

ACRSM

AT WINROCK INTERNATIONAL

Process for Registering Compliance Offset Projects on ACR for the California State Cap-and-Trade Program

February 2024



ACR Background

- First U.S. voluntary carbon registry, founded in 1996
- Became an enterprise of Winrock International in 2007
- Approved by the California Air Resources Board (ARB or CARB) as an Offset Project Registry (OPR) under the California Cap-and-Trade Program in 2012
- Approved by International Civil Aviation Organization (ICAO) for the Carbon Offsetting Reduction Scheme for International Aviation (CORSA) in 2020
- Approved by the Washington State Department of Ecology (Ecology) as an OPR under the Washington Cap-and-Invest Program in 2023

Key Definitions

GHG reduction or GHG removal enhancements	Must be real, additional, quantifiable, permanent, verifiable, and enforceable and may only be issued for offset projects using Compliance Offset Protocols
Registry Offset Credit (ROC)	A credit issued by an Offset Project Registry for a GHG reduction or GHG removal enhancement of one metric ton of CO ₂ e. Pursuant to section § 95981.1, ARB may determine that a registry offset credit may be cancelled and issued as an ARB offset credit
ARB Offset Credit (ARBOC)	A tradable compliance instrument issued by ARB that represents a GHG reduction or GHG removal enhancement of one metric ton of CO ₂ e

Role of the Offset Project Registry

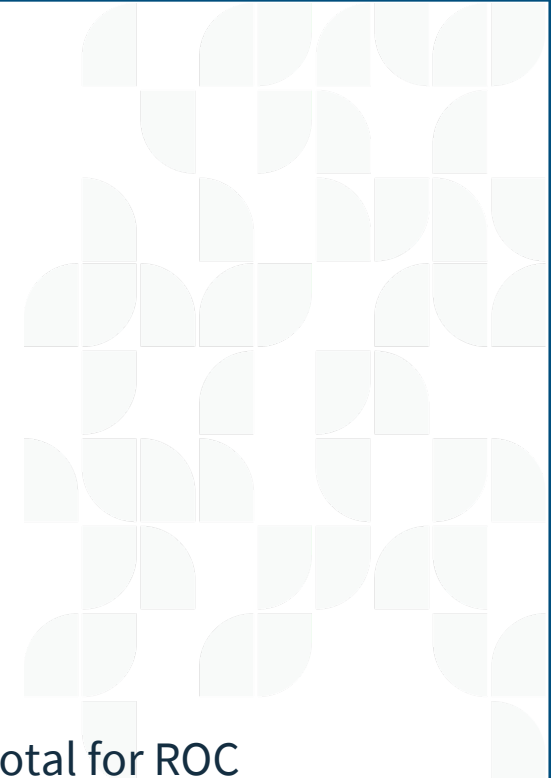
Compliance offset projects must register with an ARB-approved Offset Project Registry (OPR). OPRs are responsible for:

- Overseeing compliance offset project listing, verification, and registration and the issuance and cancellation of ROCs
- Making project information publicly available on the Registry
- Conducting verification audits - at least 10% of annual offset verifications
- Submitting annual report to ARB
- Providing guidance to Offset Project Operators (OPOs), Authorized Project Designees (APDs), and Verification Bodies (VBs)

ACR's Fee Schedule

ACCOUNT OPENING FEE	\$500
ANNUAL ACCOUNT FEE	\$500
PROJECT LISTING REVIEW FEE	\$1,000 per project
CREDIT ISSUANCE FEE	Free
CREDIT ACTIVATION FEE	\$0.20 per offset
CREDIT CANCELLATION FEE	\$0.03 per offset
CREDIT TRANSFER FEE	\$0.02 per offset
CREDIT RETIREMENT FEE	\$0.02 per offset
SECOND VERIFICATION REVIEW FEE	\$1,500 per project

\$0.23 total for ROC
issuance, activation
and cancellation



Who Can List Compliance Offset Projects

- An Offset Project Operator (OPO) is the entity with legal authority to implement an offset project
- Per § 95974, the Offset Project Operator may also designate an entity as an Authorized Project Designee (APD) at the time of offset project listing or any time after offset project listing
- Per § 95974, an OPO may modify or change an APD once within each calendar year after the offset project has been listed by ARB or an OPR by submitting a written request to ARB or the OPR.

Steps to List Compliance Offset Projects

- Step 1** Per § 95975(a)(1), before an offset project can be listed by an OPR, the Offset Project Operator and, if applicable, its Authorized Project Designee must register with ARB pursuant to § 95830
- Step 2** The project developer must also open an account on ACR: <https://acrcarbon.org/registry>
- Step 3** OPO/APD enters project information and uploads required Compliance Offset Project Listing Form and optional Authorized Project Designee (APD) Form on to the Registry
- Step 4** OPO/APD submits project for listing and pays project listing fee
- Step 5** Pursuant to § 95975(f) and (g), ACR will review the offset project listing information submitted for completeness within 30 calendar days of receiving complete and accurate listing information and notify the OPO or APD that the offset project may be listed. If approved, the listing information will be made public and the status will be “Proposed Project”

Steps for Registry Offset Credit Issuance

- Step 1** Once the project is listed, OPO/APD uploads the Offset Project Data Report (OPDR) on to the Registry (this can be done before or after Verification Body selection), making sure to meet regulatory reporting deadlines (§ 95976(d) and § 95976(d)(8))
- Step 2** OPO/APD selects an ARB-approved Verification Body in the Registry
- Step 3** Pursuant to § 95979(e), before providing any offset verification services, the verification body must submit to the Offset Project Operator, and Authorized Project Designee, if applicable, ARB and the Offset Project Registry, a self-evaluation of the potential for any conflict of interest that the verification body, its staff, its related entities, or any subcontractors performing offset verification services may have with the Offset Project Operator, Authorized Project Designee, if applicable, and their technical consultant(s) for which it will perform offset verification services.
- Step 4** Pursuant to § 95979(f), ACR will review the Verification Body's COI evaluation and make a conflict of interest determination within 30 calendar days
- Step 5** Pursuant to § 95977.1(b), the Verification Body must submit a Notice of Offset Verification Services (NOVS) to ACR 10 calendar days before offset verification services begin

- continued on next slide -

Steps for Registry Offset Credit Issuance

- Step 6** Verification Body conducts verification per ARB requirements
- Step 7** Once verification is complete, Verification Body uploads the Verification Statement and Verification Report pursuant to §95977.1
- Step 8** OPO/APD then enters a new emission record into the Registry including the vintage, reporting period dates, and quantity of credits and submits verification documentation ACR to determine if ROCs will be issued
- Step 9** Pursuant to § 95980(b), ACR reviews the Verification Statement and Report and determines if requirements are met within 45 calendar days of receipt of complete verification documentation
- Step 10** If the GHG emissions reductions or removal enhancements were issued a Positive Offset or Qualified Positive Offset Verification Statement, and the submitted information meets the requirements of the regulation, ACR will issue serialized ROCs, and the status of the project will change to “Active Registry Project”

Steps for ARB Offset Credit Issuance

Once issued, ROCs are available to be “activated” for cancellation for issuance as ARB Offset Credits in the Compliance Instrument Tracking System Service (CITSS)

For issuance of ARBOCs:

- Step 1** ACR provides required information and documentation to ARB
- Step 2** Per § 95981(b), OPO/APD submits Request for Issuance of ARBOCs to ARB
- Step 3** Pursuant to § 95981(c), ARB will determine whether the information is complete and whether GHG emission reductions/GHG removal enhancements meet the requirements of the regulation and applicable Compliance Offset Protocol within 45 calendar days of receiving complete and accurate information
- Step 4** Pursuant to § 95981.1(a), ARB will issue ARBOCs within 15 calendar days of determining that requirements are met
- Step 5** Pursuant to § 95981.1(c), ARB will provide notice of issuance within 5 working days of issuance and approve ACR to cancel corresponding ROCs

- continued on next slide -

Steps for ARB Offset Credit Issuance

- Step 6** OPO/APD activates credits (if not yet done) and initiates ROC cancellation request on ACR Registry (can be requested simultaneously)
- Step 7** OPO/APD pays the associated ACR fees
- Step 8** ACR Administrator completes cancellation of ROCs and sends cancellation notice to ARB (the offset project status changes to “Active ARB Project”)
- Step 9** Pursuant to § 95981.1(f), ARB will transfer ARBOCs into the Holding Account of the OPO, APD, or any other third party requested by the OPO within 15 working days of ACR providing cancellation notice

ARB Regulation and Offset Project Forms

Find full information in the California Cap-and-Trade Regulation:

<https://ww2.arb.ca.gov/our-work/programs/cap-and-trade-program/cap-and-trade-regulation>

ARB has forms for:

- Designation of an APD
- Applications for Listing Projects
- Offset Project Data Reports
- Direct Environmental Benefits Status
- Evaluation of Verifier Conflict of Interest
- Notice of Verification Offset Services (NOVS)
- Offset Verification Statements
- Request for Issuance of ARBOCs

<https://ww2.arb.ca.gov/our-work/programs/compliance-offset-program/offset-program-forms>

ARB Offset Project Guidance

Find ARB general guidance for:

- Compliance Offset Project Implementation Webinar with Audio
- ARB Offset Credit Regulatory Conformance and Invalidation Guidance
- Process for the Review and Approval of Compliance Offset Protocols
- Guidance for CITSS Registration for Offset Project Operators and Authorized Project Designees
- ARB Offset Credit Issuance Process
- Technical Guidance for Offset Verifiers
- ARB Offset Credit Issuance Map User Guide (map)

Find ARB protocol-specific guidance for:

- Livestock Projects Compliance Offset Protocol 2014 FAQs
- Livestock Projects Compliance Offset Protocol 2011 FAQs
- Mine Methane Capture Projects Compliance Offset Protocol FAQs
- Ozone Depleting Substances Projects Compliance Offset Protocol 2014 FAQs
- Ozone Depleting Substances Projects Compliance Offset Protocol 2011 FAQs
- U.S. Forest Projects Compliance Offset Protocol FAQs
- Draft Guidance for the Compliance Offset Protocol U.S. Forest Projects (June 25, 2015)
- Guidance for Verifying Forest Carbon Inventories

<https://ww2.arb.ca.gov/our-work/programs/compliance-offset-program/offset-program-guidance>

ACRSM

AT WINROCK INTERNATIONAL

acrcarbon.org



acr@winrock.org



[/company/acrcarbon](https://www.linkedin.com/company/acrcarbon)