

# Voluntary Carbon Markets & The Climate Action Reserve



CLIMATE  
ACTION  
RESERVE

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**Program Director**



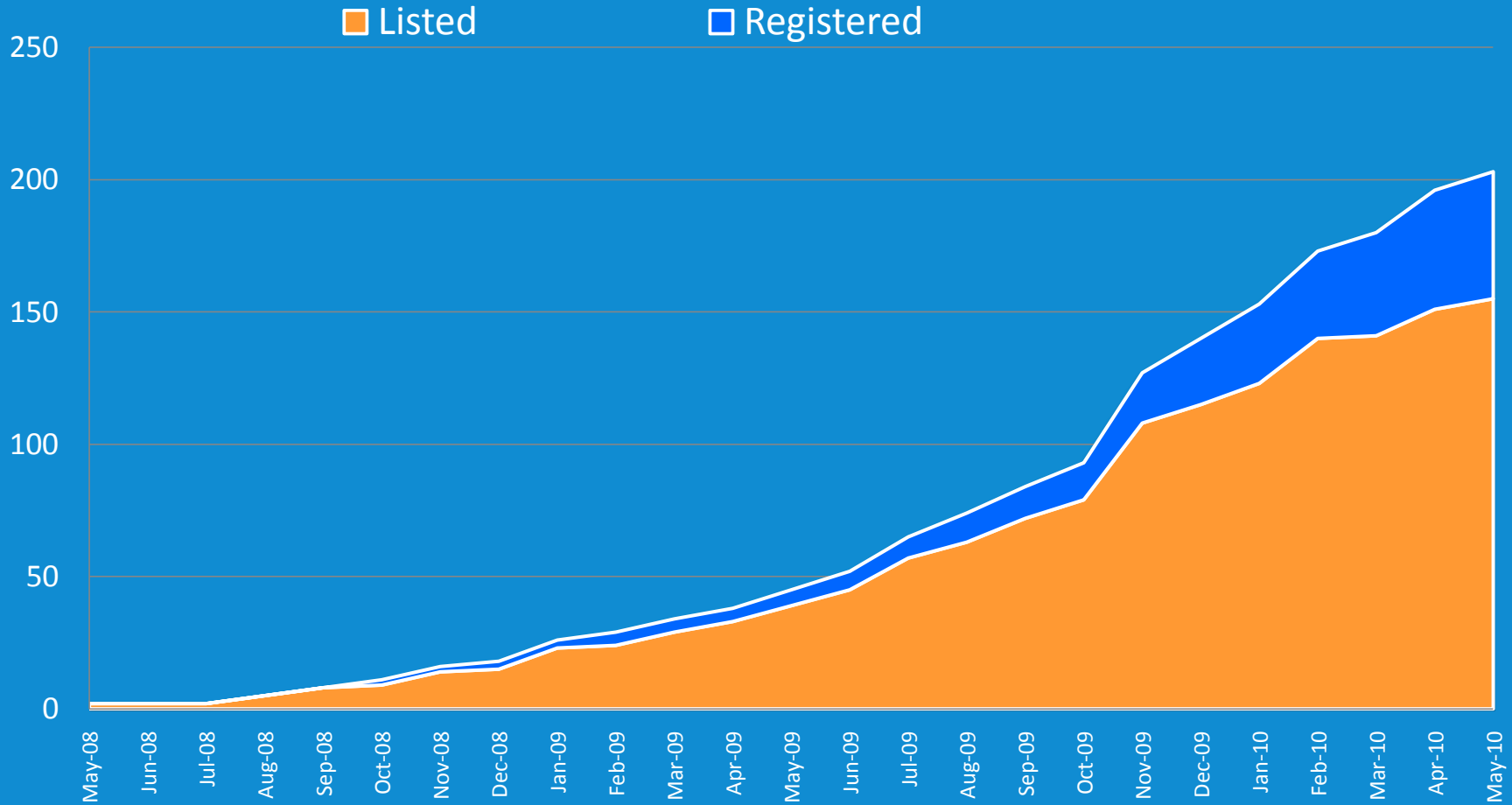
# Current Reserve Statistics

Launch Date	May 2008
CRTs Registered	5.2 million MtCO <sub>2</sub> e
Account Holders	325
Projects Submitted	355
Exchanges	<b>CRT futures are traded on:</b> <ul style="list-style-type: none"><li>– Chicago Climate Futures Exchange (CCFE)</li><li>– Green Exchange</li></ul>
Recent Prices	\$6-8 per CRT

*\*Ecosystems Marketplace reported the largest volumes traded on an exchange were CRTs (61% of traded volume)\**



# Projects in the Reserve





# Value of Offsets

- Quality offsets a useful tool in addressing climate change
- Investing in offsets helps to build projects beyond what you can achieve
  - Corporate responsibility, supports green jobs & promotes co-benefits
- Makes environmental & economic sense
  - For project developers: Adds value and integrity to their projects
  - For buyers: Gives them more confidence, adds liquidity and transparency to the markets



# Voluntary Carbon Markets

*According to a global report by Ecosystem Marketplace & Bloomberg New Energy Finance:*

- In 2009, total volume of 93.7 MtCO<sub>2</sub>e transacted.
- In 2009, 51% of credits transacted were tracked in a third-party registry.
- For third-party standards, the Reserve captured 31% of the global market share.

*According to a North American report by Point Carbon:*

- In 2009, the total US offset market was worth \$74 million.
- Reserve transactions made up 65% of the total market value.



# Connecting Markets

- CRTs are used in voluntary market today, and are convertible into VCUs
- Expected that projects will be usable for compliance in California, Western Climate Initiative or in a national system
  - Regulators have yet to make key decisions
  - The Reserve “is considered the premier pre-compliance offset standard.” (*State of the Voluntary Carbon Markets 2009*)
  - The Reserve “is recognized as eligible in both the Kerry-Boxer and Waxman-Markey bills.” (*2010 State of US Offsets*)
- Provides project developers with multiple options for selling their projects



# What The Reserve Does

1. Develop High Quality Performance Standards  
(Real, Additional, Verifiable, Enforceable & Permanent)
  - Convene stakeholders, lead development of standardized project protocols
  - Assess industry practice as a whole, rather than individual project activities
  - Less subjective determination, uses best practices & more certainty in credit amounts
  
2. Manage Independent Third Party Verification
  - Training and oversight of independent VBs
  - Ensure ongoing compliance with program rules and project protocols
  
3. Operate a Transparent Registry System
  - Maintain registry and project data
  - Issue and track serialized credits generated
  - Ensure ongoing compliance with program rules and project protocols

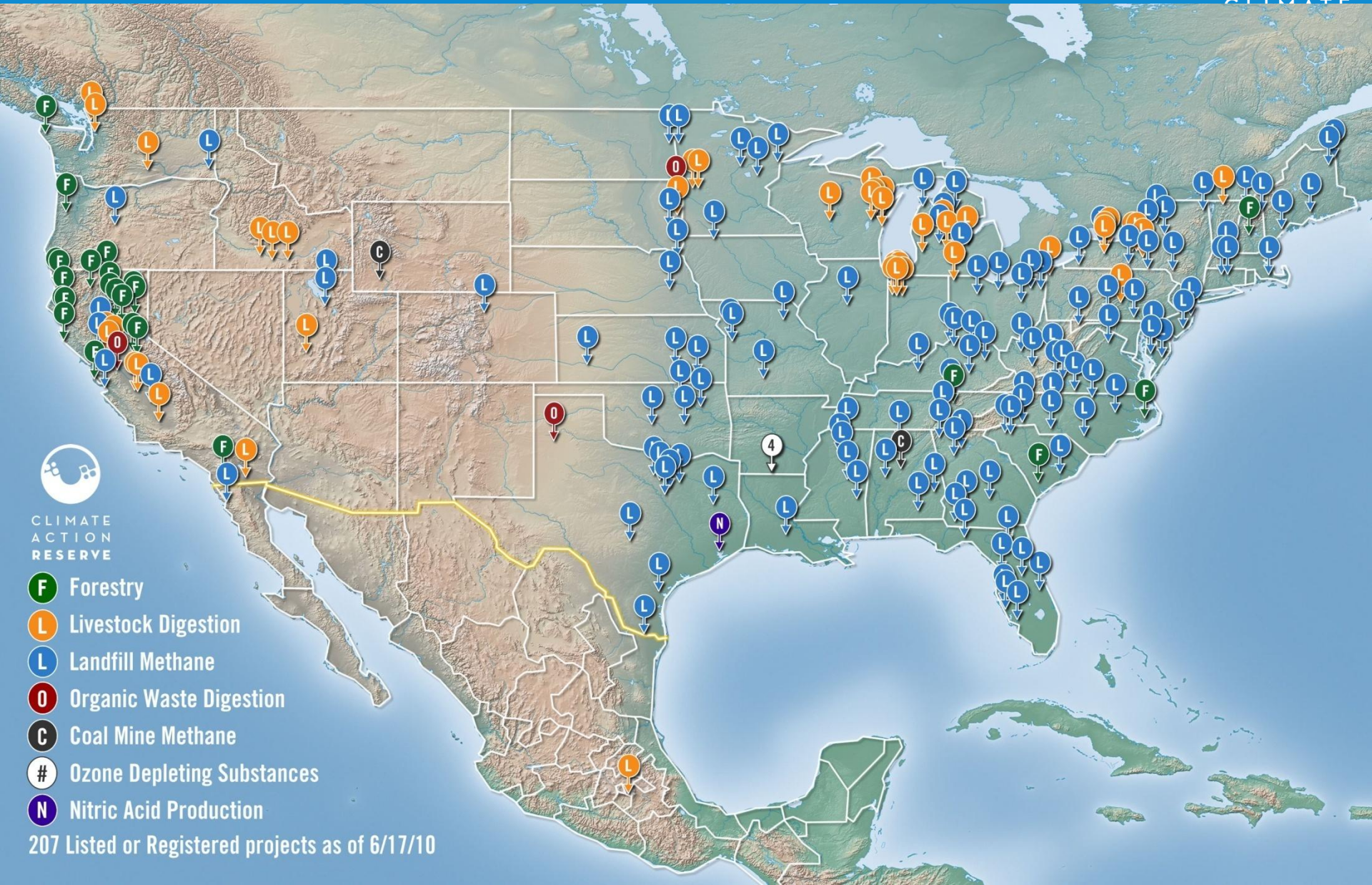


<b>EXISTING PROJECT PROTOCOLS</b>	<b>PROTOCOLS UNDER CONSIDERATION</b>
–Forests	<b><u>Agriculture and Biological Sequestration</u></b>
–Improved Forest Management	–Composting*
–Avoided Conversion	–Soil sequestration
–Reforestation	–Nutrient Management
	– Others (rice cultivation?)
–Urban Forests	<b><u>Industrial Processes</u></b>
–Landfill Gas Capture (US & Mexico)	–Boiler efficiency
–Livestock Methane Capture (US & Mexico)	–Natural gas T&D systems
–Organic Waste Digestion	<b><u>Transportation</u></b>
–Coal Mine Methane	–Truck stop electrification
–Nitric Acid Production	<b><u>International Expansion</u></b>
–Ozone Depleting Substances (US & Article 5 sources)	–Mexican Reforestation*
	–Canadian protocols

# Listed & Registered Projects



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- F** Forestry
- L** Livestock Digestion
- L** Landfill Methane
- O** Organic Waste Digestion
- C** Coal Mine Methane
- #** Ozone Depleting Substances
- N** Nitric Acid Production

207 Listed or Registered projects as of 6/17/10

# Contact Information



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