

# ACR<sup>SM</sup>

AT WINROCK INTERNATIONAL

## **Process for Registering Compliance Offset Projects on ACR for the Washington State Cap-and-Invest Program**

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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 (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

## Ecology

The Washington State Department of Ecology or its agents, including the auction administrator and the financial services administrator retained by Ecology pursuant to RCW 70A.65.100 (3).

## Direct Environmental Benefits in the State (DEBs)

In the context of offsets, environmental benefits accomplished through the reduction or avoidance of emissions of any air pollutant in the state or the reduction or avoidance of the release of any pollutant that could have an adverse impact on land or waters of the state.

## Direct GHG Emission Reduction

A reduction of GHG emissions from applicable GHG emission sources, GHG sinks, or GHG reservoirs that are under control of an offset project operator or authorized project designee.

## Direct GHG Removal Enhancement

A GHG removal enhancement from applicable GHG emission sources, GHG sinks, or GHG reservoirs under control of the offset project operator or authorized project designee.

## Offset Credit

A tradable compliance instrument that represents an emissions reduction or emissions removal of one metric ton of carbon dioxide equivalent.

## 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<sub>2</sub>e.

# Role of the Offset Project Registry

Compliance offset projects must register with an Ecology-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 Ecology
- Providing guidance to Offset Project Operators (OPOs), Authorized Project Designees (APDs), and Verification Bodies (VBs)

# ACR's Fee Schedule

<b>ACCOUNT OPENING FEE</b>	\$500
<b>ANNUAL ACCOUNT FEE</b>	\$500
<b>PROJECT LISTING REVIEW FEE</b>	\$1,000 per project
<b>CREDIT ISSUANCE FEE</b>	Free
<b>CREDIT ACTIVATION FEE</b>	\$0.20 per offset
<b>CREDIT CANCELLATION FEE</b>	\$0.03 per offset
<b>CREDIT TRANSFER FEE</b>	\$0.02 per offset
<b>CREDIT RETIREMENT FEE</b>	\$0.02 per offset
<b>SECOND VERIFICATION REVIEW FEE</b>	\$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 WAC 173-446-515 (1), the Offset Project Operator (OPO) may also designate a party as an Authorized Project Designee (APD) at the time of offset project listing or any time after offset project listing as long as the OPO meets requirements of this section.
- Per WAC 173-446-515 (2), an OPO may modify or change its designation of an APD once within each calendar year after the offset project has been listed by Ecology or an OPR by submitting a written request to Ecology or the OPR.

# Steps to List Compliance Offset Projects

- Step 1** Per WAC 173-446-520, before an offset project can be listed by Ecology or an OPR, the OPO and, if applicable, its APD must register with Ecology pursuant to WAC 173-446-055 (3)(a).
- 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 onto the Registry. Before an offset project can be publicly listed for an initial or renewed crediting period, the OPO or APD must provide the listing information in the most recently adopted version of the applicable compliance offset protocol for that offset project type as set forth in WAC 173-446-505(3).
- Step 4** OPO/APD submits listing information and pays project listing fee.
- Step 5** Pursuant to WAC 173-446-520 (6)(a), 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 (WAC 173-446-525 (4) and (5)).
- Step 2** OPO/APD selects an Ecology-approved Verification Body in the Registry.
- Step 3** Per WAC 173-446-545 (5)(b) before providing any offset verification services, the Verification Body must submit to OPO, APD, if applicable, Ecology and OPR, a self-evaluation of any potential conflict of interest (COI) between the Verification Body, its members, or any subcontractors performing offset verification services may have with the offset project operator, its authorized project designee, if applicable, or its technical consultant(s) for which it will perform offset verification services.
- Step 4** Pursuant to WAC 173-446-545 (4), ACR will review the Verification Body's COI evaluation and make a conflict of interest determination within 30 calendar days
- Step 5** Per WAC 173-446-535 (4), the Verification Body must submit a Notice of Offset Verification Services (NOVS) to ACR 10 calendar days before offset verification services begin

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# Steps for Registry Offset Credit Issuance

- Step 6** Verification Body conducts verification per Ecology requirements.
- Step 7** Once verification is complete, Verification Body uploads the Verification Statement and Verification Report pursuant to Per WAC 173-446-535.
- 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 WAC 173-446-550, 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 rule, ACR will issue serialized ROCs, and the status of the project will change to “Active Registry Project”

# Steps for Ecology Offset Credit Issuance

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

For issuance of Ecology Offset Credits (EOCs):

- Step 1** ACR provides required information and documentation to Ecology.
- Step 2** Per WAC 173-446-555 (2), OPO/APD submits Request for Issuance of EOCs to Ecology.
- Step 3** Pursuant to WAC 173-446-555 (2), Ecology will determine whether the information is complete and whether GHG emission reductions/GHG removal enhancements meet the requirements of the rule and applicable Compliance Offset Protocol within 45 calendar days of receiving a positive offset or qualified positive offset verification statement
- Step 4** Per WAC 173-446-560 (1), Ecology will issue EOCs within 15 calendar days of determining that requirements are met.
- Step 5** Per WAC 173-446-560 (3), Ecology will provide notice of issuance within 5 working days of issuance and approve ACR to cancel corresponding ROCs.

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# Steps for Ecology 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 Ecology (the offset project status changes to “Active Ecology Project”).
- Step 9** Pursuant to WAC 173-446-560 (5)(c) Ecology will transfer Ecology Offset Credits into the Holding Account of the OPO, APD, or any other third party designated by the OPO or APD within 15 business days of ACR providing cancellation notice.

# Ecology Rule and Offset Project Forms

**Find full information in the Climate Commitment Act Program Rule:**

<https://ecology.wa.gov/regulations-permits/laws-rules-rulemaking/closed-rulemaking/wac-173-446>

**Ecology has forms for:**

- Designation of an APD
- Project Listing Applications
- Application for Direct Environmental Benefits Status and Demonstration of No Significant Environmental Impacts
- Offset Project Data Reports
- Evaluation of Verifier Conflict of Interest
- Notice of Offset Verification Services (NOVS)
- Offset Verification Statements
- Request for Issuance of EOCs

<https://ecology.wa.gov/Air-Climate/Climate-Commitment-Act/Cap-and-invest/Offsets>



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