

# **AMERICAN CARBON REGISTRY**

## **Operating Procedures**

April 2012

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# 1 INTRODUCTION

## 1.1 About the AMERICAN CARBON REGISTRY

The AMERICAN CARBON REGISTRY serves as the book of record for tracking issuance, transfer, and retirement of Emission Reduction Tons (ERTs). The Registry supports the American Carbon Registry Standards and the objective to provide credibility to the voluntary markets, as well as to enhance business, consumer, and government confidence. ACR has engaged APX, Inc., as its technology provider with respect to the American Carbon Registry.

ACR Project Proponents are required to have an AMERICAN CARBON REGISTRY account in order to receive ERTs issued by the AMERICAN CARBON REGISTRY. Additionally, registry accounts are required for all parties wishing to hold, transfer, or retire ERTs using the AMERICAN CARBON REGISTRY<sup>1</sup>.

The AMERICAN CARBON REGISTRY Administrator will issue one electronic ERT for each ton of CO<sub>2</sub>e 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 output for a monitoring period tracked by the AMERICAN CARBON REGISTRY.

Any party, including non-Project Proponents, such as traders, marketers, and end-use customers wishing to hold, transfer, or retire ERTs 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 ERTs. Active sub-accounts are used for holding and transferring ERTs. Retirement sub-accounts are used for retiring ERTs 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 ERTs within the account.

AMERICAN CARBON REGISTRY ERTs are initially deposited into the Account Holder's primary account. Account Holders can then transfer AMERICAN CARBON REGISTRY ERTs to other sub-accounts and other Account Holders.

The AMERICAN CARBON REGISTRY will provide the AMERICAN CARBON REGISTRY Administrator, Account Holders, and the public with reports on activity

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<sup>1</sup> ERTs are obtained in one of two ways: (1) credits are issued by the American Carbon Registry to an account in association with an ERT offset project that has successfully completed the ACR registration and certification process; or (2) credits residing in one account are transferred to another account.

within the system. Public reports will be accessible to anybody via the public page on the AMERICAN CARBON REGISTRY website, <http://www.americancarbonregistry.com>.

## **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 ACR certification for their 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, or retire ERTs must establish an account in the AMERICAN CARBON REGISTRY. The AMERICAN CARBON REGISTRY will only track ERTs originating from verified offset projects that have been validated and verified by a Verifier/Validator recognized by ACR.

There are three 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 ERTs. 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 person or 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 or individual 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 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://www.americancarbonregistry.org/membership/member-benefits-and-fees>

### **2.3 Verifier Accounts**

To receive a Verifier account in the AMERICAN CARBON REGISTRY, a prospective Verifier must complete the online registration as well as undergo the ACR Accreditation process. 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 ERTs, 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 ERTs 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. ERTs are initially deposited into the account's primary account. Account Holders can then transfer ERTs to other sub-accounts. The Account Holder will be able to view a listing of ERTs in each sub-account, including the offset project characteristics associated with each ERT or block of ERTs.

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 ERTs are deposited into the primary account or sub-accounts.

- (a) Within an account, ERTs 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 ERTs from another AMERICAN CARBON REGISTRY Account Holder into the primary account or an active sub-account.
- (c) Credits can be deposited into the primary account by the AMERICAN CARBON REGISTRY Administrator based on verified emission offsets ("Issuance").

### **4.2 Transfers from Active Accounts**

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

- (a) Transfer the AMERICAN CARBON REGISTRY ERTs to another AMERICAN CARBON REGISTRY Account Holder, or



- (b) Transfer the AMERICAN CARBON REGISTRY ERTs 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.<sup>2</sup> AMERICAN CARBON REGISTRY ERTs 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 ERTs 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 ERT.

There is only one way for AMERICAN CARBON REGISTRY ERTs 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 ERTs 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 ERTs 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.

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

## 5 Offset Project Registration

All Project Proponents who want ERTs 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 certification or 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 claimed 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. See the “ACR Project Standard” authored by the ACR and available on the ACR website for additional details regarding the project registration requirements.

**Note:** For documentation to be submitted as hard copy (in addition to the electronic copy), please send to AMERICAN CARBON REGISTRY.

Attn: ACR Administrator  
2121 Crystal Drive, Suite 500  
Arlington VA 22202

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, ERTs from multiple offset projects associated with the same account will be initially deposited into the Primary account. Once deposited, Account Holders can choose to activate them in order to organize, transfer, or retire the ERTs as they see fit. See Section 8 for more details regarding activating ERTs.

### 5.1 Assignment of Project Verifiers

Each 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.

For the offset projects to which Verifiers are assigned, the Verifiers are responsible for providing the documents required by ACR to the Project Proponent for upload into the Registry, including project-specific 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 ERT 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
<b>NEW</b>	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
<b>NEW</b>	Project Submitted – Project Certification Fee Due	Pay Project Certification Fee	Project Developer	Review pending fee payment.
<b>NEW</b>	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.
<b>LISTED</b>	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
<b>NEW, LISTED</b>	Project Re-Submittal	Revise and Resubmit	Project Developer	Buttons: Save, Submit Project for Certification, Cancel

Status	Registration Phase	Next Step	Party to take Next Action	Comments
	Pending	Project		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.
<b>NEW, LISTED</b>	Project Ready for Review	Administrator Review Project for Certification	Administrator	Project data is locked to Project 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.
<b>REGISTERED</b>	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.
<b>REGISTERED</b>	Verifier Selected	Verifier to Submit COI	Verifier	Buttons: Submit COI
<b>REGISTERED</b>	COI Ready for Review	Administrator Review COI	Administrator	Buttons: Approve COI, Require Resubmittal of COI
<b>REGISTERED</b>	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.
<b>REGISTERED</b>	COI Approved	Submit Emission Reduction Data to Verifier	Project Developer	Buttons: Submit Project for Verification Project Developer can enter emissions/issuance data.
<b>REGISTERED</b>	Ready for Verification	Verifier to Review Data and Submit Opinion	Verifier	Buttons: Submit Project Verification,
<b>REGISTERED</b>	Pending Emissions Data Resubmittal	Revise Emissions Data	Project Developer	Buttons: Submit Project for Verification.
<b>REGISTERED</b>	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.
<b>REGISTERED</b>	Project Verification	Administrator Review	Administrator	Buttons: Require Resubmittal of Project Data, Require Resubmittal of

Status	Registration Phase	Next Step	Party to take Next Action	Comments
	Submitted for Final Approval	Project		Verifier Documents, Approve Project
<b>REGISTERED</b>	Pending Verifier Opinion Re-Submittal	Verifier to Revise Opinion	Verifier	Buttons: Submit Project for Final Approval
<b>REGISTERED</b>	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 automatically sends 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 ERTs are issued and the project status is changed to “Issued”, the project proponent will only need to go back into the registry when the next annual verification is available to receive additional ERTs. The dates of monitoring periods are decided by the Project Proponent. The Project Proponent is responsible for contacting the Verifier or obtaining a new Verifier to complete the verification. If a new Verifier is used for verification, the change must be made upon the new request for issuance of ERTs in the AMERICAN CARBON REGISTRY.

### 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 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 until the AMERICAN CARBON REGISTRY Administrator is satisfied that the information provided meets AMERICAN CARBON REGISTRY standards for accuracy.

## **5.4 Updating Project Data<sup>4</sup>**

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](mailto:ACR@winrock.org), and include all necessary supporting documentation.

All data must be up-to-date and match the verification report before the AMERICAN CARBON REGISTRY Administrator will issue ERTs for a project. We recommend Project Proponents review the project data annually for accuracy.

## **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 ERTs 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

Available certifications at the ERT level:

- CCBS(CCBA) First Edition – Gold
- CCBS(CCBA) First Edition – Silver
- CCBS(CCBA) First Edition – Verified
- CCBS(CCBA) Second Edition – Gold
- CCBS(CCBA) Second Edition – Verified

# **6 ERT Issuance Data Entry**

AMERICAN CARBON REGISTRY ERTs are issued for emissions offset projects that meet the criteria set forth in the ACR Standard. Emissions data used to produce ERTs in the AMERICAN CARBON REGISTRY must be verified by a duly accredited and ACR-approved Verifier to ensure emissions reductions are real and properly measured. Issuance data for a reporting period can be entered into the AMERICAN CARBON REGISTRY 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 ERTs are issued.

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<sup>4</sup> 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.

## 7 ERTs

An ERT represents one ton of CO<sub>2</sub> equivalent GHG emission reduction or removal issued by the AMERICAN CARBON REGISTRY. ERTs are issued in whole numbers only. Once an ERT is created, no changes can be made to that ERT. The AMERICAN CARBON REGISTRY does not define the lifetime or expiration date for ERTs. Project Proponents and the parties wishing to purchase, transfer, and retire ERTs do so to meet their own internal requirements or those set by an entity recognizing ERTs within a compliance regime.

### 7.1 ERT Issuance

The AMERICAN CARBON REGISTRY Administrator will issue one ERT for each ton of CO<sub>2</sub>e emissions that is offset by an independently-verified project meeting ACR's Standard and project registration requirements. Each ERT 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 ERT.

Table 2 - Serial Number Format

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

<b>Unit Serial Block End</b>	7	Numeric	9	1-999,999,999	Numeric values assigned by registry from 1 - 999,999,999.
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**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 ERTs.

## 7.2 Frequency of ERT Issuance

The AMERICAN CARBON REGISTRY Administrator will issue ERTs periodically when the Project Proponent obtains project verification, with initial ERT 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. For monitoring periods greater than one year, the Project Proponent may desire that the Verifier breakout the emission reduction by year if the purchaser of the offsets require the vintage for one year.

Issuance and the actual deposit of ERTs 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.

# 8 Activation and Transfers of ERTs

## 8.1 Activation of ERTs

ERTs will be issued without charging issuance fees, however, issued ERTS will be considered "inactive" and not able to be transacted, retired or de-listed until "activated" by the Account Holder. Upon request of ERT Activation by the Account Holder, a one-time activation fee will charged per ERT. Upon receipt of fees, ERTs will be activated and can be transacted.

## 8.2 Transferring ERTs between AMERICAN CARBON REGISTRY Accounts

AMERICAN CARBON REGISTRY Account Holders may transfer active ERTs to other AMERICAN CARBON REGISTRY Account Holders at any time. ERTs are specified by their serial numbers and other characteristics, such as project type and location. Account Holders select the ERTs 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 ERTs pending transfer will be marked as "transfer pending". This will



have the effect of “freezing” the ERTs so that they cannot be moved to another sub-account or another Account Holder.

The AMERICAN CARBON REGISTRY will then send an automatic electronic notification of the request to transfer ERTs to the proposed recipient. The ERT transfer recipient must confirm the transfer before the ERTs 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.<sup>5</sup> The AMERICAN CARBON REGISTRY will notify the recipient that the transfer was canceled.

The transfer of any ERT or block of ERTs 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 ERTs 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 ERTs on behalf of Beneficial Owners**

Only Account Holders that have been approved by AMERICAN CARBON REGISTRY to hold ERTs 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 ERTs 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 ERTs**

Any retirement of ERTs must be initiated by the AMERICAN CARBON REGISTRY Account Holder in possession of the ERTs. All retirements are final so the Account Holder must be confident they intend to retire the ERTs when performing this action. The AMERICAN CARBON REGISTRY requires that all retailers regularly retire ERTs on the Registry since only ERTs 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.

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<sup>5</sup> The ability to withdraw a transfer before it is completed may not be available when transferring ERTs from the American Carbon Registry to an account holder in an ACR accredited registry. Transfers of ERTs 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.

## 9.1 Mechanism for Credit Retirement

To retire an ERT or block of ERTs, an Account Holder needs only to transfer the ERT(s) to a retirement sub-account. The Account Holder identifies the ERTs to retire and selects the Retirement sub-account to which the ERTs should be deposited. When this action is completed, the ERTs 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 ERTs retired, the date of retirement, and for whom the ERTs were retired. In addition, there will be a mechanism to view the offset project characteristics/credit fields of the retired ERTs. Once ERTs 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 ERTs on behalf of Beneficial Owners

Only Account Holders that have been approved by the ACR Administrator to retire ERTs 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 and retirement of ERTs for Registry accounts. Additionally, the public reports allow the AMERICAN CARBON REGISTRY Account Holders to publicly list details regarding ERT holdings or ERTs 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 CR Projects in 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 certified 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 ERTs held in the sub-account. The information will consist of quantity of ERTs, serial numbers, the ERT status (retired or active) and originating project information such as project name, location, and type.
- **Issued ERTs.** This report lists all of the blocks of ERTs that have been issued for a specific project over specific monitoring periods. The report displays quantity of ERTs issued, serial numbers, project name, project type, project location, and a link to project documentation, which include project verification reports.
- **ERT Serial Number Lookup.** This report allows prospective ERT buyers to lookup the status (Active or Retired) for ERTs. 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 carbon projects.
- **Retired ERTs.** This report lists all of the ERTs retired within the AMERICAN CARBON REGISTRY. The report displays quantity of ERTs retired, serial numbers, issuing ACR Registry, project name, project type, and project location. When retiring ERTs, Account Holders can elect to list their account name and the transferee/honoree with the retired ERT information.

## 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 a ERT 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 ERTs held in sub-accounts. The report is filtered by sub-account vintage using the pull-down menu at the top of the report.
- **My ERTs.** The My ERTs report provides a listing of all ERTs held in an account. The report provides an easy-to-read summary of the account's ERTs. The report is filtered by the following tabs:
  - **Active:** This tab displays all the blocks of the active ERTs held in the account. The details provided for the ERTs include sub-account, project name, project type, project location, vintage, serial numbers, and quantity of ERTs. Clicking on a link in the Quantity column will display a ERT Details Report for the selected batch of ERTs.
  - **Retired:** This tab displays all the blocks of retired ERTs held in the account. Retired ERTs can no longer be transferred. The details provided for the ERTs 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 ERTs. Clicking on a link in the Quantity column will display a ERT Details Report for the selected block of ERTs.
- **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 Subscription, Transfer and Retirement fees are due within 30 days of invoice. ERT 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.
- **ERT Transfer History.** This report lists all ERTs transferred to retirement 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 ERTs involved in the transfer include the quantity of ERTs, the ERT serial numbers, the ERT 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**

The fees associated with using the AMERICAN CARBON REGISTRY use are invoiced and tracked by APX. 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://www.americancarbonregistry.org/membership/member-benefits-and-fees>

## **12 Administrator Rights and Responsibilities**

In addition to administering the offset project registration process and issuing ERTs, 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 ERTs 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 ERTs for any offsets that occur prior to the date of offset project termination. No ERTs 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, ERTs 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 ERTs 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:** ERTs will be issued without charging issuance fees, but they will be considered “inactive” and not able to be transacted, retired or de-listed until activated by the Account Holder. Upon request of ERT Activation by Account Holder, an activation fee will be charged per ERT. Upon receipt of fees, ERTs will be activated and can be transacted.

**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 ERTs:** An active ERT is a ERT that has not yet been retired. It is held in an Active sub-account or the Primary account. Such ERTs may be transferred to another Account holder, to an active sub-account, to the primary account, retired or cancelled/de-listed.

**Additional Project Certification(s):** The AMERICAN CARBON REGISTRY allows for ERTs to be issued indicating potentially other project certifications if they have been met. (FSC, CCBA)

**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.

**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://www.americancarbonregistry.org/membership/member-benefits-and-fees>

**Credit:** The term “credit,” as used in this document, refers to an AMERICAN CARBON REGISTRY ERT. An AMERICAN CARBON REGISTRY ERT represents one ton of offset emissions. The AMERICAN CARBON REGISTRY will create exactly one ERT per ton of offset emissions that occurs from a registered offset project meeting ACR requirements

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

**Methodology:** ACR-approved methodologies are on the ACR website, <http://acr.com/methodologies.html>.

**Primary Account:** This is the main account where Active ERTs are deposited upon issuance.

**Primary Project Type:** The primary project type should be selected from the list of ACR-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**
- **Ozone Depleting Substances**
- **Renewable Energy**
- **Transport / Fleet Efficiency**
- **Wastewater Treatment**
- **Wetlands Restoration**

**Project ID:** When a project from the AMERICAN CARBON REGISTRY has been validated and verified, 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 ERTs within the AMERICAN CARBON REGISTRY. Some projects which have been listed or certified may also choose to make their projects public prior to ERT issuance. Project details and documentation will be accessible from this report.

**Retirement of ERTs:** Retirement of ERTs is an action taken to permanently remove a ERT from circulation within the AMERICAN CARBON REGISTRY system. Retirement may be initiated only by the AMERICAN CARBON REGISTRY Account Holder for



ERTs in his/her own account(s). Retirement is effectuated by transferring ERTs into a Retirement sub-account.

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

**ERT 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://www.americancarbonregistry.org/membership/member-benefits-and-fees>