



AMERICAN CARBON REGISTRY
Operating Procedures

April 2015

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1 INTRODUCTION

1.1 About the AMERICAN CARBON REGISTRY

The AMERICAN CARBON REGISTRY® (ACR) is a leading carbon offset program with two decades of unparalleled carbon market experience in the development of rigorous, science-based offset standards and methodologies as well as operational experience in the oversight of offset project verification, registration, offset issuance, offset retirement and cancellation reporting through ACR's online registry system, powered by APX. ACR is a non-profit enterprise of Winrock International, which works with people in the U.S. and around the world to empower the disadvantaged, increase economic opportunity, and sustain natural resources.

AMERICAN CARBON REGISTRY is approved by the California Air Resources Board (ARB) to serve as an Offset Project Registry (OPR) and Early Action Offset Program (EAOP) for the California cap-and-trade offset program. ACR's work as a California OPR is governed by the California cap-and-trade regulation and compliance offset protocols approved by the ARB.

The AMERICAN CARBON REGISTRY serves as the book of record for tracking offset project listing, independent verification, and the issuance, transfer, retirement and/or cancellation of, and custodial services for, Verified Emissions Reductions referred to as Emission Reduction Tons (ERTs) and Registry Offset Credits (ROCs), both recognized as Offset Credits. ACR has engaged APX, Inc., as its technology provider with respect to the American Carbon Registry.

ACR Project Proponents, including Offset Project Operators and Authorized Project Designees under the California Cap-and-Trade Program, are required to have an AMERICAN CARBON REGISTRY account in order to receive Offset Credits issued by the AMERICAN CARBON REGISTRY. Additionally, registry accounts are required for all parties wishing to hold, transfer, retire or cancel Offset Credits using the AMERICAN CARBON REGISTRY.

The AMERICAN CARBON REGISTRY Administrator will issue one serialized Offset Credit for each ton of CO₂e emissions that are offset by verified projects. To ensure that double-counting does not occur, Project Proponents participating in the AMERICAN CARBON REGISTRY must have 100% of their project's verified emissions reductions for a monitoring and reporting period issued by the AMERICAN CARBON REGISTRY.

Any party, including non-Project Proponents, such as traders, marketers, and end-use customers wishing to hold, transfer, or cancel Offset Credits may establish an account in the system. All Account Holders must agree to follow the rules and operating procedures described in this document and in the AMERICAN CARBON REGISTRY Terms of Use agreement. All AMERICAN CARBON REGISTRY accounts use a primary account, active sub-accounts, and retirement sub-accounts to manage Offset Credits. Active sub-accounts are used for holding and transferring Offset Credits. Retirement sub-accounts

are used for retiring Offset Credits from circulation so that they can no longer be transferred between Account Holders or within an account. Account Holders can create multiple active and retirement sub-accounts to help organize Offset Credits within the account.

AMERICAN CARBON REGISTRY Offset Credits are issued into the Account Holder's primary account. Account Holders can then transfer AMERICAN CARBON REGISTRY Offset Credits to other sub-accounts and other Account Holders, retire Offset Credits in their own account (including on behalf of third parties) or cancel Offset Credits for conversion to ARB Offset Credits.

The AMERICAN CARBON REGISTRY will provide the AMERICAN CARBON REGISTRY Administrator, Account Holders, and the public with reports on activity within the system. Public reports will be accessible to anybody via the public page on the AMERICAN CARBON REGISTRY website, <http://www.americancarbonregistry.org>.

1.2 Geographic Scope

There are no geographic limitations on Account Holders or verified offset project registration. ACR rules in this respect however apply.

2 Accounts and User Registration

2.1 Participation in the AMERICAN CARBON REGISTRY

Project Proponents seeking listing and registration of offset projects are required to have an account in the AMERICAN CARBON REGISTRY. Any party, including non-Project Proponents, such as traders, marketers, and end-use customers wishing to hold, transfer, retire or cancel Offset Credits must establish an account in the AMERICAN CARBON REGISTRY. The AMERICAN CARBON REGISTRY will only track Offset Credits originating from verified offset projects that have been validated and verified by a Verifier/Validator recognized by ACR or approved by the ARB

There are four types of AMERICAN CARBON REGISTRY accounts:

- Project Developer
- Transaction Account
- Corporate Account
- Verifier

The Project Proponent account type is the only account type that can register offset projects. Both Project Proponent and General Account Holders can hold, transfer, and retire Offset Credits. Verifier accounts are used to provide Verifiers/Validators the ability to review, validate and verify project data and documents for projects to which they have been assigned.

2.2 Corporate/Transaction or Project Developer Accounts

Any entity wanting to participate in the AMERICAN CARBON REGISTRY must establish a AMERICAN CARBON REGISTRY account. There is no limit to the number of separate accounts a company may establish. Registrants will provide basic account registration information, such as Account Holder name, address, contact information, etc., to the AMERICAN CARBON REGISTRY Administrator through a secure web-page on the AMERICAN CARBON REGISTRY website. For the account to be approved and activated, the registrant must review and agree to the AMERICAN CARBON REGISTRY Terms of Use agreement, which is integrated into the online account registration process. Registrants can review the Terms of Use agreement online or print out a paper copy, as necessary.

An account in the AMERICAN CARBON REGISTRY will remain active until terminated. Termination can be initiated either by the Account Holder by notifying the AMERICAN CARBON REGISTRY Administrator, or by the AMERICAN CARBON REGISTRY Administrator directly.

The AMERICAN CARBON REGISTRY Fees are maintained in the Fee Schedule. Please review the current Fee Schedule at <http://americancarbonregistry.org/how-it-works/membership>

2.3 Verifier Accounts

To receive a Verifier account in the AMERICAN CARBON REGISTRY, a prospective Verifier must complete the online account registration. Verifiers for voluntary offset projects must undergo the ACR Accreditation process. Verifiers accredited by ARB are approved for verification of California offset projects without having to undergo a separate ACR accreditation. All ACR Accredited Verifiers are shown on the ACR website, <http://www.americancarbonregistry.org/carbon-accounting/verification>.

Within the AMERICAN CARBON REGISTRY, Verifiers/Validator will review and verify the accuracy of project data and documents. Additionally, Verifiers/Validator will have the ability to upload project documents. Verifiers/Validator are limited to viewing and working in project records as assigned by Project Proponents.

There are no AMERICAN CARBON REGISTRY fees for Verifier accounts.

3 Access to Accounts and Confidentiality

3.1 Account Access

Account Managers have full access to any account that they establish. They also have the **sole** ability to assign login permission to other individuals, which will require viewing information, performing transfers, changing personal information, etc. The Account Manager may add additional users to his/her account at any point by accessing the Account Management module, Review/Edit/Add Logins link.

User access may be granted at the account or sub-account level. The process for granting access is generally as follows: the Account Manager is required to fill out an on-

line form for each login/user they want to add to their account. The Account Manager provides information about each user such as name and email address and indicates the level of access that is permitted and the sub-accounts that can be accessed.

NOTE: The AMERICAN CARBON REGISTRY Terms of Use agreed to by each Account Manager applies to any person who receives access to an AMERICAN CARBON REGISTRY account from an Account Manager.

The Account Manager will select a login and an initial password for a new user and communicate this login and initial password to the new user. When logging into the AMERICAN CARBON REGISTRY for the first time, the AMERICAN CARBON REGISTRY will prompt the new user to change his/her password. The new user will then be able to perform the functions or view the information per the permissions granted by the Account Manager. The Account Manager may at any time revoke the permissions granted to a user by using the account administration functionality.

The AMERICAN CARBON REGISTRY's My Event Log report tracks and displays all account activities for each user through the unique user ID. All AMERICAN CARBON REGISTRY users will be able to access the My Event Log report for their account(s). This report shows registry users all activities associated with the account with which their login is associated. The Account Manager will see all activities for all logins accessing the account.

3.2 Levels of Account Access

When an Account Manager creates logins for additional users to access the account to review data or complete specific actions, the Account Manager assigns the logins specific rights to the account. The following sections describe the rights and access the Account Holder can assign to new users.

3.2.1 Account Holder - Admin

When completing the login profile for a new user, the Account Manager can assign the login Account Holder - Admin privileges. This provides the login with all the same rights as the Account Manager. The new login will be able to register projects, manage Offset Credits, and create additional logins, if necessary.

3.2.2 Account Holder – Limited Access

When completing the login profile for a new user, the Account Manager can assign the login Account Holder - Limited Access. The Account Manager will identify the specific sub-accounts and offset projects that the login will be able to access and view. This provides the login with limited rights to access and view account information.

3.3 Public or Private Accounts

As part of the account registration process, the Account Manager can designate the account as a Public or Private account. General account information is displayed to the public via a public report if an account is marked as Public. If an account is marked as Private no identifiable account information will be shared with the public or other Account Holders. Only the AMERICAN CARBON REGISTRY Administrator will have the ability to view any Private account information. The Account Manager can change the account privacy setting at any time.

As stated in the Privacy Policy, which is displayed as a part of the registration process, except where permission has been explicitly granted, all Account Holder information from Public and Private accounts will be held strictly confidential. Account Holder information will only be used and released in aggregate through the reporting process.

4 Account and Sub-Account Structure

Project Developers, Transaction and Corporate Account Holders can organize Offset Credits using two types of sub-accounts: Active and Retirement sub-accounts. When an AMERICAN CARBON REGISTRY account is created, a primary account is created as well as a default Retirement sub-account and a default Active sub-account. It is possible to establish multiple Active and Retirement sub-accounts at the Account Holder's discretion. Offset Credits are initially issued as Inactive. Once activated, the Offset Credits will move to the account holder's primary account. Account Holders can then transfer Offset Credits to other sub-accounts. The Account Holder will be able to view a listing of Offset Credits in each sub-account, including the offset project characteristics associated with each Offset Credit or block of Offset Credits.

Each account and sub-account will have a unique identification number, similar to a banking system where checking and savings accounts associated with a single individual each have unique account numbers. Users may attach aliases to sub-accounts for ease of reference (e.g., by customer, by product name, by vintage, etc.)

AMERICAN CARBON REGISTRY users will be able to perform various functions and transactions within each account and sub-account type, as described below. There are no limitations on the number of Active or Retirement sub-accounts that an Account Holder may have.

To establish an omnibus account, please see the requirements in the Terms of Use and in the Regulated Person Attestation posted on the Registry Site.

4.1 Deposits into Active Accounts

There are three ways that AMERICAN CARBON REGISTRY Offset Credits are deposited into the primary account or sub-accounts.

- (a) Within an account, Offset Credits can be transferred from one active sub-account to another or between an active sub-account and the primary account.
- (b) An Account Holder can accept a transfer of Offset Credits from another AMERICAN CARBON REGISTRY Account Holder into the primary account or an active sub-account.
- (c) Credits can be issued as Inactive by the AMERICAN CARBON REGISTRY Administrator based on verified emission offsets and will appear in the primary account upon Activation.

4.2 Transfers from Active Accounts

There are two ways to withdraw or remove Offset Credits from the primary account or active sub-accounts:

- (a) Transfer the AMERICAN CARBON REGISTRY Offset Credits to another AMERICAN CARBON REGISTRY Account Holder, or
- (b) Transfer the AMERICAN CARBON REGISTRY Offset Credits to the Account Holder's own primary account or another sub-account (active or retirement).

4.3 Retirement Sub-Accounts

A single default Retirement sub-account will be established when an Account Holder registers with the AMERICAN CARBON REGISTRY. An Account Holder may establish additional Retirement sub-accounts, as needed. A Retirement sub-account is used as a repository for AMERICAN CARBON REGISTRY ERTs that the Account Holder wants to designate as retired.² AMERICAN CARBON REGISTRY Offset Credits in a Retirement sub-account are no longer transferable to another party, and serve as an electronic record or proof of retirement. Similarly, AMERICAN CARBON REGISTRY Offset Credits in a Retirement sub-account cannot be transferred into any other sub-account, including another Retirement sub-account (if an Account Holder has multiple Retirement sub-accounts). The Retirement sub-account is effectively the last resting place for a AMERICAN CARBON REGISTRY Offset Credit.

There is only one way for AMERICAN CARBON REGISTRY Offset Credit to be deposited in the Retirement sub-account; they must be transferred into the Retirement sub-account by the Account Holder from one of his/her Active sub-accounts or from the primary account.

4.4 Group Retirement Sub-Accounts

In cases where an Account Holder has received permission from ACR to retire Offset Credits in their account on behalf of others (as described in Section 6 of the Terms of Use), a group retirement sub-account should be established. An Account Holder will create a retirement sub-account and name the sub-account beginning with "Group-[Insert Customized Name]". For all retirements in the group retirement sub-account, the beneficial owners must have provided written authorization to the Account Holder prior to the Account Holder completing the retirement on their behalf. ACR may from time-to-time request to audit these sub-accounts and request documentation to support the holdings. In addition, upon retirement of Offset Credits on behalf of a beneficial owner, the Account Holder must select:

Retirement Reason = Retirement for Person or Organization

Beneficial Owner = Indicate Name of Person or Organization

Retirement Reason = Purpose of retirement by Person or Organization.

² An Account Holder may want to retire Offset Credits for any number of reasons, including, but not limited to: retiring Offset Credits on behalf of customers or making claims about the environmental quality benefits of the Offset Credits.

5 Offset Project Registration

All Project Proponents who want Offset Credits issued for their projects must first establish a Project Proponent account within the AMERICAN CARBON REGISTRY, as described above, prior to registering their offset project(s). Obtaining an AMERICAN CARBON REGISTRY account with the AMERICAN CARBON REGISTRY does not imply or confer project registration. To ensure that double-counting does not occur, offset projects registered in the AMERICAN CARBON REGISTRY must have 100% of the generated offsets for a specific vintage period issued and tracked by the AMERICAN CARBON REGISTRY.

To register the offset project(s), the Project Proponent must complete the following actions:

- Submit an on-line offset project setup form containing information related to the characteristics of the project. Most of these details should be easily attainable from the Project Listing or Project GHG Plan document.
- Submit all required documents identified by the ACR electronically by using the Document Upload screen.

Offset projects that are jointly owned must privately appoint a single party to act as the single point of contact, which will be the Account Manager.

One or more offset projects may be associated with a single AMERICAN CARBON REGISTRY account. As a result of this process, Offset Credits from multiple offset projects associated with the same account will be initially issued as Inactive. Once deposited, Account Holders can choose to activate them in order to organize, transfer, retire or cancel the Offset Credits as they see fit. See Section 8 for more details regarding activating Offset Credits. .

5.1 Assignment of Project Verifiers

Each voluntary or Early Action offset project in the AMERICAN CARBON REGISTRY requires project validation and verification by a ACR-approved Verifier/Validator. As part of the project validation and verification processes, the Project Proponent identifies the Verifier(s) that will be performing project validation and verification using the Project Setup screen. The Project Proponent will select the Verifier(s) performing validation and verification from a list of the accredited Verifiers for that project type. Please note the Project Proponent must contact the Verifiers and agree to the terms for validation and verification of the project before selecting Verifiers on the Project Information screen.

Each California compliance offset project in the AMERICAN CARBON REGISTRY requires project verification by an ARB accredited Verifier and Verification Body. As part of the project verification processes, the Project Proponent identifies the verification Body that will be performing project verification using the Project Setup screen, which includes a list of the accredited Verifiers for that project type.

For the offset projects to which Verifiers are assigned, the Verifiers are responsible for providing the documents required by ACR and/or ARB and for upload into the Registry, including conflict of interest disclosure forms.

5.2 Project Registration Process

The Project Setup screen and Project Management module within the AMERICAN CARBON REGISTRY have been designed to facilitate and track project registration. The screen and module display the project's status and registration next steps so the Project Proponent and AMERICAN CARBON REGISTRY Administrator know who is responsible for taking the next action in the registration and issuance process. Additionally, there are command buttons that appear in the Project Setup screen that appear at different stages in the registration process, which are used to further help facilitate project registration and Offset Credit issuance.

The project status and next step are changed by the Project Proponent by pressing command buttons on the Project Setup Screen. To help guide Account Holders through the project registration process, the Project Proponent will only be able to select buttons that are appropriate at that time. A complete list of the valid status and next steps is listed in the table below.

Table 1 - Project Registration Status

Status	Registration Phase	Next Step	Party to take Next Action	Comments
NEW	Project Submittal Pending	Submit Project	Project Developer	Buttons: Save, Submit Project for Certification, Submit Project for Listing Review, Cancel The Administrator will begin to review the project when the Project Eligibility Fee has been paid
NEW	Project Submitted – Project Certification Fee Due	Pay Project Certification Fee	Project Developer	Review pending fee payment.
NEW	Project Submitted for Listing Review	Administrator to Review Project Listing	Administrator	Project data is still editable by Project Developer. Buttons: Approve Project Listing, Save, Cancel The administrator will change the status of the project if it is to be rejected or approved.
LISTED	Project Listing Approved, Submittal Pending	Submit Project	Project Developer	Buttons: Save, Submit Project for Certification, Cancel The Administrator will begin to review the project when the Project Certification Fee has been paid
NEW, LISTED	Project Re-Submittal Pending	Revise and Resubmit Project	Project Developer	Buttons: Save, Submit Project for Certification, Cancel You will receive an e-mail from Registry staff with the specific revision request. When the changes have been made, you may re-submit the project.
NEW,	Project Ready for	Administrator	Administrator	Project data is locked to Project

Status	Registration Phase	Next Step	Party to take Next Action	Comments
LISTED	Review	or Review Project for Certification	tor	Developer except Project Contact Details. Buttons: Save, Cancel, Require Re-Submittal of Project, Approve Project If Approved, the project status is moved to Registered and shown publicly depending on designation by the project developer in the project setup screen.
REGISTERED	Project Certified	Project Developer to Select Verifier	Project Developer	Project Verification Body selection is now enabled. When a new verifier is selected and project setup screen Save button pressed, the project automatically gets placed in phase for Verifier to submit COI.
REGISTERED	Verifier Selected	Verifier to Submit COI	Verifier	Buttons: Submit COI
REGISTERED	COI Ready for Review	Administrator or Review COI	Administrator	Buttons: Approve COI, Require Resubmittal of COI
REGISTERED	Pending COI Re-Submittal	Verifier to Resubmit COI	Verifier	Registry staff will work directly with the verification body to resolve outstanding issues regarding your project.
REGISTERED	COI Approved	Submit Emission Reduction Data to Verifier	Project Developer	Buttons: Submit Project for Verification Project Developer can enter emissions/issuance data.
REGISTERED	Ready for Verification	Verifier to Review Data and Submit Opinion	Verifier	Buttons: Submit Project Verification,
REGISTERED	Pending Emissions Data Resubmittal	Revise Emissions Data	Project Developer	Buttons: Submit Project for Verification.
REGISTERED	Verifier Opinion Submitted	Submit Project for Final Approval	Project Developer	Buttons: Submit Project for Final Approval The Administrator will now begin to review the project.
REGISTERED	Project Verification Submitted for Final Approval	Administrator to Review Project	Administrator	Buttons: Require Resubmittal of Project Data, Require Resubmittal of Verifier Documents, Approve Project
REGISTERED	Pending Verifier Opinion Re-Submittal	Verifier to Revise Opinion	Verifier	Buttons: Submit Project for Final Approval

Status	Registration Phase	Next Step	Party to take Next Action	Comments
REGISTERED	Registered, Credits Issued	Submit Emissions Reduction Data to Verifier	Project Developer	Buttons: Submit Project for Verification

As a project is moved to a new status, the AMERICAN CARBON REGISTRY system automatically generates emails to the party required to perform the action identified as the next step. The Project Proponent is automatically notified of each status change by email. Once Offset Credits are issued and the project status is changed to “Issued”, the project proponent will only need to go back into the registry to submit a new Offset Data Report for a new reporting period (for California compliance offset projects) or to begin a new verification cycle for voluntary offset projects. The dates of monitoring periods are decided by the Project Proponent or dictated by California regulation. The Project Proponent is responsible for contacting the Verifier or obtaining a new Verifier to complete the verification in accordance with ACR and/or ARB verifier rotation requirements.

5.3 Review of Offset Project Registration Data

As part of the project registration process, the AMERICAN CARBON REGISTRY Administrator will review all documentation and project information provided to the AMERICAN CARBON REGISTRY. This process will be completed when reviewing the project (validation and) verification documentation submitted by the Verifier.

In the event submitted data and documentation is found to have errors, be false, or contain discrepancies from the information submitted during the online registration process, the AMERICAN CARBON REGISTRY Administrator will notify the Project Proponent and Verifier that the information could not be positively verified. A process of either correcting the registration information, or withdrawing the registration, or providing proof that the information on the registration form is correct will ensue between the AMERICAN CARBON REGISTRY Administrator and the Project Proponent and Verifier until the AMERICAN CARBON REGISTRY Administrator is satisfied that the information provided meets AMERICAN CARBON REGISTRY standards for accuracy.

5.4 Updating Project Data⁴

After the initial project submittal with the AMERICAN CARBON REGISTRY, the majority of data for each offset project cannot be changed by Project Proponents. Changes to the project data have to be made by the AMERICAN CARBON REGISTRY Administrator. Requests for changing project data should be submitted via email to the AMERICAN CARBON REGISTRY Administrator, ACR@winrock.org, and include all necessary supporting documentation.

⁴ The term Project Data refers to the fields on the Project Setup screen that capture descriptive information about the project, such as project name, type, location, etc.

All data must be up-to-date and match the verification report before the AMERICAN CARBON REGISTRY Administrator will issue Offset Credits for a project.

5.5 Additional Certifications

A project may receive additional certifications which work in conjunction with ACR. The AMERICAN CARBON REGISTRY offers the ability to label a project and or Offset Credits with such additional certifications. Please contact the AMERICAN CARBON REGISTRY Administrator to discuss what is necessary to meet qualifications. These certifications may be at either the project level or assigned at the point of issuance depending on the certification body.

Available certifications at the project level:

- FSC
- Social Carbon
- Green-e Climate

Available certifications at the Offset Credit level:

- Social Carbon
- Green-e Climate

6 Issuance Data Entry

AMERICAN CARBON REGISTRY Offset Credits are issued for voluntary offset projects that meet the criteria set forth in the ACR Standard and California compliance offset projects that meet requirements of ARB and the Cap-and-Trade regulation. Emissions data used to produce Offset Credits in the AMERICAN CARBON REGISTRY must be verified by a duly accredited Verifier to ensure emissions reductions are real and properly measured. Issuance data for the total volume of emissions reductions in a reporting period will be entered into the AMERICAN CARBON REGISTRY system by the Project Proponent. The AMERICAN CARBON REGISTRY Administrator will review the issuance data entered and compare it to the Verifier's verification report before Offset Credits are issued. ACR will issue offset credits for the total volume of emissions reductions achieved and verified, and no partial issuances are allowed.

7 Offset Credits

An Offset Credit (ERT or ROC) represents one ton of CO₂ equivalent GHG emission reduction or removal issued by the AMERICAN CARBON REGISTRY. Offset Credits are issued in whole numbers only. Once an Offset Credit is issued, no changes can be made to that Offset Credit. The AMERICAN CARBON REGISTRY does not define the lifetime or expiration date for Offset Credits. Project Proponents and the parties wishing to purchase, transfer, and retire Offset Credits do so to meet their own internal requirements or those set by an entity recognizing Offset Credits within a compliance regime.

7.1 Offset Credit Issuance

The AMERICAN CARBON REGISTRY Administrator will issue one serialized Offset Credit for each ton of CO₂e emissions that is offset by an independently-verified project meeting ACR's Standard and project registration requirements or requirements of the ARB (for compliance offset projects). ACR will issue offset credits for the total volume of emissions reductions achieved and verified and no partial issuances are allowed. Each Offset Credit shall have a unique serial number, which shall contain codes embedded in the number that include the project ID, the geographic location of the project, and the vintage of the Offset Credit. .

Table 2 - Serial Number Format

Identifier	Display	Data Type	Length	Range of Codes	Comments
Registry	1	Alphanumeric	3	ACR	Intended to provide context if the serial numbers are viewed outside of the registry.
Project Country	2	Alphanumeric	2	Two-letter country codes	ISO country codes.
Project ID	3	Numeric	7	Unique numeric value assigned by registry for the Project.	
Vintage	4	Numeric	4	YYYY	Year in which emissions reduction activity took place and the for which credits were issued
Batch Number	5	Numeric	5	1-999,999,999	Unique numeric value assigned to the each batch of credits issued within the registry.
Unit Serial Block Start	6	Numeric	9	1-999,999,999	Numeric values assigned by registry from 1 - 999,999,999.
Unit Serial Block End	7	Numeric	9	1-999,999,999	Numeric values assigned by registry from 1 - 999,999,999.

Serial Number Example. ACR-US-192-2010-203-1-5000 (American Carbon Registry, United States, Project ID 192, Vintage 2010, credit batch 203, serial block begin 1, serial block end 5000). Note, each serial block includes begin and end values. So in this example, the serial number block represents 5,000 Offset Credits. .

7.2 Frequency of Offset Credit Issuance

The AMERICAN CARBON REGISTRY Administrator will issue Offset Credits periodically when the Project Proponent obtains project verification, with initial Offset Credit issuance occurring when verification is first completed, reviewed and accepted by the AMERICAN CARBON REGISTRY. It is expected that most Project Proponents will have their project verified annually, but the Account Holder is free to initiate the process at their discretion in accordance with ACR and/or ARB requirements.

Issuance of Offset Credits into an Account Holder's account is performed by the AMERICAN CARBON REGISTRY Administrator after careful review that the project meets requirements of the ACR Standard or California Cap-and-Trade Regulation (for compliance offset projects).

8 Activation and Transfers of Offset Credits

8.1 Activation of Offset Credits

Offset Credits will be issued without charging issuance fees, however, Offset Credits will be issued in an "inactive" status and not able to be transacted, retired or canceled until "activated" by the Account Holder. Upon request of Offset Credit Activation by the Account Holder, a one-time activation fee will be charged per Offset Credit. Upon receipt of fees, Offset Credits will be activated and can be transacted, retired or canceled.

8.2 Transferring Offset Credits between AMERICAN CARBON REGISTRY Accounts

AMERICAN CARBON REGISTRY Account Holders may transfer active Offset Credits to other AMERICAN CARBON REGISTRY Account Holders at any time. Offset Credits are specified by their serial numbers and other characteristics, such as project type and location. Account Holders select the Offset Credits to transfer as well as the recipient of the transfer from a pull-down list of AMERICAN CARBON REGISTRY Account Holders. After the transfer has been initiated, the Offset Credits pending transfer will be marked as "transfer pending". This will have the effect of "freezing" the Offset Credits so that they cannot be moved to another sub-account or another Account Holder.

The AMERICAN CARBON REGISTRY system will then generate an automatic electronic notification of the request to transfer Offset Credits to the proposed recipient. The Offset Credit transfer recipient must confirm the transfer before the Offset Credits are moved into their account.

The transferring Account Holder may withdraw any transfer before such transfer has been confirmed by the recipient by withdrawing the transfer in a designated screen on the website.⁵ The AMERICAN CARBON REGISTRY will notify the recipient that the transfer was canceled.

The transfer of any Offset Credit or block of Offset Credits shall only be completed in the AMERICAN CARBON REGISTRY upon the electronic confirmation by both the transferring Account Holder and the recipient.

Once the AMERICAN CARBON REGISTRY has completed the transfer of Offset Credits from one account to another, the AMERICAN CARBON REGISTRY will send an electronic confirmation to both Account Holders confirming that the transfer has been completed.

8.3 Holding Offset Credits on behalf of Beneficial Owners

Only Account Holders that have been approved by AMERICAN CARBON REGISTRY to hold Offset Credits on behalf of others may do so. If you are approved to operate in this way on the registry, sub-accounts must be created in the name of each beneficial owner in the account. Beneficial owners of Offset Credits may request to have a login to their sub-account for direct view-only access. AMERICAN CARBON REGISTRY may from time-to-time request to audit these sub-accounts and request documentation to support the holdings.

9 Retirement of Offset Credits

Any retirement of Offset Credits must be initiated by the AMERICAN CARBON REGISTRY Account Holder in possession of the Offset Credits. All retirements are final so the Account Holder must be confident they intend to retire the Offset Credits when performing this action. The AMERICAN CARBON REGISTRY requires that all retailers regularly retire Offset Credits on the Registry since only Offset Credits retired on the Registry – not simply in the internal books of the retailer – are truly retired and not subject to double counting or double selling.

9.1 Mechanism for Credit Retirement

To retire an Offset Credit or block of Offset Credits, an Account Holder needs only to transfer the Offset Credit(s) to a retirement sub-account. The Account Holder identifies the Offset Credits to retire and selects the Retirement sub-account to which the Offset Credits should be deposited. When this action is completed, the Offset Credits are automatically withdrawn from the Account Holder's Active sub-account and moved into the designated Retirement sub-account. The Retirement sub-account will show the serial numbers of the Offset Credits retired, the date of retirement, and for whom the Offset

⁵ The ability to withdraw a transfer before it is completed may not be available when transferring Offset Credits from the American Carbon Registry to an account holder in an ACR accredited registry. Transfers of Offset Credits from an ACR accredited registry can only take place when the communications link between the American Carbon Registry and the ACR accredited registries is completed. All American Carbon Registry Account Holders will receive an email notification when the communications link has been completed.

Credits were retired. In addition, there will be a mechanism to view the offset project characteristics/credit fields of the retired Offset Credits. Once Offset Credits are retired, they cannot be moved or transferred out of the retirement sub-account. Additional requirements regarding retirement on behalf of other beneficial owners should be referenced in the Terms of Use and Section 4.4 of these Operating Rules.

9.2 Retiring Offset Credits on behalf of Beneficial Owners

Only Account Holders that have been approved by the ACR Administrator to retire Offset Credits on behalf of others may do so. See Section 4.4 of these Operating Procedures for further guidance.

Beneficial Owners may request to have a login to their sub-account for direct view-only access as well as require their sub-account information be made public and accessible via the AMERICAN CARBON REGISTRY public reports.

10 Reporting

10.1 Public Reports

Public reports are accessible to everyone via the public page on the AMERICAN CARBON REGISTRY website. The public reports provide registry transparency by publicly disclosing details about ACR offset projects as well as allowing the public to view details about the issuance, retirement and cancelation of Offset Credits for registry accounts. Additionally, the public reports allow the AMERICAN CARBON REGISTRY Account Holders to publicly list details regarding Offset Credit holdings or Offset Credits retired at their discretion.

The public reports for the registry include:

- **Account Holders.** This report lists general Account Holder information, which the Account Manager can choose to share with the public or not, including information such as Account Holder name, address, contact information, and website. This report does not provide a complete list of AMERICAN CARBON REGISTRY Account Holders. Only Account Holders who choose to be listed publicly will appear on this report.
- **Projects.** This report lists information about all Projects listed and registered on the AMERICAN CARBON REGISTRY. Information provided includes project name, project type, project status (e.g., Listed, Registered, Verified, Issued, etc), project location, and links to download project documentation. Projects may be listed in this report once they have been listed or registered by ACR, as determined by the Project Proponent, and are required to be included in this report once verified.
- **Public Sub-Accounts.** This report displays a list of sub-accounts that have been made available to the public by Account Holders. The report displays information about the Offset Credits held in the sub-account. The information will consist of quantity of Offset Credits, serial numbers, the Offset Credit status (retired, active

or canceled) and originating project information such as project name, location, and type.

- **Issued Credits.** This report lists all of the blocks of Offset Credits that have been issued for a specific project over specific monitoring periods. The report displays quantity of Offset Credits issued, serial numbers, project name, project type, project location, and a link to project documentation, which include project verification reports.
- **Credit Serial Number Lookup.** This report allows prospective Offset Credit buyers to lookup the status (Active or Retired) for Offset Credits. The public can do this provided they have been given the Serial Number Batch ID, Serial Block Start and Serial Block End.
- **ACR Buffer Account Balance.** This report provides visibility to the public for reviewing how many buffer credits have been deposited, released or cancelled for forest, wetland and soil carbon projects.
- **Retired Credits.** This report lists all of the Offset Credits retired within the AMERICAN CARBON REGISTRY. The report displays quantity of Offset Credits retired, serial numbers, project name, project type, and project location. When retiring Offset Credits, Account Holders can elect to list their account name and the transferee/honoree with the retired Offset Credit information.
- **Canceled Credits.** This report lists all of the Offset Credits canceled within the AMERICAN CARBON REGISTRY. The report displays quantity of Offset Credits canceled, serial numbers, project name, project type, project location and cancellation reason (ie: for conversion to ARB Offset Credits).

10.2 Account Holder Reports

Account Holder reports are specific to each account and only accessible by the Account Manager and or those approved for access by the Account Manager. The Account Holder reports are as follows:

- **My Event Log.** The My Event Log report provides an activity log of all account related events that occurred, date-time when they occurred, and which login initiated them. The report also lists events affecting the account that are initiated by other Account Holders. For example, when receiving or making an Offset Credit transfer, the report will list the actions of both the transferor and transferee in their respective event logs.
- **My Sub-Accounts.** The My Sub-Accounts report displays the batches of Offset Credits held in sub-accounts. The report is filtered by sub-account vintage using the pull-down menu at the top of the report.
- **My Credits.** The My Credits report provides a listing of all Offset Credits held in an account. The report provides an easy-to-read summary of the account's Offset Credits. The report is filtered by the following tabs:

- **Active:** This tab displays all the blocks of the active Offset Credits held in the account. The details provided for the Offset Credits include sub-account, project name, project type, project location, vintage, serial numbers, and quantity of Offset Credits. Clicking on a link in the Quantity column will display an Offset Credit Details Report for the selected batch of Offset Credits.
- **Retired:** This tab displays all the blocks of retired Offset Credits held in the account. Retired Offset Credits can no longer be transferred. The details provided for the Offset Credit include sub-account, retirement reason, text about transferee/honoree/other if it is entered, project name, project type, project location, vintage, serial numbers, and quantity of Offset Credits. Clicking on a link in the Quantity column will display a Credit Details Report for the selected block of Offset Credits. .
- **My Invoices.** The My Invoices Report lists all the invoices for the account, displaying the following columns of data:
 - **Invoice Id#.** The system generated number that refers to the specific invoice.
 - **Fee Type.** The type of fee the invoice was created for.
 - **Project Name.** If the fee is a project related fee, then the project name should be listed in the record with the name being a link to the project information screen.
 - **Fee.** The amount of the invoice.
 - **Invoice Date.** The date the invoice was created.
 - **Payment Due Date.** Annual Account, Transfer, Retirement and Cancellation fees are due within 30 days of invoice. Offset Credit activation fees are due within 5 days of invoice.
 - **Payment Received Date.** This will indicate the date which the payment was received by APX.
 - **Amount Paid.** This will reflect the amount received from the Account Holder.
 - **Amount Outstanding.** In case of any partial payments received, the remaining balance will be shown.
 - **Invoice Status.** A listing of the invoice status, Pending, Paid or Withdrawn. If paid, the date paid should be listed. If pending and the Due Date has past, the text should be in red.
- **Credit Transfer History.** This report lists all Offset Credits transferred to retirement or cancellation and into and out of the account. For transfers into and out of the account, it lists the date of the transfer and identifies the Account Holder ID and accredited ACR Registry participating in the transfer. Details about the Offset Credits involved in the transfer include the quantity of Offset Credits, the Offset Credit serial numbers, the Offset Credit vintage, the project name and the project type. Please note that for all account activity that occurred on the AMERICAN CARBON REGISTRY prior to APX serving as the third party registry services provider (ie: April 2012), Account Holders will have access to a historic account activity log.

11 Payments and Invoices

Fees associated with using the AMERICAN CARBON REGISTRY use are invoiced and tracked by APX. Some fees are invoiced directly by the AMERICAN CARBON REGISTRY. APX automatically generates invoices for fees and alerts Account Holders via email that invoices have been created and posted online for viewing/printing from the AMERICAN CARBON REGISTRY. APX will update all payments received by Account holders in the Registry. The AMERICAN CARBON REGISTRY fees are available in the online AMERICAN CARBON REGISTRY Fee Schedule.
<http://americancarbonregistry.org/how-it-works/membership>

12 Administrator Rights and Responsibilities

In addition to administering the offset project registration process and issuing Offset Credits, the AMERICAN CARBON REGISTRY Administrator is responsible for assuring that AMERICAN CARBON REGISTRY users meet proper conduct standards. The AMERICAN CARBON REGISTRY Administrator has full access to all AMERICAN CARBON REGISTRY accounts, including the ability to view, modify, create, and delete data. Any action taken by the administrator in an account is tracked in the account's Event Log so that the Account Holder has a complete record of the administrator actions. Additionally, email notifications are sent to the account manager when the administrator makes changes to account or project data.

12.1 Inactivating an Account

In the event submitted account data is found to be false or if the Account Holder is not following the rules stipulated by ACR in the AMERICAN CARBON REGISTRY Terms of Use, in this document or as posted elsewhere by AMERICAN CARBON REGISTRY, the AMERICAN CARBON REGISTRY Administrator will notify the Account Holder about the incorrect data or misconduct. A process of either correcting the information or conduct will ensue between the AMERICAN CARBON REGISTRY Administrator and the Account Holder until the AMERICAN CARBON REGISTRY Administrator is satisfied that the information provided or Account Holder conduct meets ACR Standards and requirements. The AMERICAN CARBON REGISTRY Administrator may choose to inactivate the Account Holder's account during or at any time from when the issue is identified to when it is resolved.

At any point in time, an Account holder may also provide a 30-day written notice of choosing to close their account. The Account holder may transfer the project to another Account holder within the Registry. In addition, any active Offset Credits will need to be transferred to another Account holder or else they will remain in the closed account.

12.2 Terminating an Offset Project's Participation in the AMERICAN CARBON REGISTRY

If a Project Proponent wants to remove, or de-list, an offset project from the AMERICAN CARBON REGISTRY, they can do so by notifying the AMERICAN CARBON REGISTRY Administrator via email or phone.

ACR will issue Offset Credits for any offsets that occur prior to the date of offset project termination. No Offset Credits will be issued for offsets that occur after the termination date. If the account to which the offset project is linked is also closed at the same time, Offset Credits will no longer be tracked in the Registry.

If the AMERICAN CARBON REGISTRY Administrator has cause to permanently inactivate the offset project participation in the AMERICAN CARBON REGISTRY, no Offset Credits will be created after the date the offset project has been terminated. Cause for inactivation/termination is identified in Sections 8 and 9 of the Terms of Use: Ownership and Use of Data.

13 Glossary

Account Holder: An Account Holder is an organization that has established an Account within the AMERICAN CARBON REGISTRY.

Account Holders Report: This public report is a listing of Account Holders registered with the AMERICAN CARBON REGISTRY. This report does not show all AMERICAN CARBON REGISTRY Account Holders as some accounts have chosen to make their account private.

Activation Fee: Offset Credits will be issued without charging issuance fees, but they will be considered “inactive” and not able to be transacted, retired or canceled until activated by the Account Holder. Upon request of Offset Credit Activation by Account Holder, an activation fee will be charged per Offset Credit. Upon receipt of fees, Offset Credits will be activated and can be transacted, retired or canceled.

Active Sub-Account: Active sub-accounts are holding places for active AMERICAN CARBON REGISTRY ERTs. These can be used by an organization to organize their active (not yet retired) ERTs.

Active Credit: An active Offset Credit is a credit that has not yet been retired or canceled. It is held in an Active sub-account or the Primary account. Such Offset Credits may be transferred to another Account holder, to an active sub-account, to the primary account or retired.

Additional Project Certification(s): The AMERICAN CARBON REGISTRY allows for Offset Credits to be issued indicating potentially other project certifications if they have been met. (FSC, Social Carbon, Green-e Climate)

Additional Project Type(s): Some projects may be of more than one type. Therefore, the project setup screen in the AMERICAN CARBON REGISTRY allows for these projects to indicate a primary project type and an additional project types. See Primary Project Types for a list of those available.

Air Resources Board (ARB): The California regulatory agency responsible for oversight of the Cap-and-Trade program.

Annual Subscription Fee: This fee is paid by Project Developer, Transaction and Corporate Account Holders upon their account approval and each year on the anniversary of the account approval date. See the AMERICAN CARBON REGISTRY Fee schedule for the most up-to-date rates: <http://americancarbonregistry.org/how-it-works/membership>.

Authorized Project Designee: An entity authorized by an Offset Project Operator to act on behalf of the Offset Project Operator for development of an ARB eligible offset project.

Credit Transfer Fee: Transfer fees are charged on the first of each month for all accumulated confirmed transfers completed in the prior month. See the AMERICAN CARBON REGISTRY Fee schedule for the most up-to-date rates:
<http://americancarbonregistry.org/how-it-works/membership>

Early Action Offset Program: A program approved by ARB to issue Early Action Offset Credits.

Early Action Offset Project: An offset project that is registered with an Early Action Offset Program and has been issued early action offset credits.

Emission Reduction Ton, Emissions Reduction Tonne™ or “ERT”: ACR’s unit of exchange for tradeable, project-based verified emission reductions (VERs). The ACR issues one ERT for each metric ton of CO₂-e emission reduction or removal verified against an ACR Standard and applicable GHG quantification methodology.

Issue or Issuance: The creation of serialized Offset Credits equivalent to the number of verified GHG reductions or GHG removal enhancements for an offset project over a specified period of time. Issued offsets are delivered in the offset project account for transfer, retirement or cancelation.

Offset Credit or Credit: An AMERICAN CARBON REGISTRY ERT or a Registry Offset Credit (ROC) issued following the requirements of the ARB.

Offset Project: All equipment, materials, items, or actions that are directly related to or have an impact upon GHG reductions, project emissions, or GHG removal enhancements within the offset project boundary.

Offset Project Operator: The entity(ies) with legal authority to implement the offset project.

Offset Project Registry: An entity approved by ARB to list offset projects, collect Offset Project Data Reports, facilitate verification of Offset Project Data Reports, and issue registry offset credits for offset projects being implemented using a Compliance Offset Protocol.

Primary Account: This is the main account where Active Offset Credits are deposited upon activation. .

Primary Project Type: The primary project type should be selected from the list of ACR and ARB-approved project types, which can be amended by ACR from time to time:

- Agricultural Land Management
- Carbon Capture & Storage (CCS)
- Energy Efficiency
- Forest Carbon
- Fuel Switching
- Fugitive / Vented Emissions

- Industrial Gas Substitution
- Landfill Gas Capture & Combustion
- Livestock Waste Management
- Mine Methane Capture
- Ozone Depleting Substances
- Renewable Energy
- Transport / Fleet Efficiency
- Wastewater Treatment
- Wetlands Restoration

Project ID: When a project from the AMERICAN CARBON REGISTRY has been listed or registered, the AMERICAN CARBON REGISTRY Administrator creates a unique ACR Project ID.

Project Developer: This account type has been assigned the Rights of Registration for a given offset project. This gives the designated Account Holder *full and sole* management and authority over the transactions and activities related to the offset project within the AMERICAN CARBON REGISTRY.

Projects Report: This is a public listing of all offset projects which have issued Offset Credits within the AMERICAN CARBON REGISTRY. Some projects which have been listed or certified may also choose to make their projects public prior to Offset Credit. Project details and documentation will be accessible from this report.

Registry Offset Credit or “ROC”: A credit issued by an Offset Project Registry for a GHG reduction or GHG removal enhancement of one metric ton of CO₂e. The GHG reduction or GHG removal enhancement must be real, additional, quantifiable, permanent, verifiable, and enforceable and may only be issued for offset projects using Compliance Offset Protocols. ARB may determine that a registry offset credit may be canceled from the Offset Project Registry system and issued as an ARB offset credit.

Retirement of Credits: Retirement of Offset Credits is an action taken to permanently remove an Offset Credit from circulation within the AMERICAN CARBON REGISTRY system. Retirement may be initiated only by the AMERICAN CARBON REGISTRY Account Holder for Offset Credits in his/her own account(s). Retirement is effectuated by transferring Offset Credits into a Retirement sub-account.

Retirement Sub-Account: A Retirement sub-account is used as a repository for AMERICAN CARBON REGISTRY Offset Credits that the Account Holder wants to designate as retired and remove from circulation. Once an Offset Credit has been transferred into a AMERICAN CARBON REGISTRY Retirement Account, it cannot be transferred again to any other account.

Transaction Account Holder: This account will transfer and retire Offset Credits but will not submit projects to the AMERICAN CARBON REGISTRY.

Verifier: A validator or verifier approved [pursuant to the American Carbon Registry Standards or other accepted verification approval processes or programs](#), including ARB approved verifiers and verification bodies