



**We Have The Power**

[ColoradoCarbonFund.org](http://ColoradoCarbonFund.org)

Offset Acquisition Process  
Colorado Carbon Fund  
Advisory Committee Meeting  
July 28, 2009

# Overview

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- The Climate Trust's portfolio
- A project story
- Project acquisition process
- Closing thoughts

# Diverse, High Quality Offset Portfolio



# Greenhouse Gas Offsets

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## **Key quality criteria**

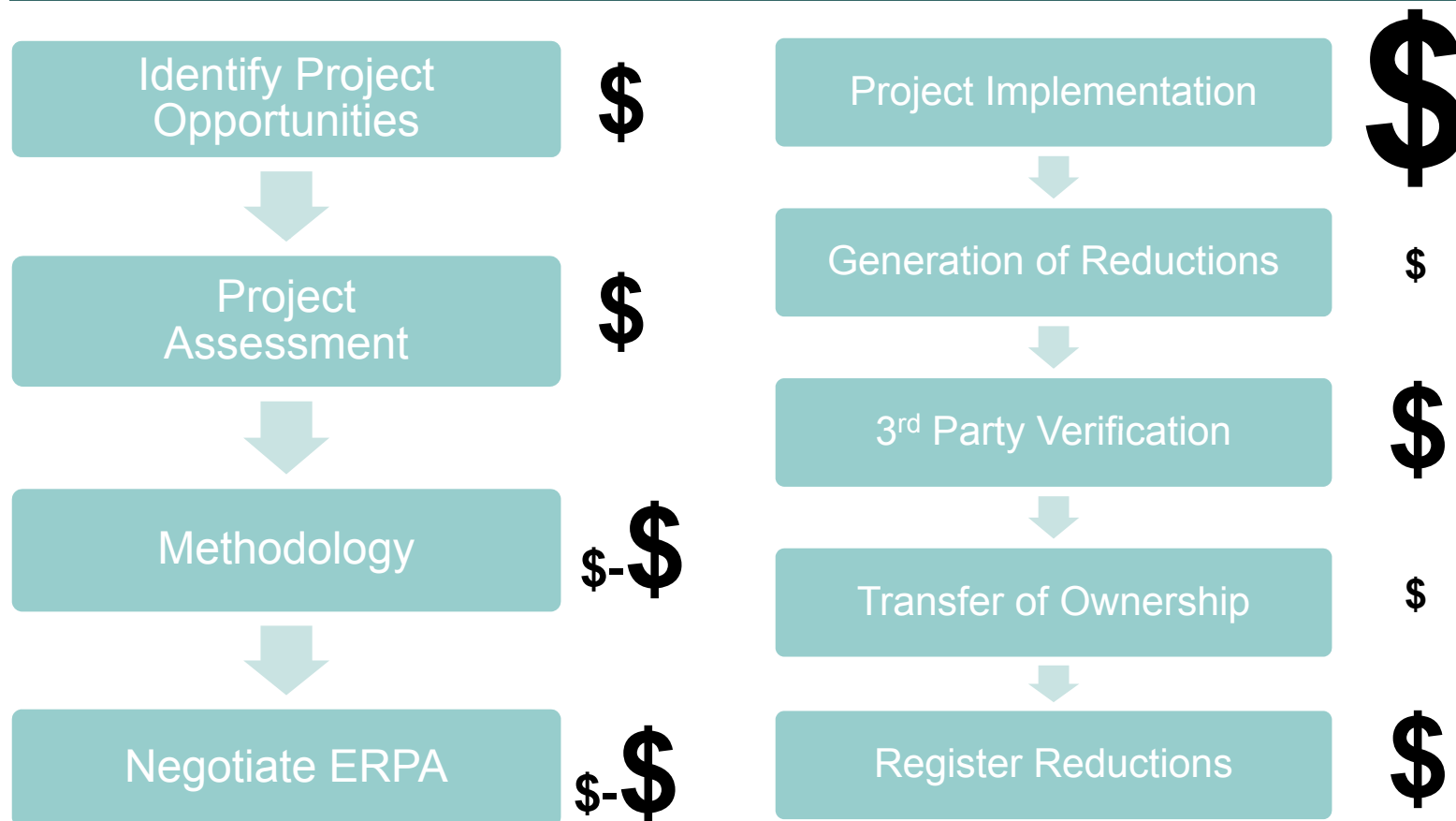
- Additional
- Quantifiable
- Leakage
- Monitoring

## **Key buyer criteria**

- Cost
- Ownership
- Scale
- Timing

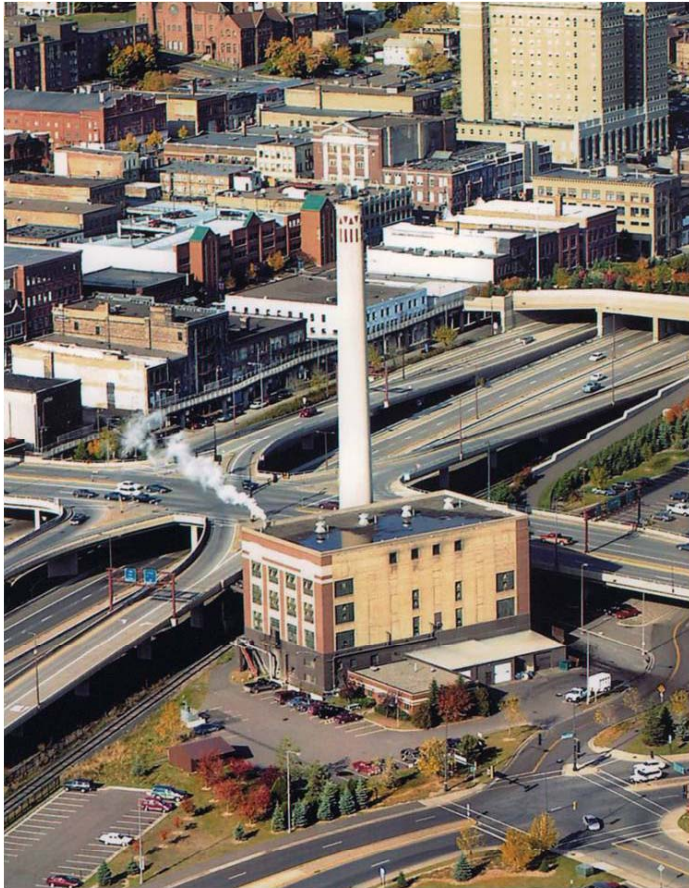
**Quality is paramount**

# Establishing an Offset Credit



# Project Story

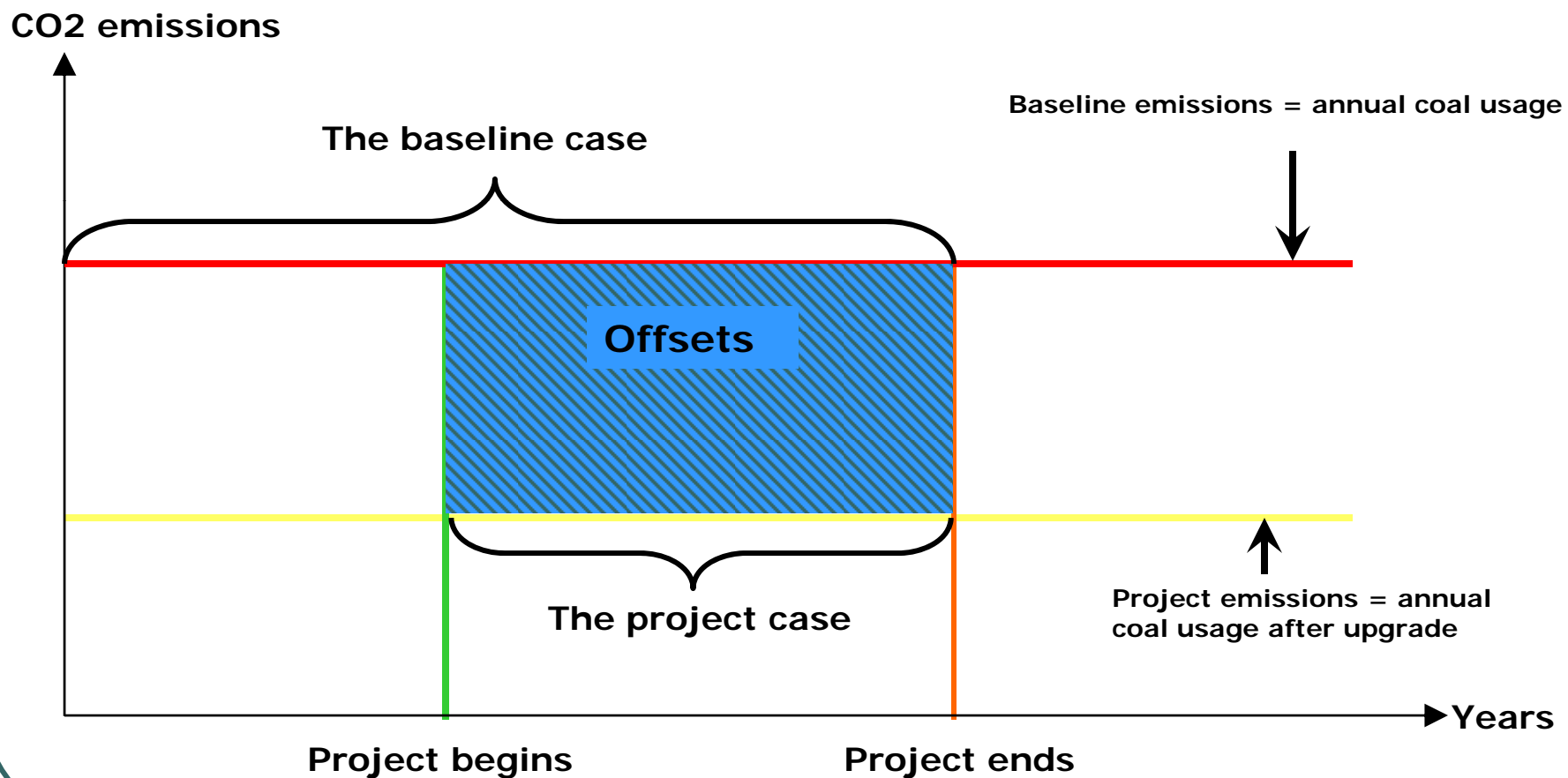
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## Duluth District Heating

- Efficiency at a municipal coal-fired boiler that provides steam to buildings downtown
- Three measures installed
- Project will reduce 210,328 mt CO<sub>2</sub>

# Duluth Project



# The Climate Trust-CCF Acquisition Process

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- **Three phases**
  - Phase I: short form application
  - Phase II: long form application
  - Phase III: contract negotiations
- Applicable to the CCF

# Phase 1: Short Form Proposal

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- **Goal: make an initial project assessment**
- **Selection criteria:**
  - Additionality/baseline
  - Sound project concept
  - Project stage
- **There will be offset price and volume uncertainty**

## Phase 2: Long Form Proposal

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- **Goal: make an informed project decision**
- **Selection criteria:**
  - Offset design
  - Project team expertise and capacity
  - Financial viability
  - Risk assessment
- **Determine pros and cons of the project**

# Phase 3: Contract Negotiations

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- **Goal: establish rights and responsibilities**
- **Criteria:**
  - Timing of payment(s)
  - Delivery Schedule
  - Under performance provisions
- **Secure unencumbered legal title to the reductions**
- **Sample:**  
<http://www.ieta.org/ieta/www/pages/getfile.php?docID=1318>

# Project Management

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- **Contract compliance**
- **Certification**
  - New VCS methodology ≈ \$50,000
  - Approved VCS methodology ≈ \$15,000
- **Verification**
  - Complexity, level of effort (single site, single measure)
- **Registration**

# Closing Thoughts

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- A voluntary, but well-defined process
- Timing and scope can vary
- Not without risk
- Designed to deliver credibility to the commodity



# Thank You

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