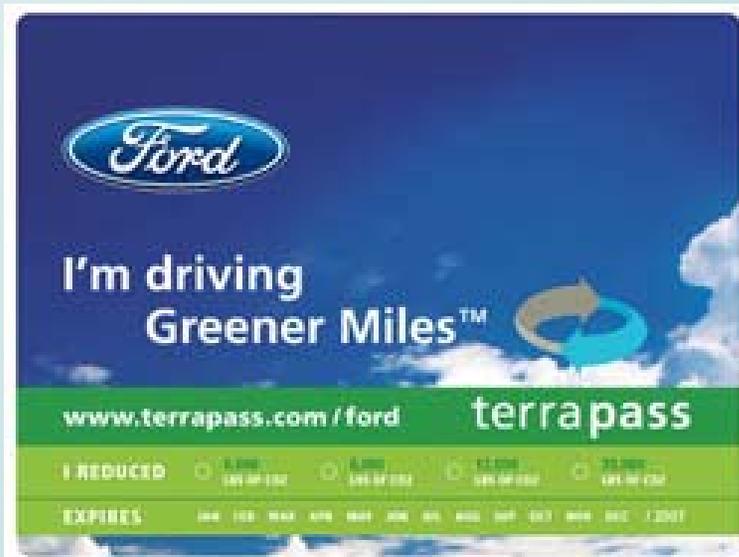# Carbon Credits for Communities
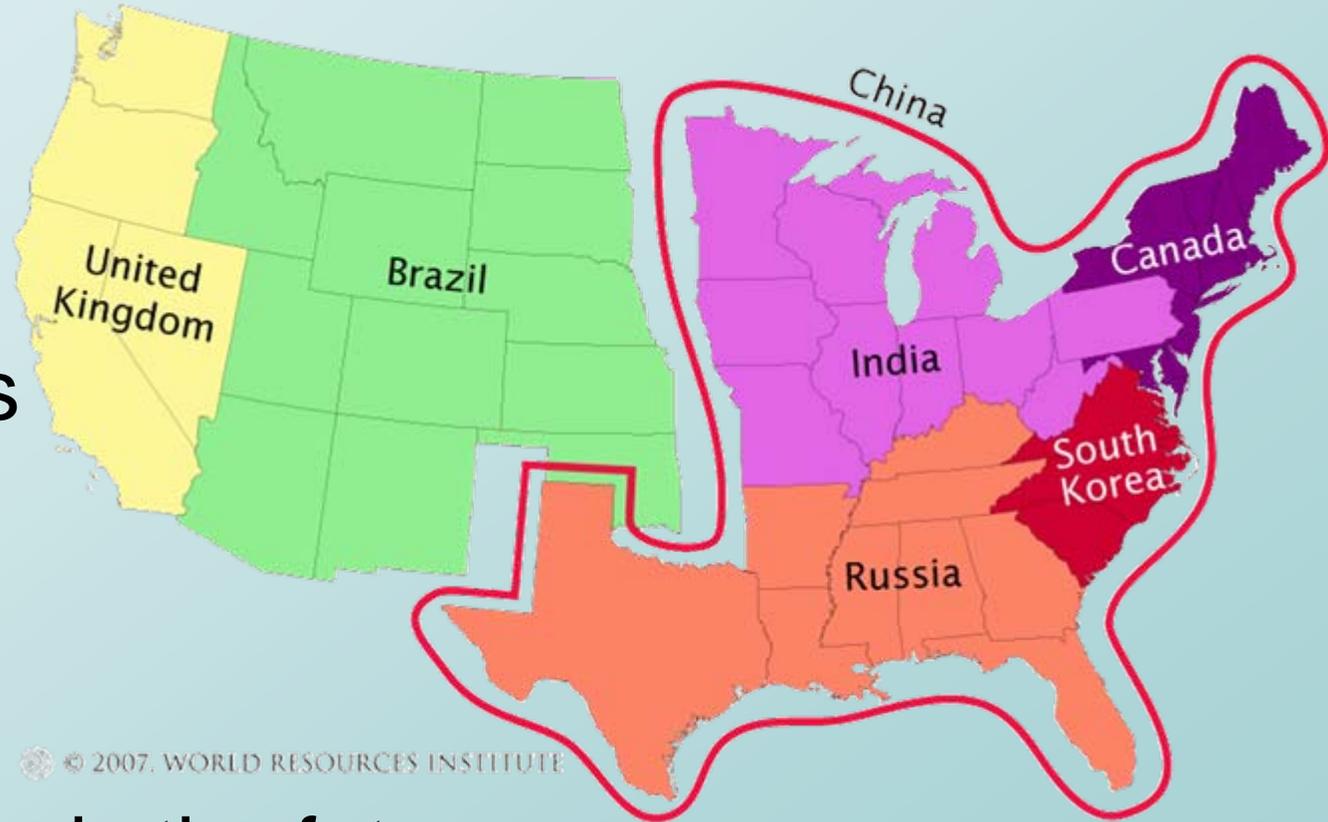
An opportunity or responsibility?

Scott Maco

Research & Development Analyst

The Davey Institute

smaco@davey.com

SMA ANNUAL CONFERENCE
SEPTEMBER 2007

Carbon Accounting

- Background – carbon emissions law in the U.S.
- Registry opportunities
- Examples & eligibility
- Moving towards the future
- What can you do now?

© 2007. WORLD RESOURCES INSTITUTE

Carbon what?

- Kyoto Protocol
  - Emission caps became law in 2005
  - Reduce carbon by at least 5% below 1990 levels by 2012
- Carbon financial instruments
  - Cap and Trade System (EU ETS)
  - Carbon "credit"
- Registry
  - Allows calculation, tracking, reporting of emissions or storage over time
  - Consistency, transparency, and verification
- Carbon Market
  - Combination of Registry and trading platform (exchange)
  - Metric tons of CO_2 equivalent - GWP

So what does this mean for Urban Forestry?

- 4 ways an entity can reduce emissions to become compliant:
  - ➢ Reduce point source emissions
  - ➢ Use alternative energy sources
  - ➢ Purchase credits form another entity
  - ➢ Purchase offset credits from sequestration projects

- Forestry project types: afforestation, reforestation, managed forests, conservation projects

U.S. Climate Policy Action (early-2007)

Climate Action Status:

- Plans Completed
- Plans Underway
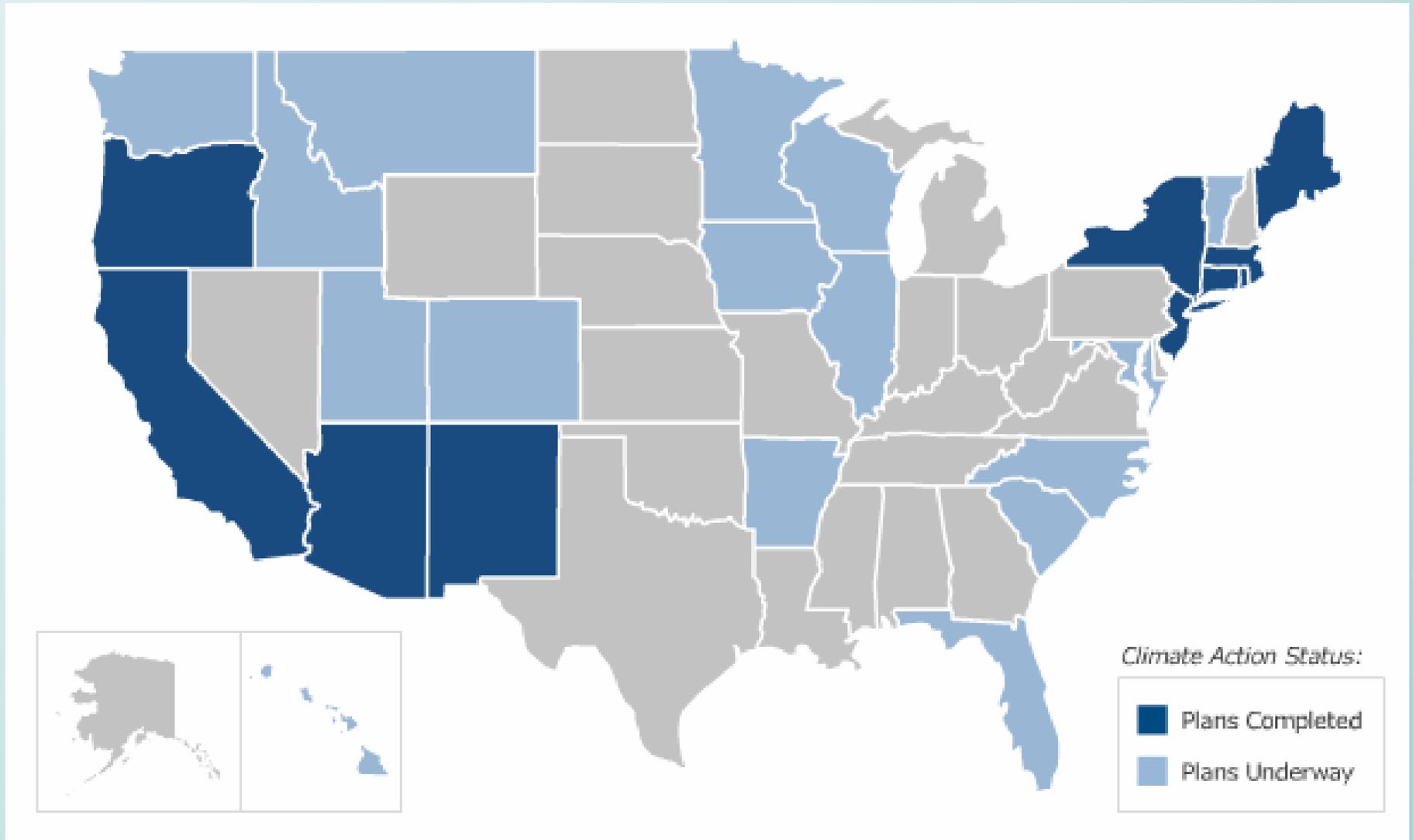
Regional Initiatives

- **The Western Climate Initiative (WCI)**

- **Western Regional Air Partnership**

- **West Coast Governors' Global Warming Initiative**

- **Conference of New England Governors and Eastern Canadian Premiers 2001 Climate Agreement**

- **Regional Greenhouse Gas Initiative (RGGI)**

RGGI — Regional Greenhouse Gas Initiative
An Initiative of the Northeast & Mid-Atlantic States of the U.S.

State Initiatives

- 19 states with GHG reduction targets
- 14 states with laws or considering legislation for GHG reductions
- 16 states participating in regional cap & trade initiatives: WCI (6); RGGI (10)
- 40 states participating in National "Climate Registry"
- 4 states with GHG emission generation standards
- 19 states with active Climate Legislation Commissions

Greenhouse Gas Registries

- **Department of Energy 1605(b) program**
  - Voluntary
  - Allows urban forestry projects
  - Verification optional
- **California Climate Action Registry**
  - Voluntary until mandatory caps begin (2012)
  - Urban forestry protocols in developments (4/08)
- **Chicago Climate Exchange**
  - Voluntary until entry, but binding for participants
  - Urban forestry protocols exist
- **Regional Greenhouse Gas initiative**
  - Mandatory in 2009
  - Urban Forest projects not specified

Registries Entry

- Membership is legally binding commitment

- GHG emission registry, reduction and trading system

- 2003 – 2010 = pilot market

- Urban Forestry Protocols Exist

- Voluntary & non-binding

- Registry & Reporting protocols = "gold standard"

- 2012 – Mandatory caps begin

- 2020 – CO2 emissions reduced to 1990 levels

- Urban Forestry Protocols in Development (April '08)

Urban Forestry Offset Project Rules:

CCX Chicago Climate Exchange

CALIFORNIA Climate ACTION Registry

- No urban forestry offset project to date

- Entity level offsets encouraged

- Non-member must have insignificant emissions (25,000 mt)

- Project types:
  - ➢ Carbon storage offsets only (sequestration)

- No urban forestry offset project to date

- Entity level offsets allowed

- Non-entity projects allowed without size restriction

- Project types:
  - ➢ Carbon storage (direct)
  - ➢ Tree shading (indirect)
  - ➢ Bio-energy

DAVEY

- Can I get credit for simply managing my forest?
  - ➢ **Additionality**
    - Exceeds/improves upon current management practices
    - Goes beyond "business-as-usual"
    - Not required by any regulatory requirements
  - ➢ **Permanence**
    - Perpetual easement dedicated to urban forestry use
    - ordinances/codes/covenants and enforcement to protect trees
    - Written contracts guaranteeing carbon stock maintenance
  - ➢ **Leakage**
    - Activity shifting
   - Describe existing practices (management plan)

Why get involved?

- Offset entity participant emissions
- Revenue
  - ➢ Only under CCX currently
  - ➢ Cap & Trade Regulation
- Protecting new action
  - ➢ Baseline established at time of registry
  - ➢ Post-1989 planting eligibility
- Management Efficiency
  - ➢ Comprehensive management plans & inventories
- Highlight value of trees as "green" infrastructure

General Process for Registering Project

1. Submit project proposal and/or project questionnaire to Registry

2. Collect baseline information

3. Calculate difference between BAU & Project

4. Obtain independent project verification

5. Register offset credit (annual basis)

6. Receive Carbon Credit for Exchange Trades

National Policy?
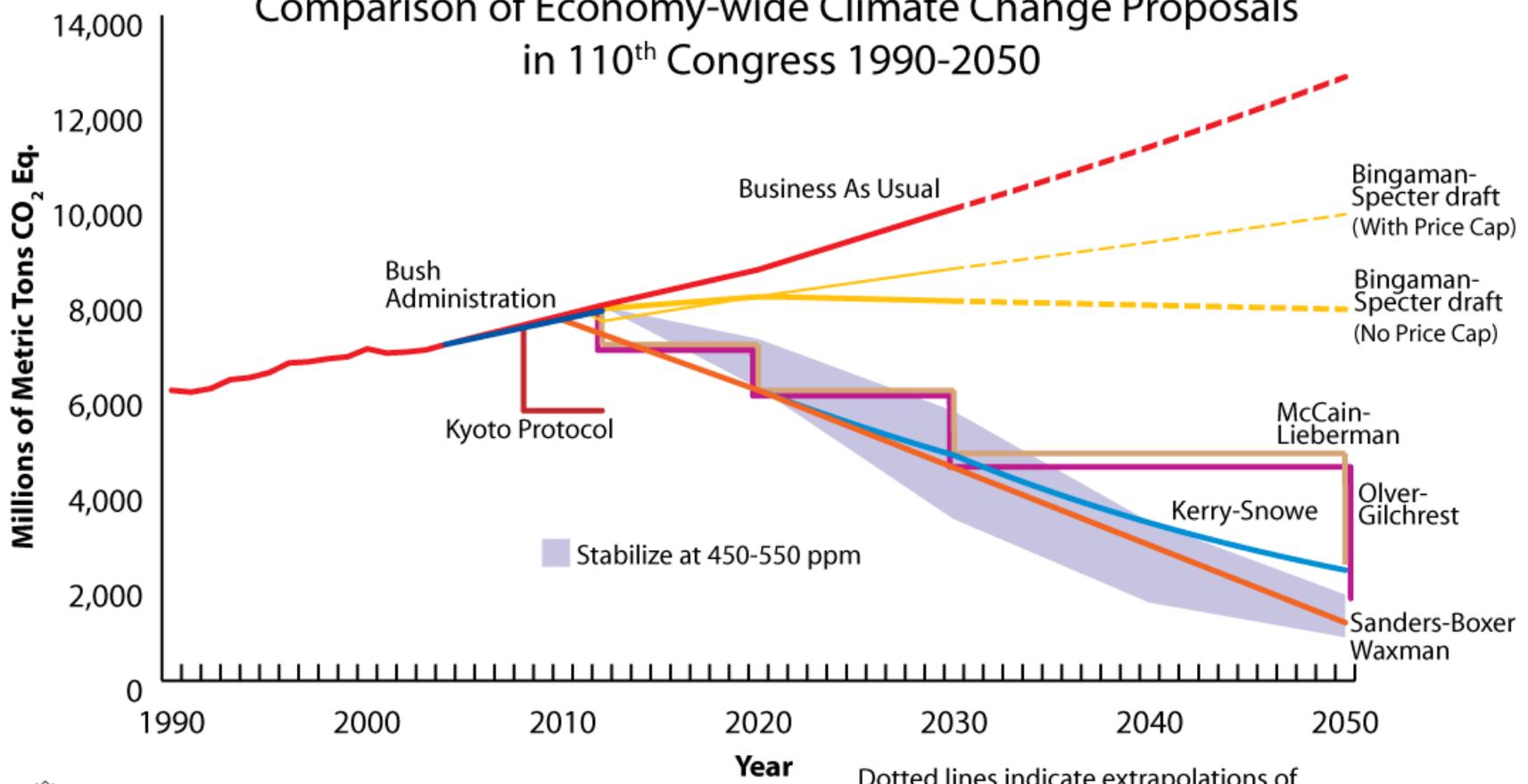
SMA ANNUAL CONFERENCE · SEPTEMBER 2007

"The Climate Registry"

- Accurate, Transparent, consistent measurements of greenhouse gases across borders

- Draft framework in 2008

- WRI GHG protocol compatible

British Columbia
Manitoba

Sonora

States, Provinces and Tribes that have joined **The Climate Registry** as of **August 9th, 2007**
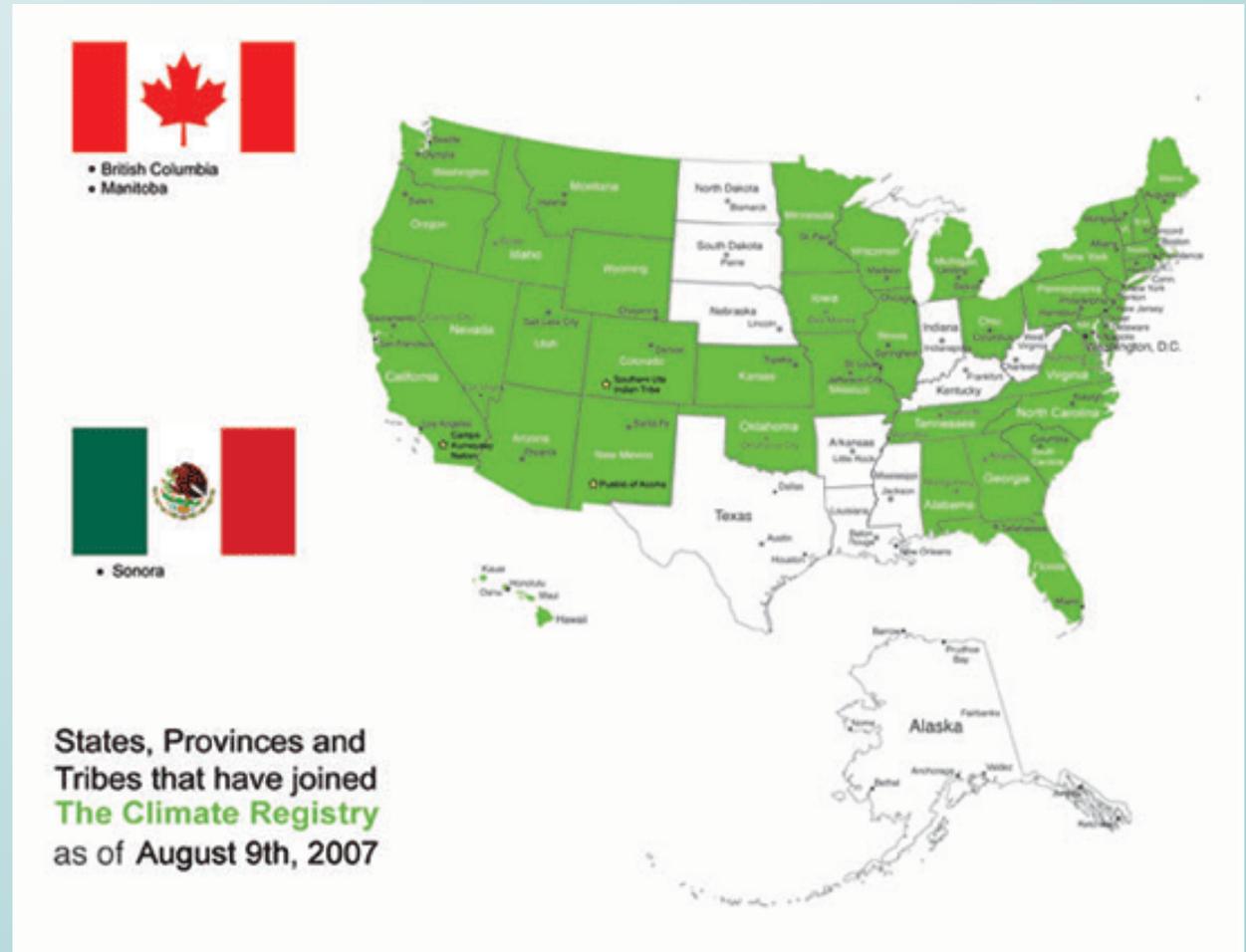
What can you do now?

- Document current business practices
- Inventory
  - ➤ Sample or complete
  - ➤ Data requirements
- Develop sequestration project
  - ➤ Functional species selection
- Registry/exchange membership

  ➤ Get your city on board!

For more information contact:

Scott Maco

Research & Development Analyst

The Davey Institute

smaco@davey.com

866-853-3749