

# 2022 ANNUAL REPORT



CLIMATE  
ACTION  
RESERVE



# Letter from the President



“We are committed to the continued growth and strengthening of carbon markets here in North America and throughout the world.”

2022 ushered in significant progress on climate policy and carbon markets. Nationally, US climate policy and investment got a big boost from the Inflation Reduction Act, which will direct billions of dollars into fighting climate change. Internationally, negotiations on the Article 6.4 global voluntary carbon market framework moved forward and the agreed-upon guidelines for the Article 6.2 crediting scheme allow for countries to start transacting Internationally Transferred Mitigation Outcomes. The carbon market landscape continued to expand and strengthen, with an effusion of new technologies and investments. Market participants contributed to the development of guidance from international governance bodies, such as ICVCM and VCMI, to build coalitions to scale and support markets with equity and ambition.

Here at the Reserve, we worked to grow and strengthen emission reduction opportunities into new jurisdictions and sectors. We kicked off development for new protocols for low-carbon cement, biochar, and Panama forestry under the Reserve carbon credits program and initiated development of a methodology for reduced emissions from megafires under the Climate Forward program. The Reserve closed 2022 with 185 million offset credits issued to date and 55 million credits retired. We achieved many exciting firsts, including the registration of the first mangrove project and first agroforestry project under our Mexico Forest Protocol, and the first projects under our Soil Enrichment Protocol.

High quality customer service remains a top priority for the Reserve. During the past year, the Reserve added local engagement opportunities to our world-renowned multi-stakeholder protocol development process, surveyed our account holders to support reporting co-benefits of offset projects, added language translation features to our website and listserv, and continued to develop and update tools, guidance, and resources to increase ease and efficiency during project registration.

We are committed to the continued growth and strengthening of carbon markets here in North America and throughout the world. Carbon credits serve a key role in delivering much-needed greenhouse gas reductions, galvanizing innovation in the low-carbon economy, and funding sustainable development and climate equity globally. Thank you for a fabulous year of collaboration on climate solutions and please join us on our journey for greater climate action and innovation in the upcoming year.

Best regards,  
Craig Ebert, President

# About the Climate Action Reserve

The Climate Action Reserve is the most trusted, efficient, and experienced offset registry for global carbon markets.

A pioneer in carbon accounting, the Reserve promotes and fosters the reduction of greenhouse gas (GHG) emissions through credible market-based policies and solutions. As a high quality offset registry for voluntary carbon markets, it establishes rigorous standards and issues carbon credits under those standards. The Reserve also supports compliance carbon markets and serves as an approved Offset Project Registry for the State of California's Cap-and-Trade Program.

The Reserve also supports GHG reductions at the scale and urgency necessary to meet the climate challenge with its Climate Forward program, which fosters proactive investment in future GHG reduction projects through ex ante crediting as a means to address emissions that are forecasted to occur. Additionally, the Reserve hosts the annual North American Carbon World conference, North America's premier event to learn, collaborate, and network on carbon markets and climate policy.

The Reserve is an environmental nonprofit organization headquartered in Los Angeles, California with satellite offices around the world.

## MISSION

To develop, promote and support innovative, credible market-based climate change solutions that benefit economies, ecosystems, and society.

## VISION

A global economy that accelerates climate actions through full and accurate accounting of their costs and benefits.

## VALUES

Environmental Leadership • Integrity • Transparency • High Quality Customer Service • Multi-Stakeholder Support • Market Value



The Reserve is the most experienced, trusted, and efficient offset registry to serve the carbon markets.



# 2022 Achievement Highlights

## Climate Action Reserve offset protocols:

- ⌘ Launched process to develop the U.S. Low-Carbon Cement Protocol to incentivize the production and use of alternative, more environmentally friendly cementitious products that are too cost prohibitive and inefficient to pursue currently.
- ⌘ Launched development process for Panama Forest Protocol that will focus on the crediting of activities that sequester CO<sub>2</sub>e from the atmosphere through increasing carbon stocks in trees over time.
- ⌘ Launched development process for Dominican Republic Livestock Protocol that will focus on the crediting of emissions reductions associated with installing a manure biogas control system.
- ⌘ Continued work on the development of the U.S. Biochar Protocol. Issued a market analysis on biochar and the potential for biochar to produce high quality offset credits in partnership with Blue Forest, Pacific Biochar, and UC Berkeley.
- ⌘ In addition to the technical workgroup, we added a local engagement opportunity for stakeholders to inform the protocol development process by identifying and incorporating applicable laws, norms, conditions, community concerns, or cultural sensitivities specific to the jurisdiction of the protocol location.
- ⌘ Updated existing protocols:

- Mexico Landfill to Version 2.0
  - Mexico Forest Protocol to Version 3.0
  - U.S. Landfill Protocol to Version 6.0
  - Soil Enrichment Protocol to Version 1.1
  - Started the process to update the Mexico Forest Protocol to Version 3.1
- ⌘ Issued errata & clarifications to provide guidance:
    - Mexico Forest Protocol V2.0
    - Canada Grassland Protocol V1.0

## Program tools and resources:

- ⌘ Developed and/or updated tools and resources, including:
  - Reserve Offset Program Manual
  - Reserve User Guide, English and Spanish
  - PIA for Mexico Forest 3.0
  - Mexico Forest Carbon Monitoring Tool, Forest Inventory Management Tool (CALCBOSK), and Cost Benefit Analysis Tool
  - Grassland Calculation Tool and Project Parameters
  - Policy memo regarding the transition to global warming potential (GWP) values from the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (AR5) for all offset protocols
  - Spanish translations of Reserve Offset Program





# 2022 Achievement Highlights

## Manual and Verification Program Manual

- ✦ Conducted the Account Holder Survey on Non-GHG Impacts of Carbon Projects.
- ✦ Signed an MOU with SEMARNAT (Secretary of Environment and Natural Resources of Mexico) along with other registries to cooperate on strengthening the voluntary carbon market in Mexico and strengthen safeguards.
- ✦ Signed an MOU with MiAmbiente (Ministry of Environment of Panama) along with other registries in support of the development of Panama's carbon market.
- ✦ Updated protocol development proposal process to bring greater efficiency to collaboration opportunities.
- ✦ Participated in numerous carbon market working groups to share our registry expertise and experience:
  - IETA digital assets working group
  - ICVCM
  - VCM
  - Climate Warehouse

## Organization highlights

- ✦ Added translation feature to make the website content available in other languages including Spanish and Chinese.
- ✦ Launched the Spanish newsletter to share news and updates with our Spanish-speaking audience.

- ✦ Launched the Carbon Connection Podcast featuring in-depth interviews on protocols and methodologies.
- ✦ Published articles on additionality and permanence in CaliforniaCarbon.info and an article on mangroves in Ecosystem Marketplace.
- ✦ Published blog posts on our site on: reducing emissions from cement production, reading recommendations from climate friends, protecting mangrove forests, and corresponding adjustments.
- ✦ During the Mexico Carbon Forum, an event hosted by MexiCO2, Amy Kessler of the Climate Action Reserve was awarded for her outstanding role in the carbon market. Congratulations also to Lorena Espinosa of ANIQ OFICIAL and Rajinder Sahota of the California Air Resources Board for their exemplary work.
- ✦ Moved to a new office location: 600 Wilshire Blvd. Ste 202, Los Angeles, CA 90017.
- ✦ New hires in 2022:
  - Abbey Garcia, Analytical Associate
  - Judy Gallegos, Reserve Administrator
  - Reid Lee, Director of Operations
  - Celeste Melendez, Analytical Associate
  - McKenzie Smith, Analytical Team Manager
  - Claudia Jurado, Analytical Associate





CLIMATE  
ACTION  
RESERVE

# 2022

## YEAR IN REVIEW

[ CUMULATIVE NUMBERS ]

22  
PROTOCOLS

185m  
REGISTERED OFFSET  
CREDITS

55m  
RETIRED  
OFFSET CREDITS

SUSTAINABLE  
DEVELOPMENT  
GOALS

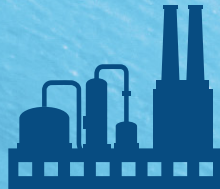
26  
PROJECTS  
REPORTING SDG  
IMPACTS



NATURAL  
CLIMATE  
SOLUTIONS  
9 PROTOCOLS  
91m CREDITS



WASTE  
HANDLING &  
METHANE  
DESTRUCTION  
6 PROTOCOLS  
48m CREDITS



INDUSTRIAL  
PROCESSES &  
GASES  
7 PROTOCOLS  
45m CREDITS

552  
REGISTERED  
PROJECTS



45  
U.S.  
STATES

AND



15  
MEXICO  
STATES

REGISTERED THE FIRST OFFSET CREDITS FOR



SOIL ENRICHMENT  
TO 2 PROJECTS SPANNING ACROSS  
100,742 ACRES IN THE U.S.

### MEXICO FOREST PROTOCOL



1m+ CREDITS ISSUED  
200+ PROJECTS LISTED



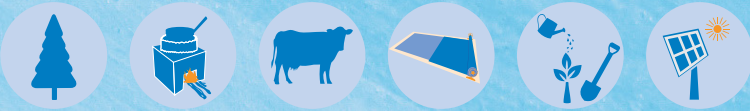
REGISTERED THE FIRST  
MANGROVE PROJECT  
PROTECTING & REGROWING STOCKS IN 691  
HECTARES OF MANGROVE FOREST



AND  
AGROFORESTRY PROJECT  
INCREASING CARBON STOCKS ON  
COMMUNITY SHADE GROWN COFFEE FARMS



# CLIMATE FORWARD▶



**6**  
APPROVED  
METHODOLOGIES

**8**  
CONFIRMED  
PROJECTS

**18**  
ACCOUNT  
HOLDERS

**503k**  
REGISTERED  
FMUs

**205k**  
RETIRED  
FMUs

**2**  
COUNTRIES  
(US & ZAMBIA)



**12**  
EPISODES



LISTENERS  
FROM 44  
COUNTRIES

UNITED STATES: 54%  
MEXICO: 12%  
CANADA: 8%  
BRAZIL: 4%



**1079**  
LISTENS  
IN 2022

LISTENERS BY  
GENDER:  
MALE: 53%  
FEMALE: 46%  
NON-BINARY: 1%

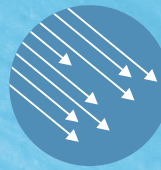
MOST PLAYED EPISODE:

**160**  
PLAYS

THE SIGNIFICANCE  
OF MEXICAN  
MANGROVE  
FORESTS

36 US STATES

CALIFORNIA: 23%  
WASHINGTON: 10%  
MICHIGAN: 9%  
TEXAS: 8%



**NACW**  
NORTH AMERICAN  
CARBON WORLD



**720+** ATTENDEES



**31%** FROM CALIFORNIA



**18%** INTERNATIONAL



FROM **14** COUNTRIES



**51+** HOURS OF CONTENT



**7+** HOURS OF NETWORKING



**10**  
PRE-CONFERENCE  
WORKSHOPS



**4**  
KEYNOTE  
ADDRESSES



**4**  
PLENARY  
SESSIONS



**21**  
BREAKOUT  
SESSIONS



**10**  
BREAKFAST  
DISCUSSIONS



**24**  
EXHIBIT HALL  
BOOTHs



**41**  
SPONSORS



**99**  
SCAVENGER  
HUNT BOOTH  
SCANS



**865**  
NETWORKING  
MESSAGES



**8294**  
CHATS



**269**  
#NACW2022 OR  
#NACWTWEETS

from **116**  
UNIQUE  
PARTICIPANTS

for a total

**2M**  
SOCIAL MEDIA  
REACH



### Natural Climate Solutions .....91,298,441

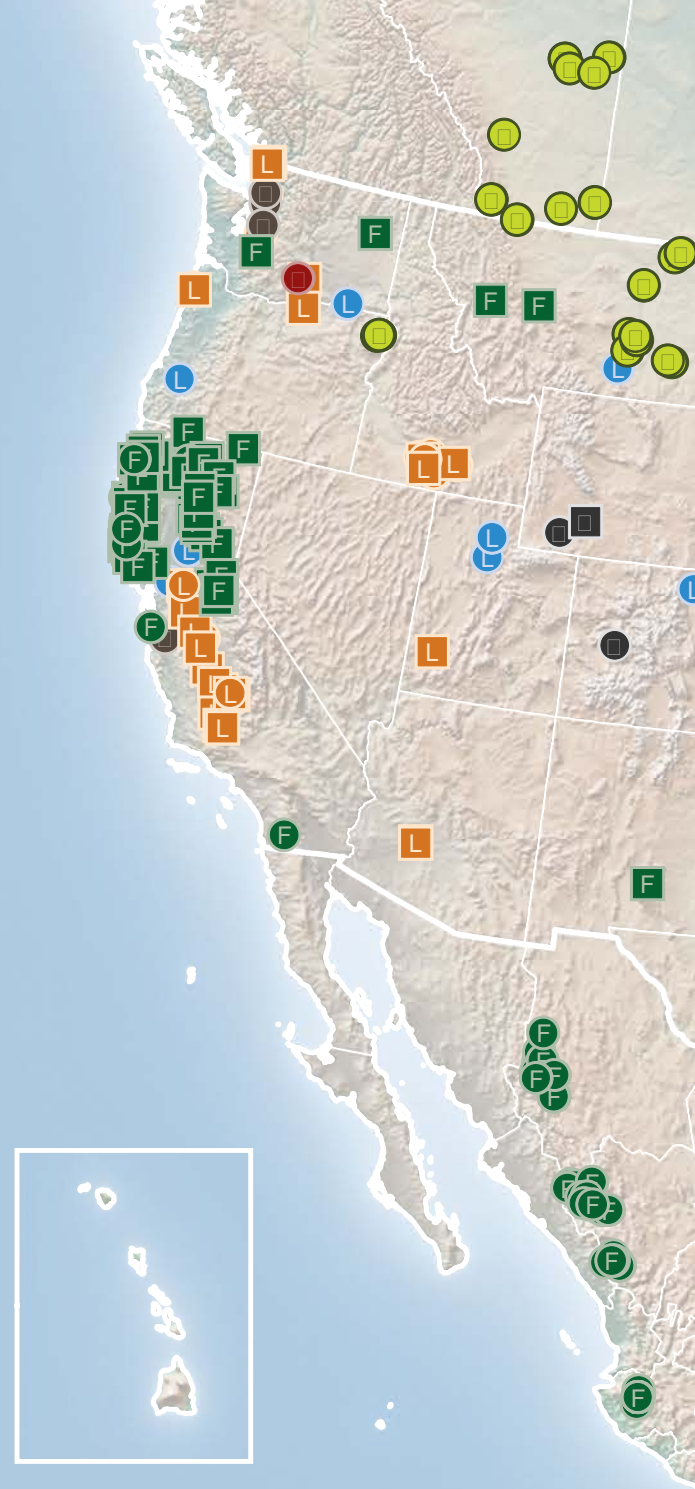
<span style="color: green;">F</span> Forest .....	19,272,249
<span style="background-color: green; color: white;">F</span> Forest (CARB) .....	71,773,474
<span style="background-color: lightgreen; border: 1px solid green;">G</span> Grassland .....	230,458
<span style="border: 1px solid brown; border-radius: 50%; padding: 2px;">N</span> Nitrogen Management .....	3
<span style="background-color: lightgreen; border: 1px solid green; border-radius: 50%; padding: 2px;">S</span> Soil Enrichment .....	22,257

### Waste Handling & Methane Destruction.....48,529,095

<span style="background-color: lightblue; border: 1px solid blue; border-radius: 50%; padding: 2px;">L</span> Landfill .....	38,778,466
<span style="background-color: orange; border: 1px solid orange; border-radius: 50%; padding: 2px;">L</span> Livestock .....	5,626,726
<span style="background-color: orange; border: 1px solid orange; border-radius: 50%; padding: 2px;">L</span> Livestock (CARB) .....	5,626,151
<span style="background-color: brown; border: 1px solid brown; border-radius: 50%; padding: 2px;">O</span> Organic Waste Composting .....	754,421
<span style="background-color: red; border: 1px solid red; border-radius: 50%; padding: 2px;">O</span> Organic Waste Digestion .....	202,398

### Industrial Processes & Gases.....45,189,233

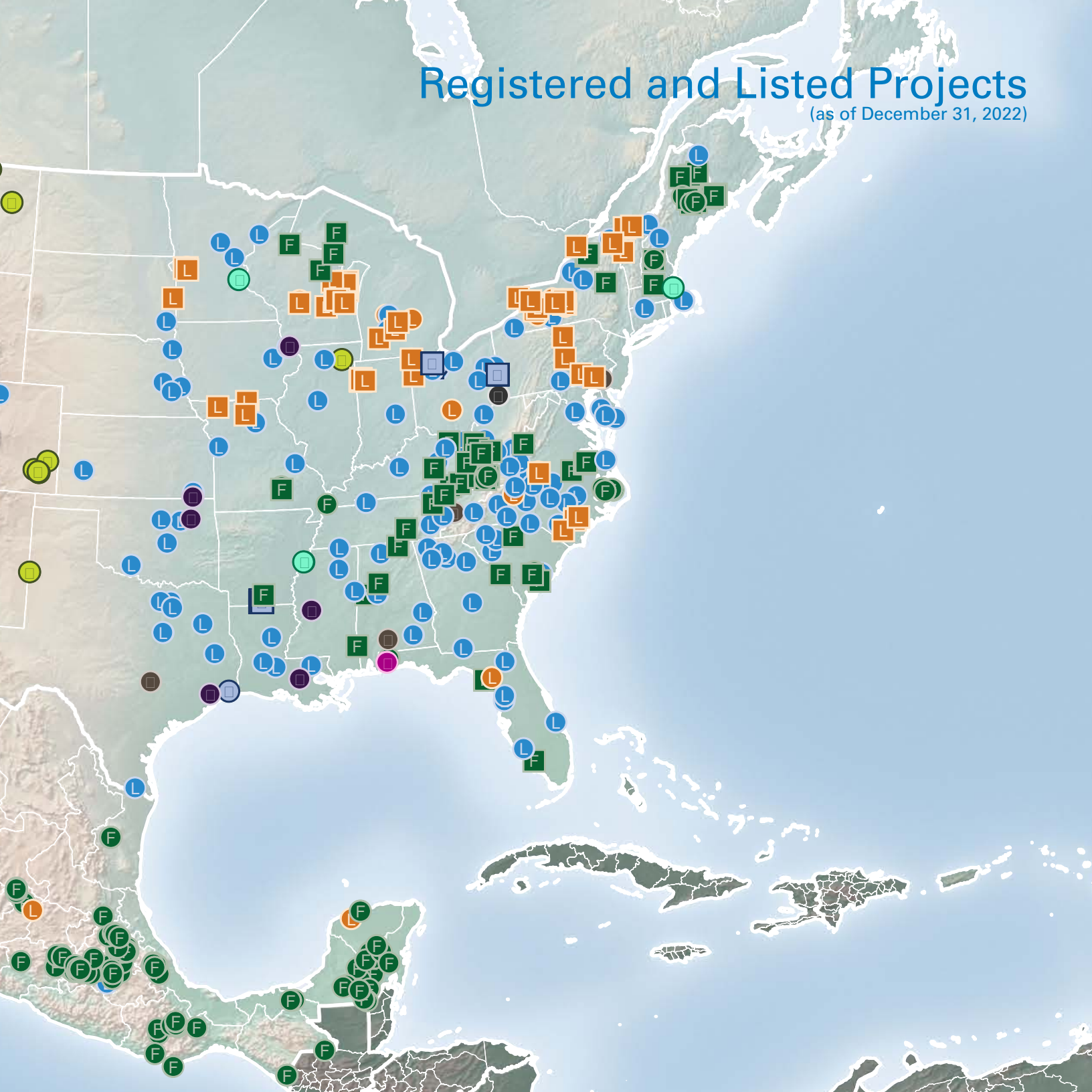
<span style="background-color: magenta; border: 1px solid magenta; border-radius: 50%; padding: 2px;">A</span> Adipic Acid .....	5,391,669
<span style="background-color: black; border: 1px solid black; border-radius: 50%; padding: 2px;">M</span> Mine Methane .....	1,209,440
<span style="background-color: black; border: 1px solid black; border-radius: 50%; padding: 2px;">M</span> Mine Methane (CARB) .....	1,750,464
<span style="background-color: black; border: 1px solid black; border-radius: 50%; padding: 2px;">N</span> Nitric Acid Production.....	17,909,980
<span style="background-color: black; border: 1px solid black; border-radius: 50%; padding: 2px;">O</span> Ozone Depleting Substances .....	10,475,311
<span style="border: 1px solid black; border-radius: 50%; padding: 2px;">O</span> Ozone Depleting Substances (CARB) .....	8,452,369





# Registered and Listed Projects

(as of December 31, 2022)



# Events



The 19th annual North American Carbon World (NACW) conference returned to an in-person gathering April 6-8 in Anaheim, CA, providing 720+ leading climate professionals throughout North America the opportunity to gain actionable insights for bold climate solutions, build connections with an active and engaged audience, and participate in outstanding discussions to advance compliance and voluntary carbon markets in the U.S., Canada, and Mexico. Attendees gained insights from key thought-leaders in climate, including:

- ✦ Gov. David Ige, State of Hawaii
- ✦ Patricia Espinosa, Executive Secretary of the Secretariat, UNFCCC
- ✦ Liane Randolph, Chair, CARB
- ✦ Fred Krupp, President, Environmental Defense Fund

As the world community focused on raising ambition to meet climate goals, NACW 2022 provided key insights and analyses on reducing emissions with more urgency and at a larger scale, including sessions on the status and future of carbon markets and climate policy; how new technologies, investments, and innovations can support scale and integrity; local empowerment and land use; and low carbon transportation and fuels.



The Reserve co-hosted the annual Reserve-TCR joint delegation to COP - which included 159 leaders from U.S. states, corporations, NGOs, and Tribal nations - in Sharm el-Sheikh, Egypt to highlight subnational climate policy, innovation, and action. Craig Ebert and Kristen Gorguinpour participated in COP27 to share insights and discussions on the role of carbon markets in advancing climate solutions, the registry perspective and progress on addressing SDGs and climate equity, and innovations to scale markets with efficiency and integrity.

## COP stats

- ✦ Delegates: 159
- ✦ States: HI, CA, WA, NM, IN, NY, TN
- ✦ Governors: 3 - Gov. Jay Inslee (WA), Gov. Eric Holcomb (IN), and Gov. Michelle Lujan Grisham (NM)

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## Workshops and webinars

The Reserve also held numerous workshops, verification trainings, protocol kickoff webinars, and workgroup meetings throughout the year, including the first multi-hour Mexico Carbon Markets 101 workshop.

Reserve staff spoke at numerous events and webinars, including

- ✦ Mexico Carbon Forum
- ✦ Yale School of Forestry
- ✦ Society of American Foresters
- ✦ Commodity Futures Trading Commission







# CLIMATE FORWARD▶

Climate Forward is a program of the Reserve which issues greenhouse gas emission reduction credits on an ex ante basis in order to facilitate early investment in a wide array of innovative, creative emission reduction projects. Climate Forward accelerates action on climate change by encouraging companies to make proactive investments now to mitigate their future emissions.

Interest in the Climate Forward program continues to grow as companies look for bespoke emission reductions in sectors that often have a delayed return on investment, such as reforestation. Climate Forward offers the flexibility and creativity to invest in the emissions reduction project types, scales, and locations that meet a company's emissions reduction goals, while also offering the assurance and integrity of rigorous, high-quality GHG accounting standards.

In 2022, the Reserve continued to grow opportunities for early action climate investment through its Climate Forward program:

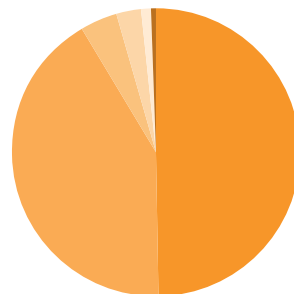
- Worked on developing a Reduced Emissions from Megafires (formerly Avoided Wildfire Emissions) Forecast Methodology Version 1.0 and sharing a repository of data for project quantification, which is available online.
- Updated Improved Cook Stove Methodology to Version 2.0.
- Updated the Reforestation Forecast Methodology to Version 2.0.
- Updated Solar Photovoltaic Forecast Methodology to Version 2.0.



# FY22 Financial Summary

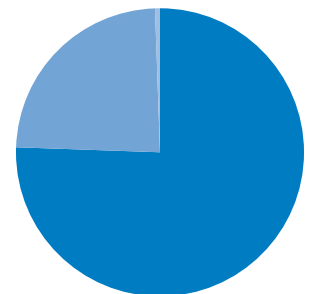
## CONDENSED STATEMENT OF FINANCIAL POSITION

Total Assets	\$8,572,004
Liabilities	\$5,326,934
Net Assets	\$3,245,070
Total Liabilities & Net Assets	\$8,572,004
Total Revenues, Gains & Other Support	\$4,551,459
Expenses	\$4,812,801
Change in Net Assets	\$(261,342)



### REVENUE & SUPPORT

Reserve Fees	50%
NACW Conference	42%
Contracts	4%
Grants/Contributions	3%
Workshop Income	1%
In-Kind/Misc	<1%



### EXPENSES

Program Services	76%
Management and General	24%
Fundraising	<1%





# Board of Directors

## GOVERNING BOARD

**Linda Adams, *Chair***

Former Secretary for Environmental Protection, California Environmental Protection Agency

**Peter M. Miller, *Secretary***

Director, Western Region, Climate & Clean Energy Program, Natural Resources Defense Council

**Jan Schori, *Audit Committee Chair***

Retired General Manager, Sacramento Municipal Utility District

**Steve Corneli, *Nominating Committee Chair***

Clean Energy Advisor

**Teveia Barnes**

Former Executive Director, California Infrastructure and Economic Development Bank

**Peter Liu**

Managing Director, Clean Energy Advantage Partners

**Heather O'Neill**

President, Advanced Energy Economy

**Eduardo Piquero**

CEO, MÉXICO2

**Tim Profeta**

Special Counsel, US EPA, Office of Air Quality Planning and Standards

**Dr. Stephan Schwartzman**

Senior Director, Tropical Forest Policy, Environmental Defense Fund

**Katie Sullivan**

Managing Director, IETA

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**Right Honorable Kim Campbell**

Canada's 19th Prime Minister

**Hon. Gray Davis**

Former Governor, State of California; Of Counsel, Loeb & Loeb

**Hon. Fran Pavley**

Former California State Senator

**Diane Wittenberg**

Founding President, California Climate Action Registry

**Ed Begley, Jr.**

Actor and environmental activist



An impressionistic painting of a sunset or sunrise. The sky is filled with thick, textured brushstrokes in shades of blue, purple, and orange. The horizon is a bright line of yellow and orange, with a few palm trees visible in the distance. The foreground is a mix of green and brown, suggesting a field or garden.

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Los Angeles, California 90017

[www.climateactionreserve.org](http://www.climateactionreserve.org)



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<https://www.linkedin.com/company/climate-action-reserve>