



**We Have The Power**

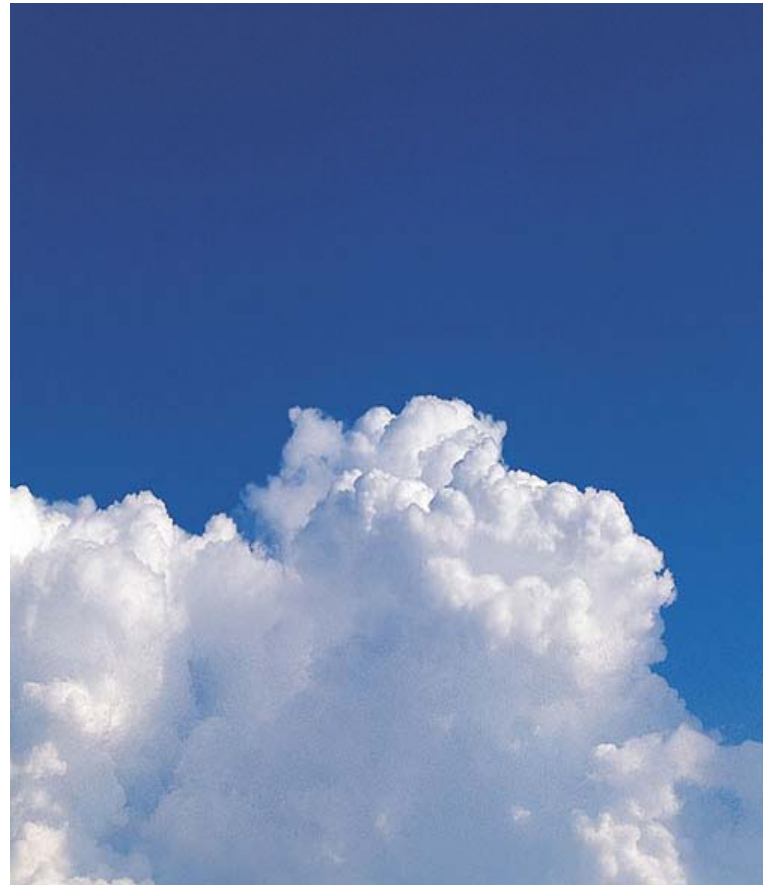
[ColoradoCarbonFund.org](http://ColoradoCarbonFund.org)

**Offsets 101**  
**Colorado Carbon Fund**  
**Advisory Committee Meeting**  
**July 28, 2009**

# Overview

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- Definition
- Project types
- Role of offsets
- Quality criteria
- Offset markets



# Offsets Defined

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- Specific project
- GHG removal or reduction
- Compensate for emissions elsewhere
- Unit = metric ton of CO<sub>2</sub> equivalent



# Sample Project Types

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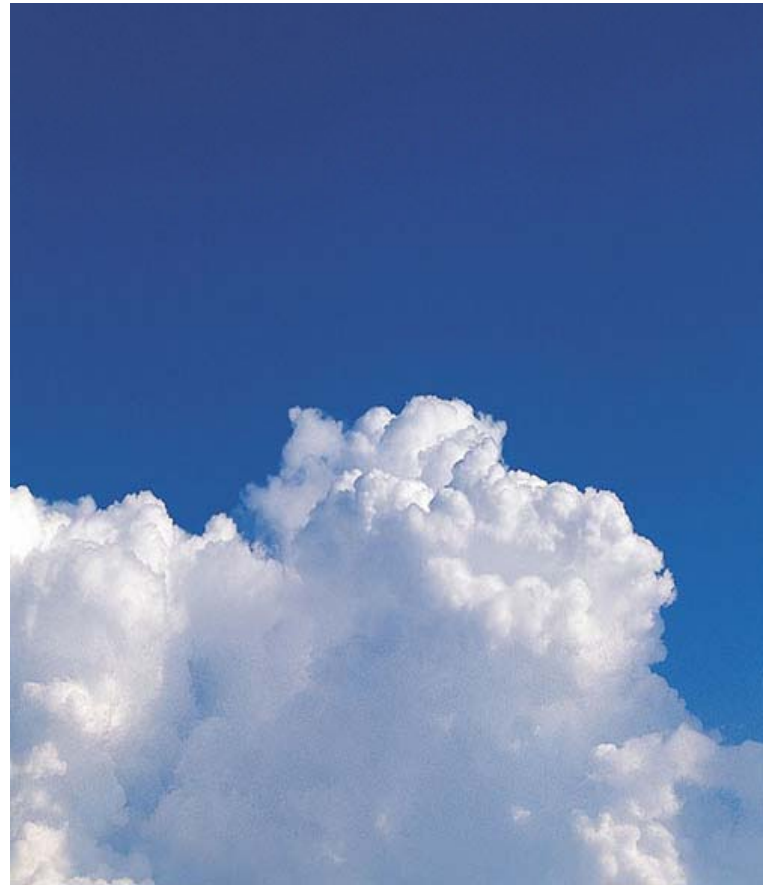
- Transportation
- Biomass
- Geothermal
- Anaerobic digesters
- Energy efficiency
- Cogeneration
- WWTP methane capture
- Forestry



## Role of Offsets

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- Purpose of offsets
- Strengths & weaknesses
- One tool in an arsenal



# Quality Criteria

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- **Real & quantifiable GHG reductions**



# Quality Criteria

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- Real & quantifiable GHG reductions
- **Additional – 3 tests**

Required by regulation?



Financial, technological or institutional barrier?

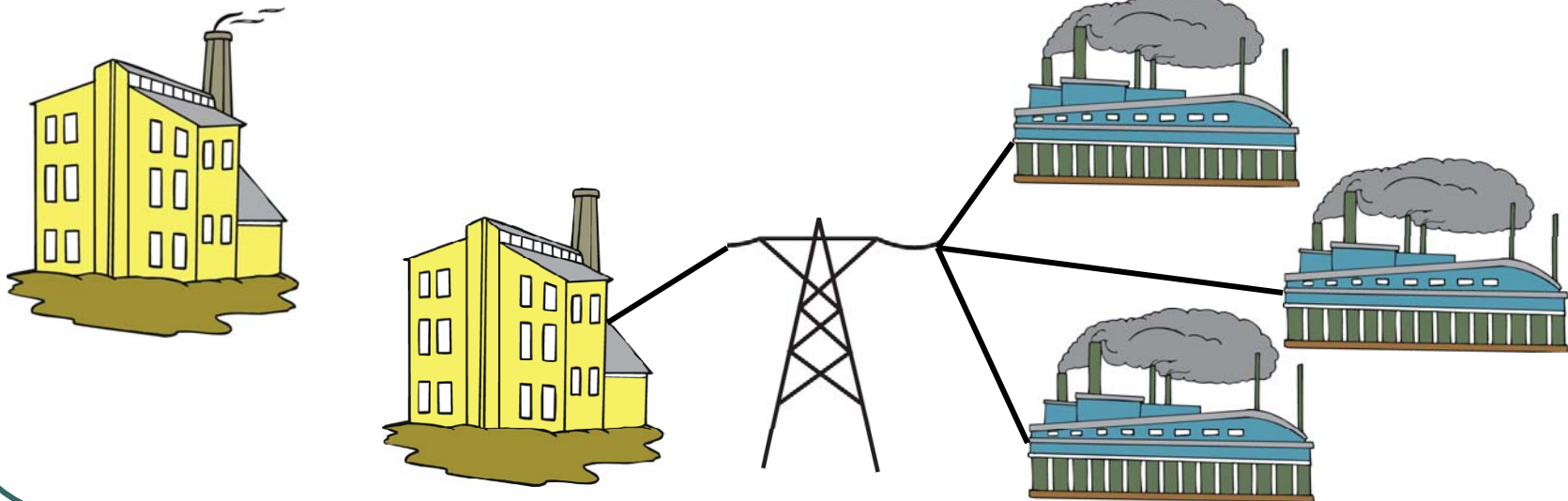


Common practice?

# Quality Criteria

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- Real & quantifiable GHG reductions
- Additional
- **Clear ownership – direct vs. indirect**



# Quality Criteria

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- Real & quantifiable GHG reductions
- Additional
- Clear ownership
- **Monitoring & 3<sup>rd</sup> party verification**



# Quality Criteria

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- Real & quantifiable GHG reductions
- Additional
- Clear ownership
- Monitoring & 3<sup>rd</sup> party verification
- **Certification**

## Certifications

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- Clean Development Mechanism (CDM)
- Climate Action Reserve (CAR)
- Gold Standard
- Voluntary Carbon Standard (VCS)
- American Carbon Registry (ACR)
- Regional Greenhouse Gas Initiative (RGGI)
- Chicago Climate Exchange (CCX)

# Quality Criteria

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- Real & quantifiable GHG reductions
- Additional
- Clear ownership
- Monitoring & 3<sup>rd</sup> party verification
- Certification
- **Registration**

# Domestic Offset Markets

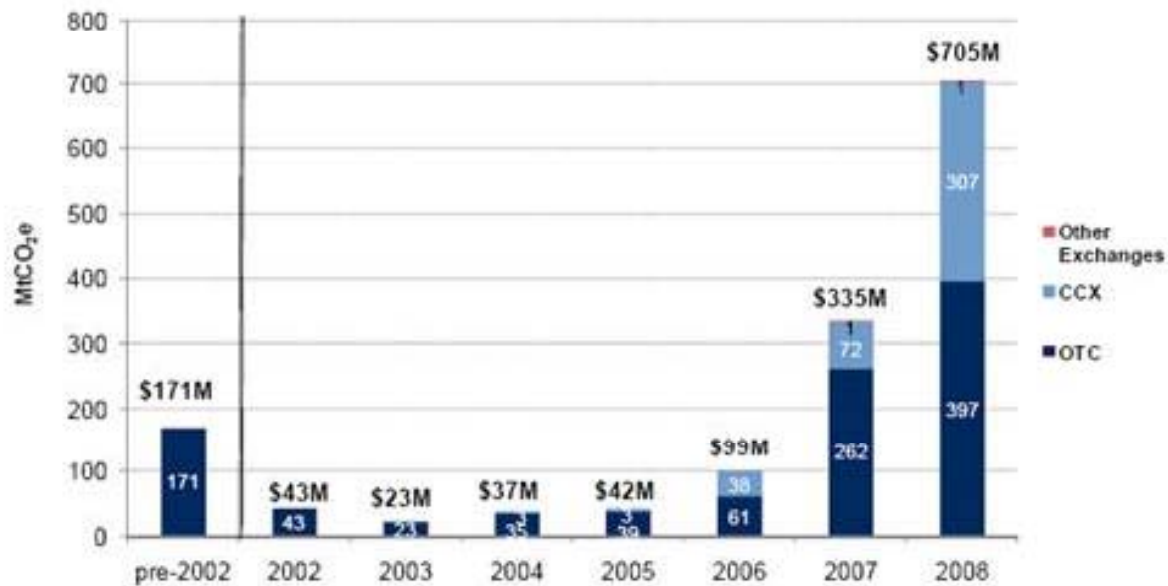
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- Compliance & pre-compliance
  - Cap-and-trade cost-containment
  - Highly speculative
  - Markey-Waxman
- Voluntary
  - The 3<sup>rd</sup> option
  - Developing rapidly

# Voluntary Market Growth

Fortifying the Foundation: State of the Voluntary Carbon Markets 2009

Historic Values for the Voluntary Carbon Markets



Source: Ecosystem Marketplace, New Carbon Finance.

# Colorado Carbon Fund Cycle

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# Thank You

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