



CLIMATE ACTION NEWS

August 2020

A note from our President

Greetings,

The Reserve is committed to providing the highest quality and most rigorous carbon credits on the planet. From protocol research and development to registering projects and issuing offset credits, the Reserve sets the standard for transparency, rigor, and expertise in greenhouse gas accounting. We are continually exploring opportunities to improve and update our services. To keep you informed about developments in the Reserve program, we're introducing a new section to our monthly newsletter, *Inside the Registry*, to highlight recent and ongoing programmatic updates. Check it out below!

In addition to programmatic updates, we've been making progress on critical protocol development activities to accelerate climate ambition. The draft [Adipic Acid Production Protocol](#), which addresses nitrous oxide (N₂O) emission reductions at adipic acid production facilities in the US, is now available for public comment until August 31. We have carefully and thoughtfully reviewed public comments to the draft [Soil Enrichment Protocol](#), and prepared responses to the public comments. We will be updating the draft protocol and holding a second public comment period shortly. We're also working on developing

protocols for use in Mexico's emission trading scheme under the Partnership for Market Readiness.

Please feel free to reach out anytime to learn more about our rigorous processes and to join us in our journey to develop, promote and support innovative, credible market-based climate change solutions that benefit economies, ecosystems and society.

Warm regards,

Craig Ebert

President

Adipic Acid Production Protocol available for public review and comment

The Reserve released the [draft Adipic Acid Production Protocol V1.0](#) for public review and comment. The protocol provides guidance for monitoring, reporting, and verifying nitrous oxide (N₂O) emission reductions at adipic acid production facilities in the United States. Adipic acid is largely used in the manufacture of nylon and ranks among the top 50 synthetic chemicals produced in the United States each year. The protocol provides the opportunity for adipic acid facilities to earn offsets through the installation and operation of a GHG reduction project, defined as 1) the installation and operation of a new, previously uninstalled N₂O abatement technology and/or 2) the enhancement of an existing control technology that results in the reduction of N₂O emissions that would otherwise have been vented to the atmosphere.

Adipic Acid Production Protocol Public Comment Webinar

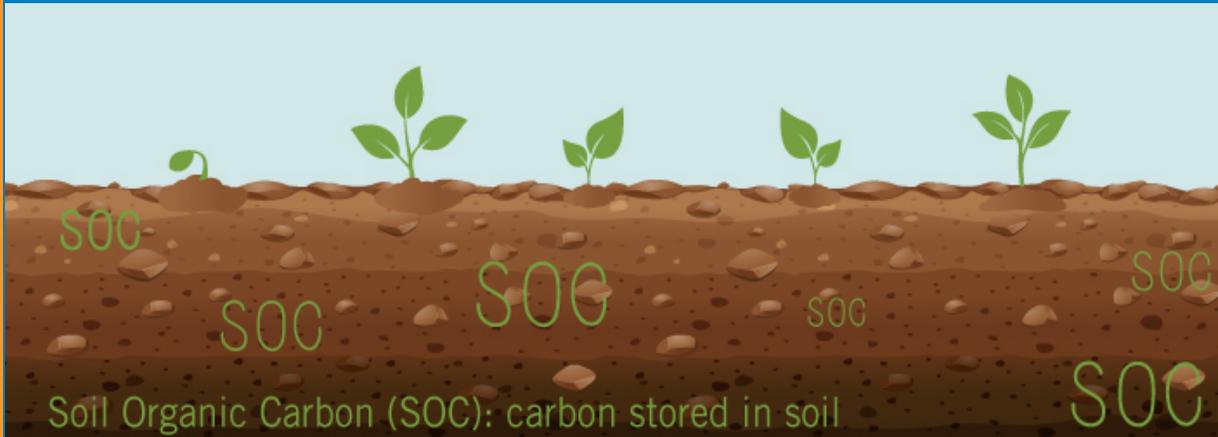
Wednesday, August 12

10:00 am to 11:00 am PDT

Register: <https://attendee.gotowebinar.com/register/8331713595315734798>

Comments are due by 6:00 pm PDT on Monday, August 31, 2020 and may be submitted, preferably in Word format, to policy@climateactionreserve.org.

Reserve responds to public comments on the draft Soil Enrichment Protocol



The Reserve has summarized and responded to submitted public comments from the first public comment period for the draft [Soil Enrichment Protocol](#). We are working to update the protocol and plan to release a revised protocol draft for a second public comment period in the summer. This work reflects an important hallmark of all of our work—to conduct deliberations in a very public, transparent fashion to ensure all stakeholders have a chance to weigh in and help create a final product with the highest degree of environmental integrity, ready for use in the marketplace to address the climate crisis.

The [Soil Enrichment Protocol](#) provides guidance to account for, report, and verify GHG emission reductions associated with projects that enhance soil carbon sequestration on agricultural lands through the adoption of sustainable agricultural land management activities. Land management practices considered under the protocol include changes to: fertilizer application, water management/irrigation, tillage and/or residue management, crop planting and harvesting (eg crop rotations, cover crops), fossil fuel usage, application of synthetic inputs other than fertilizer, and/or grazing practices, among others.

Reserve supports Mexico ETS with protocol development under the Partnership for Market Readiness

The Reserve is supporting Mexico's Secretary of Environment and Natural Resources (SEMARNAT) through two Partnership for Market Readiness (PMR) contracts to develop a Forest Offset Protocol and Livestock and Agriculture Offset Protocol(s) for Mexico's compliance Emissions Trading System (ETS). Mexico launched the pilot program for its national ETS in January 2020, which will run through 2023, including a transition year, to be followed by the implementation of its compliance ETS. The Reserve is partnering with MexiCO2 and WRI Mexico to develop the Forest Offset Protocol and with the Carbon Trust and MGM Innova for the development of the Agriculture and Livestock Offset Protocol(s). All protocols will undergo a national and international peer review process, and will be delivered to the PMR and SEMARNAT by the end of the year for their consideration for the compliance ETS.

California Air Resources Board provides additional information on criteria for direct environmental benefits

Starting in 2021, at least half of the offset usage limit for California compliance entities under the state's Cap-and-Trade program must come from projects that provide [direct environmental benefits in the state \(DEBS\)](#). Offset projects that are located within the State of California are automatically considered to provide DEBS. [Ozone depleting substance \(ODS\) projects](#) with some California-sourced ODS will be classified as DEBS regardless of where the destruction occurred and without a minimum threshold of California-sourced ODS destroyed.

DEBS
DIRECT ENVIRONMENTAL BENEFITS
from offset projects in the State of California

Carbon offsets are integral to supporting California's climate goals. Offset projects in California can avoid or reduce greenhouse gas emissions, conserve water, improve air quality, and provide other environmental benefits. Offsets are used to balance emissions from projects that do not generate offset credits.

Assembly Bill 686, the legislation to extend California's Cap-and-Trade program beyond 2020, provided for the creation of an offset market. The offset market can create from projects that do not generate offset credits.

Direct environmental benefits to the public will be the reduction or avoidance of emissions of any air pollutant in the state or the reduction or avoidance of any other risk that would have an adverse impact on waters of the state.

For Project Developers

Does your offset project provide direct environmental benefits to the State of California?

Landfill, Solar Panel, Forest, New Customer, New Vehicle, EEI

Is this project located within the State of California?

Does the DEBS program consider some related offset credit within the state to increase credit availability?

Does your project provide direct environmental benefits to the State of California?

Is your project eligible for DEBS? Projects that are not eligible for DEBS are not eligible for offset credit. Projects that are eligible for DEBS are not eligible for offset credit.

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For Compliance Offset Buyers

Offset usage limits

Compliance entities may use offset credits to meet up to 8 percent of their compliance obligation for emissions from 2020. Compliance entities may use offset credits to meet up to 8 percent of their compliance obligation for emissions from 2020.

Year	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Offset usage limit (%)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Starting with 2020 emissions, no more than one-half of the compliance obligation may be satisfied by offset credits. The maximum amount of offset credits that may be used to satisfy the compliance obligation is 8 percent of the compliance obligation.

For California community members

Local environmental benefits

Local environmental benefits are the benefits that are realized by the community from offset projects. Local environmental benefits are the benefits that are realized by the community from offset projects.

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Out-of-state projects can apply for DEBS determination by providing documentation in the form of peer reviewed scientific papers, reports from governmental or multinational bodies, or project specific data. CARB has provided an [Application for Direct Environmental Benefits Status](#) for out-of-state projects applying for DEBS determination. DEBS projects are designated in CITSS and the [ARB Offset Credit Issuance Table](#).

[More information on DEBS](#)

Share your feedback on the Reserve website!

PLEASE SHARE YOUR FEEDBACK

Tell us what you think of the RESERVE WEBSITE



www.surveymonkey.com/r/reservewebsitefeedback

Please share your feedback on the Climate Action Reserve website (www.climateactionreserve.org). Your responses will help us improve the functionality and content of the Reserve website and allow us to continue to be a valuable resource for carbon professionals. The survey should take approximately 4 minutes to complete. To thank you for your participation, you may enter into a drawing for a \$50 gift card upon completion of the survey. The survey closes on August 21, 2020.

<https://www.surveymonkey.com/r/reservewebsitefeedback>

Inside the Registry

Welcome to Inside the Registry! Through this standing section in the Reserve newsletter, we will be giving you an inside look at developments to the Reserve program. This inside look will include updates to the Reserve program and registry, general registry operations and more.

For this first installment, we'd like to share some recent improvements to the Reserve program:

- Updated the user interface of the project registry to add and improve functionality
- Updated project registry and website to include information on co-benefits and Sustainable Development Goals (SDGs)
- Reduced turnaround time for project reviews through more efficient coordination
- Restructured and allocated new staffing resources to provide greater opportunities for new initiatives and broaden coverage of project registration activities

Participants in the Reserve voluntary offsets program may request deadline extensions due to coronavirus

An [Extraordinary Circumstances Request Form](#) is available for project requests related to the ongoing COVID-19 pandemic. Projects seeking deadline

extensions or variances for reasons directly related to the coronavirus must submit this request form to reserve@climateactionreserve.org prior to the original deadline. As a reminder, any project that is eligible to defer verification or conduct a less-intensive desktop verification is strongly encouraged to use that option. This policy is limited to projects reporting under the Climate Action Reserve's voluntary offset program. Projects reporting under the California Compliance Offset Program should seek guidance from the California Air Resources Board.

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.

[Forest Carbon Partners - Hunter Ranch Improved Forest Management Project](#)

Location: Korbel, California

ROCs issued: 540,282

[Proyecto de Captura de Carbono Forestal en Bienes Comunes de Santiago Tlacotepec](#)

Location: Estado de México, México

CRTs issued: 2,045

[View public reports](#)

Calendar of events

[Building America's New Climate Economy](#)

August 4 | World Resources Institute | webinar

[Innovation in Forest Carbon Solutions](#)

August 4 | GreenBiz | webinar

[Frontiers in Forest Monitoring: Research Horizons for Global Forest Watch](#)

August 5 | World Resources Institute | webinar

[Adipic Acid Production V1.0 Public Comment Webinar](#)

August 12 | Climate Action Reserve | webinar

[Rewilding the Planet - Can Carbon Markets Help Solve the Finance Gap for Natural Climate Solutions \(NCS\)](#)

August 26 | IETA | webinar

[Unpacking the "NET" in Net-Zero: Role of Markets & Removals at Scale \(during the New York Climate Week\)](#)

September 23 | IETA | webinar

[Schedule a Lead Verifier Recertification Exam](#)

Ongoing | Climate Action Reserve | webinar

[Reserve calendar of events](#)

AUGUST TRIVIA CORNER

The California Air Resources Board recently provided [additional information on criteria for direct environmental benefits](#) from compliance offset projects and provided an [Application for Direct Environmental Benefits Status](#) for out-of-state projects to apply for DEBS determination.

What is the deadline for existing offset projects to submit an application and documentation for DEBS determination?

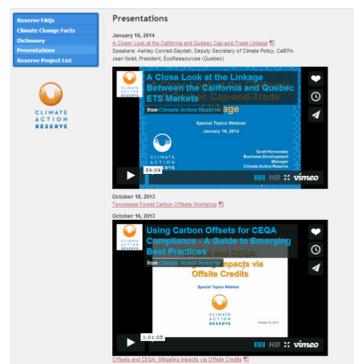
Please send responses to: newsletter@climateactionreserve.org. One response will be randomly selected to win a Reserve/NACW gift prize!



2019 ANNUAL REPORT

WEBINAR LIBRARY

OFFSET PROJECT MAP



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.

www.climateactionreserve.org

news@climateactionreserve.org

SUPPORT OUR WORK

