

## CARBON TRADING

Every now and again, reality has to intrude on the excitement and anticipation of long awaited U.S. cap-and-trade legislation. Some legislators, quite naturally, prefer to avoid reality. More than a few businesses feel trepidation about it. Those of us who make a living in the emissions trading field are just as determined not to let the vexing truth impinge on our work.

Here is the reality: the U.S. carbon marketplace may not be prepared to provide a pipeline of *quality* carbon offsets for both the U.S. voluntary and pre-compliance markets – let alone for a cap-and-trade system.

This may sound like heresy coming from the American Carbon Registry ([www.americancarbonregistry.org](http://www.americancarbonregistry.org), formerly, the GHG Registry operated by Environmental Resources Trust), an established, private registry in the U.S. greenhouse gas emissions trading organization. Especially since the U.S.

Congress lists it as a source of early action carbon offsets.

As the U.S.'s oldest on-line carbon trading platform, the American Carbon Registry (ACR) has worked for the last 10 years in the trenches of the U.S. voluntary carbon market transparently verifying, registering, and helping trade carbon offsets among U.S. companies. We would like, more than anyone, to tell the world the U.S. is ready and able.

But the truth is, many U.S. companies are unprepared to participate in a vibrant, if uncertain, U.S. pre-compliance carbon market. They are equally unprepared for mandatory greenhouse gas limits, and the related market forces that are just around the corner. More than a few companies have some homework to do on not just *how*, but *what* to measure, manage, verify, and report – let alone how to create, acquire, identify, register, trade, and

retire – high quality early action carbon offsets.

For every corporation involved in the U.S. voluntary carbon market or the Kyoto carbon markets, there are hundreds of companies throughout the U.S. that have not yet gotten their feet wet. Some feel like they are in the dark and do not know where to begin.

Not that one can blame them. The U.S. carbon marketplace is evolving every day, and changes happen quickly and often haphazardly. Keeping pace is a challenge. To make matters worse, the dearth of high-level leadership on disseminating climate science research findings from the Intergovernmental Panel on Climate Change and the National Academy of Sciences has exacerbated legislative uncertainty and a lack of clarity in U.S. public policy debate on the risks and costs of inaction, as well as innovative ways to address the problem.

The need in the U.S. is for a carbon market infrastructure that helps U.S.

companies share science-based data, information, and knowledge; manage regulatory, business, and reputational risk; and do business in the carbon market while keeping an eye on the balance sheet and bottom-line.

The question is, what might such carbon market infrastructure look like?

From the perspective of the ACR, the answer is high standards and tested protocols, a cadre of technical experts that can verify emissions reductions and project-based offsets, and a transparent online registration and trading platform that allows buyers, sellers, and other market participants to convene, share information, and trade carbon offsets. And of course, a pipeline flowing with new, high quality carbon offsets destined for both the voluntary and pre-compliance carbon markets.

To address this market need, the non-profit Winrock International is rebranding the GHG Registry (which

it operates through its business unit Environmental Resources Trust) as the American Carbon Registry (ACR) and re-launching it in November.

November, the ACR will be ready to meet that need.

---

Why the re-launch? ERT joined Winrock in late 2007, thereby creating a hub of technical and policy expertise in agriculture, forestry, conventional and alternative energy, environmental markets, and climate change. Winrock has invested in new standards and protocols, additional technical and marketing staff, and an upgraded registration, tracking, and trading platform for the ACR. The choice to rebrand reflects our anticipation and preparation for a new era in national and global climate protection.

Julia A. Philpott, Director  
Operations and Standards  
American Carbon Registry

Wiley J. Barbour, Founder and  
Chief Technical Officer  
American Carbon Registry

In the tradition of the GHG Registry, the ACR will give U.S. companies a leg up and help mobilize U.S. companies to make emissions reductions and invest in new technologies. That is a reality for which the U.S. is not only ready, but for which it is in desperate need. In