



TOOL FOR

# CARBON CAPTURE AND STORAGE PROJECTS RESERVE ACCOUNT CONTRIBUTION DETERMINATION

VERSION 1.0

May 2026

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ACR<sup>SM</sup>

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## **ABOUT ACR<sup>SM</sup>**

ACR is a leading global carbon crediting program operating in regulated and voluntary carbon markets. Founded in 1996 as the first private voluntary greenhouse gas (GHG) registry in the world, ACR creates confidence in the integrity of carbon markets to catalyze transformational climate results. ACR ensures carbon credit quality through the development of environmentally rigorous, science-based standards and methodologies as well as oversight of GHG project verification, registration, and credit issuance and retirement reporting through its transparent registry system. ACR is governed by Environmental Resources Trust LLC, a wholly owned nonprofit subsidiary of Winrock International.

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# Acronyms & Abbreviations

CCS	carbon capture and storage
CO <sub>2</sub>	carbon dioxide
ERT	Emission Reduction Ton
GHG	greenhouse gas
MRV	monitoring, reporting, and verification

# 1 Introduction

## 1.1 Summary & Applicability

The *Tool for Carbon Capture and Storage Projects Reserve Account Contribution Determination* (CCS Reserve Account Contribution Tool, or Tool) provides an assessment framework for greenhouse gas (GHG) projects utilizing the *Methodology for the Quantification, Monitoring, Reporting and Verification of Greenhouse Gas Emissions Reductions from Carbon Capture and Storage Projects* (CCS Methodology) to determine the Reserve Account Contribution, which is the proportion of credits deposited at each issuance into the ACR Reserve Account to mitigate the risk of reversals.

Carbon capture and storage projects have the potential for GHG emission reductions and removals to be reversed and employ a risk mitigation option in accordance with the *ACR Standard*. Projects contributing to the Reserve Account may utilize this Tool to assess risk and derive a reduced Reserve Account Contribution Percentage (Equation 1 of this Tool) and associated Reserve Account Contribution for the Project (see Equation 38 of the CCS Methodology). If Project Proponents choose not to utilize the Tool, the 10% default contribution value shall apply.

This Tool and the *ACR Reserve Account Terms and Conditions* operate in conjunction with the legally binding ACR CCS Project Reversal Risk Mitigation Contract between ACR and Project Proponents. The Reversal Risk Mitigation Contract details the requirements for reporting and compensating for Reversals.

## 1.2 Risk Assessment Reporting & Verification

The results of the initial risk assessment and resulting Reserve Account Contribution Percentage must be reported within or as an appendix to the GHG Project Plan. Subsequent risk assessments, performed throughout the Crediting Period (and any renewed Crediting Period, if applicable), must be reported within or as an addendum to the Monitoring Report, per the *ACR Reserve Account Terms and Conditions*.

For programmatic development approach projects, an updated risk assessment is required in conjunction with validation and prior to ERT issuance to any newly enrolled geologic storage reservoirs.

The results of the risk assessment and associated Reserve Account Contribution Percentage must be reported and verified during each full verification, including:

- A list of utilized eligible risk deduction categories (Section 2) and the associated percentage point reduction for each.
- Justification for the deduction in conformance with the requirements in Section 2 of this Tool.

The Project Proponent must provide, and the Validation and Verification Body must review, documentation supporting each risk deduction claim.

## 2 Risk Reduction & Deductions

This tool evaluates three risk reduction categories for CCS projects and outlines what deductions can be made from the default ACR Reserve Account Contribution Percentage of 10% down to a minimum percentage of 2.5%. The following table outlines these three risk categories.

**Table 1: Risk Categories Eligible for Deductions**

<b>FINANCIAL</b>	Financial failure may compromise the continued monitoring, reporting, and verification (MRV) of the CO <sub>2</sub> plume and could terminate the project without assuring the permanence of previously issued ERTs. Projects for which the associated business has a high credit rating are eligible for a deduction. See Section 2.1.
<b>REGULATORY REVIEW OF MRV PLAN</b>	Projects and/or the project injection wells subject to jurisdictional review and approval of MRV plans consistent with the requirements outlined in Section 7.3 of the CCS Methodology are eligible for a deduction. See Section 2.2.
<b>JURISDICTIONAL RESPONSIBILITY</b>	Projects for which a jurisdiction will accept responsibility for long-term monitoring and remediation of the stored CO <sub>2</sub> are eligible for a deduction. See Section 2.3.

Projects utilizing this tool shall calculate deductions to the default ACR Reserve Account Contribution Percentage for each applicable risk category according to the following requirements.

### 2.1 Financial Risk Deduction

Projects for which the signatory to the ACR CCS Project Reversal Risk Mitigation Contract has a high long-term credit rating listed in Table 2 may deduct 2.5% for **Financial Risk Deduction** in Equation 1. The Project Proponent can use Moody's Investor Service,<sup>1</sup> S&P Global Ratings,<sup>2</sup> or Fitch Ratings<sup>3</sup> to demonstrate a high credit rating. Lower credit ratings are not eligible for financial risk deductions.

<sup>1</sup> <https://www.moodys.com/>

<sup>2</sup> <https://www.spglobal.com/ratings/en>

<sup>3</sup> <https://www.fitchratings.com/search/>

**Table 2: Financial Risk Deduction Based on High Long-Term Credit Rating**

MOODY'S RATING	S&P / FITCH RATING	FINANCIAL RISK DEDUCTION
Aaa	AAA	2.5%
Aa1	AA+	
Aa2	AA	
Aa3	AA-	
<Aa3	<AA-	0%

## 2.2 Regulatory Review Deduction

Projects and/or the project injection wells subject to jurisdictional review and approval of MRV plans consistent with the requirements outlined in section 7.3 of the CCS Methodology may deduct 2.5% for **Regulatory Review Deduction** in Equation 1.

In the United States, this deduction only applies to projects that maintain Class VI well permits and associated approved MRV plans. Projects in Canada must demonstrate that the applicable jurisdictional MRV requirements are as rigorous or more rigorous than the requirements found in Section 7.3 of the CCS Methodology and that the MRV plans are subject to jurisdictional review and approval.

## 2.3 Jurisdictional Responsibility Deduction

Projects for which a jurisdiction will accept responsibility for long-term monitoring and remediation of the stored CO<sub>2</sub> are eligible for a deduction of 2.5% for **Jurisdictional Responsibility Deduction** in Equation 1. Project Proponents must demonstrate that all geologic storage reservoirs within the CCS project are eligible under current statute(s), regulations, directives, and other jurisdictional rules, for the applicable state, province, or other jurisdiction to assume responsibility for monitoring and remediation of the stored CO<sub>2</sub>. This includes demonstrating that all well permit type(s) for the project allow for jurisdictional assumption of responsibility.

# 3 ACR Reserve Account Contribution Percentage

The Project Proponent’s ACR Reserve Account Contribution Percentage shall be calculated via the following equation.

## Equation 1: ACR Reserve Account Contribution Percentage

$$\text{ACR Reserve Account Contribution Percentage} = 10\% - \text{Financial Risk Deduction} - \text{Regulatory Review Deduction} - \text{Jurisdictional Responsibility Deduction}$$

### WHERE

ACR Reserve Account Contribution Percentage	Percent of the Total Emission Reductions and Removals for each Reporting Period that must be held in the ACR Reserve Account. This value shall be entered into Equation 38 (Reserve Account Contribution) of the CCS Methodology. If the Project Proponent elects not to perform a risk reduction assessment, this value shall be the default value of 10%.
Financial Risk Deduction	See Section 2.1. Project Proponents may deduct 2.5%.
Regulatory Review Deduction	See Section 2.2. Project Proponents may deduct 2.5%.
Jurisdictional Responsibility Deduction	See Section 2.4. Project Proponents may deduct 2.5%.