

Climate Action Reserve expands forest protocol

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A developer of US offset protocols adopted new guidelines for forest projects across the US.

The board of the California-based Climate Action Reserve approved the third version of its forest project protocol, which was expanded to apply to forests throughout the US.

Its previous versions only covered California forests.

Reserve credits, known as climate reserve tons (CRTs), traded between \$7 and \$8 in the over-the-counter market last week, according to brokers MF Global.

But credits from projects verified according to Reserve protocols for California forests have generally been priced at a premium to those from other project types.

CRTs from California forestry projects typically fetch over \$1 more than CRTs from other projects.

Tapping the market

The Climate Action Reserve said the expansion and adoption of its new forest protocol will stimulate the entrance of forest projects across the US into the carbon market.

“This new version of the protocol allows forest projects across the country to enter the carbon market with our credits (CRTs) and provides defined guidelines for how to quantify the effect these forests have in mitigating climate change,” a Reserve spokeswoman said.

Recent legislative proposals to create a mandatory cap-and-trade system indicate that a vast domestic offset programme is likely to be created in the US, with forestry projects likely to represent a significant portion of credits.

The US has 755 million acres of forested land, with private individuals owning 427 million acres.

Early action

There are also strong indications that CRTs will be accepted as “early action” credits in a federal scheme.

The Waxman-Markey climate bill, which passed in the House in June, said “early action” credits would only be issued for projects that meet standards “established by state or tribal law”.

Many interpret that to mean that offsets registered with the Reserve will qualify as early action credits, since the organisation was established by the state of California.

“This protocol represents an important advancement in forest offset development and will drive investment into critical early action projects,” said Eron Bloomgarden, president of environmental markets for Equator LLC.

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