerry Brown, State of California

Climate Action Reserve Quick Facts

Account holders: 325
Total projects: 477
CRTs: 42,339,363

Upcoming Events

December 5:
[Introduction to the Reserve
and the Role of Offsets in
California's Cap-and-Trade
Program](#)

December 12:
[Submitting Compliance and
Early Action Offset Projects
Under California's
Compliance Offset Program](#)

[View full calendar](#)

**Attend NACW 2014: March
26-28 in San Francisco,
California**



**Navigating
the American
Carbon World**

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Letter from the President

Dear friends and colleagues,

I hope your Thanksgiving holiday was full of warm cheer and spirit, and that you are prepared for the holidays ahead! Before looking too far forward, however, I wanted to note some important milestones that were achieved this past month.

We were very proud that in November the California Air Resources Board (ARB) issued compliance offset credits to forest and livestock projects from the Reserve. The promise of our work and that of AB32 has been that early actors would be recognized for taking a leadership role in reducing greenhouse gas emissions in advance of regulatory certainty. The ARB has begun to deliver on that promise with the conversion of over 2.7 million Climate Reserve Tonnes (CRTs) to compliance offsets (ARBOCs, or ARB Offset Credits). We have in our system over 12 million additional CRTs that qualify as early action credits and look forward to having these and all early actors recognized.

The Navigating the American Carbon World (NACW) conference is the largest gathering for information and discussion around climate change policy and carbon markets in North America. NACW 2014 will feature an exciting speaker line-up, in-depth analysis on pressing carbon issues, and the best networking for the carbon community. Mark your calendars for March 26-28 in San Francisco, California.

www.nacw2014.org

Reminder: Deadline to List Early Action Projects for California Cap-and-Trade is Approaching

As an Early Action Offset Program, the Reserve can issue Early Action Offset Credits that are eligible to transition to ARB Offset Credits. One requirement for eligibility is that the project must be listed with the Reserve prior to January 1, 2014. Listed status is achieved once the Reserve has satisfactorily reviewed all project submittal forms. In order to ensure that a project achieves listed status before January 1, 2014, the Reserve recommends that project developers submit early action projects as soon as possible.

Please contact [Kristen Gorguinpour](#) if you have any questions.

Get a Glimpse of What NACW is Like

Check out video recordings of keynote addresses and plenary sessions from NACW 2013 on our

With compliance offset credits now issued under three different protocols, the ARB has sent strong signals to the market on its commitment to advance its offsets program.

California's climate leadership was also a focal point during the U.N. climate conference in Warsaw (known as COP19). The Reserve hosted several panel discussions at COP19 that allowed the international climate community to gain a deeper understanding of the pioneering initiatives in California and other subnational and national governments. One panel focused on the subnational partnership between California and Québec, while another discussed policies to reduce motor vehicle emissions in China, California, and Europe. I'd like to extend a special thanks to the distinguished speakers who shared their insights on our panels: California EPA Secretary Matt Rodriquez, Québec Minister Yves-François Blanchet, Shenzhen Vice Mayor Teng Jie, Peter van Deventer from the Dutch Government, and representatives from BMW, Business Council on Sustainable Energy, University of Toronto and the Environmental Defense Fund.

Finally, just a reminder that once the holidays are behind us, we will be ramping up for another great conference on climate policy and carbon markets. The Navigating the American Carbon World (NACW) conference, which takes place March 26-28, 2014 in San Francisco, California, will take a close look at California's historic cap-and-trade program after its first full year of operation, assess new and existing carbon markets and their potential linkage, and consider the likelihood and effects of national climate change policies and regulations. With the largest audience of any carbon market and climate policy event in North America, NACW provides excellent opportunities for finding opportunities for collaboration, sharing insights with true peers, and learning. We look forward to having you join us next year!

Happy Holidays,



Gary Gero
President

California's Cap-and-Trade Program -- More Than Just a Solution for California

In an op-ed published in the Huffington Post, Linda Adams, former California EPA Secretary, and Gary Gero discuss the important role of California's cap-and-trade program in addressing the global problem of climate change.

"A 'California only' approach simply won't cut it. The goal is to lead the way to globally effective solutions, and the inclusion of offsets in California's program demonstrates how low-cost

[YouTube page.](#)

[View NACW 2013 videos](#)

Welcome New Climate Action Reserve Account Holders

Climate Action Reserve account holders represent a variety of industry sectors, including environment, finance and business. Our newest members include:

- Clearblue Environmental Markets Inc.
- GLS Woodlands LLC

[View all account holders](#)

Mexico Forest Protocol Provides New Approach to International Forestry Offset Projects

The Climate Action Reserve recently approved a new methodology for quantifying forest carbon enhancement activities in Mexico. It was specifically developed to allow integration into larger initiatives to address forestry and climate change under evolving Mexico REDD+ policies.

[Read more \(English\)](#)

[Leer más \(Spanish\)](#)

Notable Events

December 4:

[Forest Offsets Symposium: Exploring Carbon Markets](#)

February 24-26, 2014:

[Climate Leadership Conference](#)

measures throughout the country - and potentially the world - can be integrated in domestic climate policies. Offsets build bridges to other states and countries, raising awareness, building local knowledge, and demonstrating how they, too, can address climate change and transform their own economies. Ultimately it is only by building these bridges and promoting wider collaboration that California, and the world at large, can prevent climate change."

[Read more](#)

Golden Offsets and Risk

In a guest blog, Julian Richardson, CEO of Parhelion Underwriting Ltd, discusses Golden Offset Credits in California, associated risk and how to manage risk.

"...the ARB has included within its regulations the opportunity to 'invalidate' offset credits that should not have been issued - also known as 'buyer liability.' Whilst ensuring the integrity of the program must be paramount, it does come at a cost to program participants. In this instance, the cost of including 'invalidation' provisions is that on one hand stakeholders are being encouraged to create and invest in an asset (offset credits), but on the other hand that asset is un-certain.

"In the market, this has led to the development of a range of different grades of offset assets that can be bought and sold. The market has adopted the term 'CCO' to refer to California Carbon Offset. More specifically we hear about 'CCO8s' and 'CCO3s' and 'Golden CCOs.' But what exactly are these different grades and what does the price difference reflect?"

[Read more](#)

California Air Resources Board Issues ARB Offset Credits for Forest and Livestock Projects

On November 13, ARB further strengthened its compliance offset program by issuing the first forest and livestock carbon offsets eligible for use in the state's cap-and-trade market. The landmark first forest and livestock credits were issued to four early action projects registered with the Reserve:

- The Willits Woods forest project in Mendocino County, California achieved 1.1 million ARB Offset Credits (ARBOCs)
- Finite Carbon Farm Cove Community Forest Project near Grand Lake Stream, Maine registered 242,000 ARBOCs
- West River Farm Anaerobic Digester Project in Morris, Minnesota earned 15,000 ARBOCs
- Pagel's Ponderosa Dairy in Kewaunee, Wisconsin achieved 16,000 ARBOCs

[Read more](#)

Newly Registered Projects in the Reserve

Projects in the Climate Action Reserve achieve registered status upon successfully completing verification by an independent, accredited verification body.

[McCloud River Forest Project](#)

Location: Shasta and Siskiyou Counties, California
CRTs issued: 220,108

[View the complete list of projects](#) (both listed and registered)
[View Climate Reserve Tonnes](#) (CRTs) that have been issued

About the Climate Action Reserve

The Climate Action Reserve is the most experienced, trusted and efficient offset registry to serve the carbon markets. With deep roots in California and a reach across North America, the Reserve encourages actions to reduce greenhouse gas (GHG) emissions and works to ensure environmental benefit, integrity and transparency in market-based solutions to address global climate change. The Reserve program promotes immediate environmental and health benefits to local communities and brings credibility and value to the carbon market. The Climate Action Reserve is a private 501(c)(3) nonprofit organization based in Los Angeles, California. For more information, please visit www.climateactionreserve.org.

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