



PROCESS FOR REGISTERING
OFFSET PROJECTS USING
ACR-APPROVED METHODOLOGIES

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 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

Key Definitions

- **ACR-Approved Methodology** means a GHG quantification, monitoring, reporting, and verification methodology published by ACR after public consultation and scientific peer review.
- **ACR Standard** is a document that details ACR's requirements and specifications for the quantification, monitoring, and reporting of project based GHG emissions reductions and removals, verification, project registration, and issuance of carbon credits. The Standard establishes the quality level that every project must meet in order for ACR to register its GHG emissions reductions and removals as tradable environmental assets. ACR registers only projects that meet the ACR Standard.
- **Carbon Offset** means a reduction, removal, or avoidance of GHG emissions that is used to compensate for GHG emissions that occur elsewhere. In a regulated market, offsets are GHG reductions from projects undertaken outside the coverage of a mandatory emissions reduction system for which the ownership of verifiable GHG emission reductions can be transferred and used by a regulated source to meet its emission reduction obligations.

Key Definitions (cont.)

- Emission Reduction Ton (ERT) is the ACR unit of exchange for tradable, project-based carbon offsets. ERTs refer to both emission reductions and enhancements in sequestration. ACR issues one ERT for each metric ton of CO₂e emission reductions or removals verified against an ACR Standard and methodology.
- GHG Emission Reduction is the measured decrease of GHG emissions over a specified period relative to an approved baseline.
- GHG Removal is the mass of GHGs removed from the atmosphere over a specified period relative to an approved baseline.
- Listing is the process by which a Project Proponent submits an Offset Project Listing Form to ACR for review, the successful outcome of which results in the project being approved for listing as a project on the ACR platform. ACR's review and subsequent approval of a project listing is not a project registration, nor does it take the place of a successful validation and verification.

Key Definitions (cont.)

- **Project Proponent** is an individual or entity that undertakes, develops, and/or owns a project. This may include the project investor, designer, and/or owner of the lands/facilities on which project activities are conducted. The Project Proponent and landowner/facility owner may be different entities. The Project Proponent is the ACR account holder.
- **Registration Projects** are considered registered and eligible for ERT issuance into a Project Proponent's account upon acceptance of the validation report and a positive verification opinion.
- **Start Date** For non-AFOLU projects, the date on which the project began to reduce GHG emissions against its baseline. For AFOLU projects, the date on which the Project Proponent began the activity on project lands, with more specific guidance in the relevant ACR sector-specific requirements.

Key Definitions (cont.)

- Validation/Verification Body (VVB) is a competent and independent person, persons, or firm responsible for performing the validation and/or verification process. A VVB must be ACR-approved to conduct validation and/or verification.
- Validation is the systematic, independent, and documented process for the evaluation of a GHG Project Plan against applicable requirements of the ACR Standard, sector standard, and approved methodology. Validation must be conducted by an ACR-approved independent third-party Validation and Verification Body (VVB).
- Verification is the systematic, independent, and documented assessment by a qualified and impartial third party of the GHG assertion for a specific reporting period. The verification process is intended to assess the degree to which a project complies with ACR-approved methodologies, tools, eligibility criteria, requirements, and specifications, and has correctly quantified net GHG reductions or removals. Verification must be conducted by an ACR-approved independent third-party Validation and Verification Body (VVB).

ACR's Fee Schedule

| | |
|-------------------------|---------------------|
| Account opening | \$500 |
| Annual account fee | \$500 |
| ACR project listing fee | \$1,000 per project |
| <hr/> | |
| Offset issuance fee | Free |
| Offset activation fee | \$0.15 per offset |
| Offset transfer fee | \$0.02 per offset |
| Offset retirement fee | \$0.02 per offset |
| <hr/> | |

New methodology development follows a multi-step fee-based process (see fee schedule)

Steps to List ACR Offset Projects

1. The Project Proponent opens an account on ACR following instructions found at <https://americancarbonregistry.org/how-it-works/membership> and establishes desired logins and sub-accounts following the steps in the Operating Procedures, found on the same website.
2. Every project submitted for listing must use an active, ACR-approved methodology found at <https://americancarbonregistry.org/carbon-accounting/standards-methodologies>.
3. Project Proponent submits a new project on the Registry, including the upload of an Offset Project Listing Form using the template found at <https://americancarbonregistry.org/carbon-accounting/guidance-tools-templates> and pays the invoice for the project listing fee.
4. ACR reviews the Offset Project Listing Form for completeness, and alignment with the ACR Standard.

- continued on next slide -

Steps to List ACR Offset Projects

5. ACR review of the Offset Project Listing Form results in:
 - a) Project Listing with approval to proceed to Validation/Verification Body (VVB) selection,
 - b) Requests for clarifications or corrections, or
 - c) Rejection because the project is ineligible or does not meet requirements of the ACR Standard.

A project is considered listed once the Offset Project Listing Form is approved. The project listing information and form will then be made public on the Registry.

6. Having received listing approval, the Project Proponent develops the GHG Project Plan. A template for the GHG Project Plan can be found at <https://americancarbonregistry.org/carbon-accounting/guidance-tools-templates>.

Validation & Verification Basics

- Validation must occur within a specified amount of time after the Project Start Date.
 - Agriculture, Forestry, and Other Land Use (AFOLU) Projects must be validated within 3 years of the project Start Date.
 - Non-AFOLU Projects must be validated within 2 years of the project Start Date.

Some exceptions may apply, see specific requirements in the ACR Standard, found at <https://americancarbonregistry.org/carbon-accounting/standards-methodologies>.
- Validation of the GHG Project Plan and verification of the Project's GHG statements for the first reporting period as presented in the monitoring report may be conducted by the same entity and may occur simultaneously.
- A list of ACR-approved VVBs can be found at <https://americancarbonregistry.org/carbon-accounting/verification/verification>

Steps to Validate ACR Offset Projects

1. The Project Proponent identifies an ACR-approved independent third-party VVB to validate the GHG Project Plan, negotiates the terms of engagement with the VVB, and selects the VVB within the Registry.
2. After the Project Proponent selects a VVB, the VVB shall upload a Project-Specific Conflict of Interest Form for review by ACR. The form can be found at <https://americancarbonregistry.org/carbon-accounting/verification/verification>.
3. ACR must approve the VVB selection prior to the start of validation services based on proper accreditation, conflict of interest review, and VVB rotation requirements.
4. Once the VVB is approved by ACR, the Project Proponent uploads the GHG Project Plan (if not already uploaded).

- continued on next slide -

Steps to Validate ACR Offset Projects

5. The Project is now ready for validation. The VVB will begin validation services in accordance with the ACR Standard and the ACR Validation and Verification Standard, both found at <https://americancarbonregistry.org/carbon-accounting/standards-methodologies>.
6. After completing the validation, the VVB will upload a validation report and validation opinion.
7. The Project Proponent will review the VVB's uploaded documents and submit them to ACR for final approval within the Registry.
8. ACR reviews the project and validation documents. This results in (a) acceptance, (b) acceptance contingent on requested corrections or clarifications, or (c) rejection.
9. Upon acceptance of the submitted documents, ACR makes the final validated GHG Project Plan, validation report, and validation opinion public on the Registry.

Steps to Verify ACR Offset Projects

1. The Project Proponent identifies an ACR-approved independent third-party VVB to verify the Project's GHG statement, negotiates the terms of engagement with the VVB, and selects the VVB within the Registry.
2. After the Project Proponent selects a VVB, the VVB shall upload a Project-Specific Conflict of Interest Form for review by ACR. The form can be found at <https://americancarbonregistry.org/carbon-accounting/verification/verification>.
3. ACR must approve the VVB selection prior to the start of verification services based on proper accreditation, conflict of interest review, and VVB rotation requirements.

- continued on next slide -

Steps to Verify ACR Offset Projects

4. Once the VVB is approved by ACR, the Project Proponent enters the Project Emission Reductions/Removals data in the Registry and uploads the Monitoring Report and any other required supplemental documents (e.g., a Reversal Risk Mitigation Agreement is required for certain terrestrial or geologic sequestration project types).

A template for the Monitoring Report can be found at

<https://americancarbonregistry.org/carbon-accounting/guidance-tools-templates>.

5. The Project is now ready for verification. The VVB will begin verification services in accordance with the ACR Standard and the ACR Validation and Verification Standard, both found at <https://americancarbonregistry.org/carbon-accounting/standards-methodologies>.
6. After completing the verification, the VVB will upload a verification report and verification opinion.

- continued on next slide -

Steps to Verify ACR Offset Projects

7. The Project Proponent will review the VVB's uploaded documents and submit them to ACR for final approval within the Registry.
8. This results in (a) acceptance, (b) acceptance contingent on requested corrections or clarifications, or (c) rejection.
9. Upon acceptance of the submitted documents, ACR registers the project and makes the final verification report and verification opinion public on the Registry.

Steps for Offset Credit Issuance

1. Upon acceptance of the submitted reporting and verification documents, ACR serializes and issues to the Project Proponent's account Emission Reduction Tons (ERTs) for the relevant reporting period, in the amount listed in the verification opinion.

In the case of a terrestrial or geologic sequestration project, the appropriate number of ERTs are deposited into the ACR Buffer Pool or Reserve Account, if this is the approved risk management option the Project Proponent has chosen.

2. ERTs are issued as inactive and the Project Proponent, at their discretion, can activate the credits. Initiating activation generates an invoice and activation occurs upon receipt of payment.
3. Active ERTs can be transacted or retired in accordance with the ACR Terms of Use, Operating Procedures, and Fee Schedule, all found at <https://americancarbonregistry.org/how-it-works/membership>.

Additional ACR Resources

Visit the ACR Registry <https://acr2.apx.com/> to:

- View public reports
- Open an ACR account
- Login to an ACR account
- Enter Project data and upload documents
- View invoices
- Activate, transact, and/or retire credits

Visit <https://americancarbonregistry.org/how-it-works/membership> for:

- Instructions for Opening a New ACR Account
- New Account Application Form
- Account Manager Authorization Templates
- Terms of Use
- Operating Procedures
- Fee Schedule
- Announcement of ACR Linkage with CBL

- continued on next slide -

Additional ACR Resources

Visit <https://americancarbonregistry.org/carbon-accounting/standards-methodologies> for:

- ACR Standard
- ACR Validation and Verification Standard
- Approved Methodologies

Visit <https://americancarbonregistry.org/carbon-accounting/guidance-tools-templates> for:

- Template for Offset Project Listing Form
- Template for GHG Project Plan
- ACR Buffer Pool Terms and Conditions
- Template for Monitoring Report
- Template for ACR Project Deviation Request
- Additional Project Guidance

Visit <https://americancarbonregistry.org/carbon-accounting/verification/verification> for:

- List of ACR-Approved VVBs
- Project Specific Conflict of Interest Form