

***Oral Testimony of Gary Gero  
President, California Climate Action Registry  
before the House Energy and Commerce Committee  
Subcommittee on Energy and Environment  
March 5, 2009***

Good Morning Chairman Markey and honorable members of the committee. I thank you for this opportunity to be here today – and I thank you for your attention to this important topic. My name is Gary Gero and I am the President of the California Climate Action Registry, a 501(c)(3) nonprofit organization located in Los Angeles.

The California Registry was created in 2001 by the State of California to provide regulatory-quality greenhouse gas accounting standards and public registration of greenhouse gas emissions data. We were established specifically for the purpose of recognizing and encouraging early voluntary actions to address the serious threat of climate change.

We are today a fully independent, national, environmental nonprofit organization that is guided by a board of directors comprised of leaders from government, business, and the environmental community.

Since our beginnings, we have developed and become widely recognized for our expertise in rigorous and accurate greenhouse gas accounting. More recently, we have applied this expertise to create and operate a greenhouse gas emission reduction credit, or offsets, registry.

This offsets registry is known as the Climate Action Reserve, and - to date - more than 40 emission reduction projects from 18 U.S. states have been submitted to it. Additionally, the states of California and Pennsylvania have formally recognized our standards for quantifying early voluntary actions.

The Climate Action Reserve provides several tests to ensure the environmental integrity of the offsets that we register.

First, we develop and implement standardized, performance-based protocols to quantify a project's greenhouse gas emission reductions. These protocols are the *Accounting Standards* that we use to ensure that the emission reductions are real and that they are accurately assessed.

Included in these, are methods for demonstrating that a project would not have happened anyway. That is, that the project is "surplus" or "additional". Our protocols also specify mechanisms for ensuring the permanence of sequestration offsets.

Second, we actively manage an independent, third-party verification program to ensure that our standards are being met. As you well know, strong rules are meaningless without strong enforcement.

As part of this, ... we work with the American National Standards Institute to train, accredit, and assiduously oversee verifiers.

And third, we oversee a robust offset registration, serialization, and tracking system to ensure ownership and prevent double counting of emission reductions. Indeed, we create a unique serial number for every ton of emission reductions so that ownership can be clearly established.

These are elements of our program's *Contractual Standards* which are necessary to ensure that the offsets are **enforceable**.

So, I have described what we do, but let me take a second to say what we do not do, because I think it too can inform good program design.

To avoid real or even perceived conflicts of interest, we do not fund or otherwise develop emission reduction projects. Nor do we serve as an exchange for offset credits or otherwise engage in financial transactions concerning such credits. Further, we are not an advocacy organization.

As an environmental nonprofit organization, our public benefit mission is to ensure that when an emission reduction is reported, there is certainty that it has truly resulted in a benefit to the environment.

Let me conclude by briefly mentioning the four guiding principles that are core to our efforts and are vital to ensuring the integrity of any offsets program.

The first is *Accuracy* which is to ensure that measurement and estimation techniques, and emission factors reflect best available science.

The second is *Conservativeness* – Despite best efforts, or for reasons of practicality, there are times when there is some uncertainty with regard to the quantification of emission reductions. In such cases, the guiding principle that we rely on is *conservativeness* so that emission reductions are not overestimated.

The third is *Transparency* – Transparency ensures that outside observers have unhindered access to all aspects of our work so that they may gauge for themselves its accuracy and credibility.

And finally, *Practicality* – Notwithstanding our other guiding principles, the Reserve recognizes that for a program to function effectively, it must not simply be an academic exercise. Instead, it must incorporate a common-sense approach and be practical. It is important that any offsets program only be as complex as is necessary to retain its rigor and credibility, but no more so.

So let me conclude with this: ***I believe that the experience of the Climate Action Reserve has clearly demonstrated that it is possible to design and implement an effective, credible, and practical offsets program.***

I thank you for the opportunity to be here today, and I am happy to answer any questions you may have.