



GETTING STARTED GUIDE
**How to Source Green-e®
Certified Carbon Offsets**



CONTENTS

What Is a Carbon Offset?	1
How Are Carbon Offsets Created?	1
PAVER Criteria	1
Project Level Standard	2
How Can Carbon Offsets Be Used?	2
What to Consider When Choosing Carbon Offsets	3
Green-e® Climate Certification	3
How to Source Carbon Offsets for Green-e® Climate	4
Purchase Offsets With a Broker	4
Endorsed Programs	5
The Gold Standard	5
Verified Carbon Standard (VCS)	6
Climate Action Reserve (CAR)	7
American Carbon Registry (ACR)	8

ON THE COVER

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This guide is intended to help new carbon offset sellers who are interested in participating in Green-e® Climate. Hopefully this guide helps you get started by better understanding the basics of the carbon offset market and voluntary carbon offset product design, but please reach out to Green-e® staff at climate@green-e.org if you have any questions or would like to learn more specifics about the program.

What Is a Carbon Offset?

Carbon offsets, also known as carbon credits, are tradable commodities that represent 1 tonne of carbon dioxide-equivalent (CO₂e) emissions reductions. They represent real emissions reductions that have been independently verified at projects that would not have happened in a business-as-usual scenario. Carbon offsets are not a donation to a project or an investment in a future project.

The carbon offset market makes climate change mitigation (greenhouse gas reductions) more affordable and easier so that individuals and businesses can reduce global emissions faster. Carbon offsets can also help drive investments in projects that not only mitigate emissions, but also often have a variety of other social and environmental benefits (termed “co-benefits”). The credits must be measured, verified and issued by one of many project standard-setting organizations. These organizations are associated with project registries, which issue and track the ownership and retirement of credits for registered projects.

How Are Carbon Offsets Created?

PAVER CRITERIA

Carbon offsets are created by projects that reduce emissions beyond a business-as-usual scenario. There are many different types of projects from which carbon offsets can be created. Some typical project types include livestock or landfill methane capture, energy efficiency, forestry, and transportation projects. This is not an exhaustive list, however, and new project types are frequently developed.

There are five core criteria that all credible carbon offset projects must meet, regardless of the project type. These are referred to as the PAVER criteria.

Permanent. The emissions reductions must last in perpetuity; they cannot be reversed.

Additional. The carbon offset project must be “beyond business as usual.” In other words, it has to represent a change in behavior spurred by buyers in the offset market in order for those buyers to claim to be reducing carbon emissions equivalent to reductions they would undertake themselves.

Verified. Emission reductions must be demonstrated to have occurred in the amount reported, with supporting evidence, and project performance must be consistently and credibly monitored by a third-party verifier.

Enforceable. Emissions reductions must be backed by contracts or legal instruments that define their creation and ensure exclusive ownership.

Real. Carbon offsets must not be artifacts of incomplete or technically flawed accounting. From a global perspective, there's a real reduction of emissions in the amount specified.

PROJECT-LEVEL STANDARDS

Independent, third-party greenhouse gas project certification programs, like those listed on the Green-e® Climate Endorsed Programs webpage (www.green-e.org/programs/climate/endorsed-programs), including American Carbon Registry, Climate Action Reserve, Gold Standard, and Verra, ensure that PAVER criteria are met through a rigorous project registration process. While the process varies between registries, in general, carbon offset projects must select and prove conformance with one of the Standard's project type-specific methodologies. Methodologies provide a consistent and credible set of guidelines on how to quantify emissions reductions from a given type of project. An accredited, independent third party validates the project's conformance with the selected methodology. Once the project has been validated and approved by a third-party auditor and by program staff, it is accepted onto the registry. The project will then report emissions reductions that are monitored and continuously verified by auditors and the standard-setting program itself while the corresponding carbon offset credits are issued on the registry.

How Can Carbon Offsets Be Used?

Carbon offsets are extremely flexible credits that can be applied against all types of emissions when calculating net inventory of carbon emissions. You can match carbon offsets with emissions from activities like flying, driving, and heating.

SCOPE	DEFINITION	EXAMPLES	CREDITS USED
Scope 1	Direct emissions from owned or controlled sources	Combustion in owned or controlled boilers, furnaces and vehicles	Carbon Offsets
Scope 2	Indirect emissions from the generation of purchased electricity	Electricity purchased to run owned offices and factories	RECs or Carbon Offsets
Scope 3	All indirect emissions (not included in scope 2) that occur in the value chain of the company	Business travel (air/car), extraction and production of purchased materials	Carbon Offsets

What to Consider When Choosing Carbon Offsets

Co-benefits: Many carbon offset projects do more than just reduce emissions; it's common for projects to create additional social and environmental benefits in surrounding communities. Carbon offsets from projects with co-benefits are often more expensive. Examples of co-benefits include better air quality for the local community, increased habitat to encourage biodiversity, and increased employment.

Location: One tonne of carbon emitted in one place has the same effect on the atmosphere as a tonne of carbon emitted in a different place. The same logic can be applied to emissions reductions, meaning that offsets are a global commodity; regardless of where the emissions reductions occurred, the resulting offsets can be sold anywhere in the world. However, although valid claims can be made about offsetting emissions utilizing projects anywhere across the globe, some purchasers prefer to support offsets local to their operations, as they want the co-benefits to support their local community.

Issuance/Vintage: Unlike for renewable energy/RECs, there are no vintage restrictions for carbon offset claims. However, some carbon offset purchasers do show preference for newer carbon offsets.

Strategy: While all carbon offsets represent equal emissions reductions, they are not all the same price and do not provide the same messaging value. Some carbon offset resellers strategically select the least expensive offsets in order to make their product more affordable for customers. Others have certain messaging they want to use to make their product more attractive, such as additional co-benefits, preference for local projects, or aligning with their product (landfill gas capture for a gas product, forestry for wood/paper companies, etc.).

For additional information on carbon offset projects and prices, see the following articles:

CARBON PRICING: Why do prices vary by project type?

www.goldstandard.org/blog-item/carbon-pricing-why-do-prices-vary-project-type

CARBON PRICING: What is a carbon credit worth?

<https://www.goldstandard.org/blog-item/carbon-pricing-what-carbon-credit-worth>

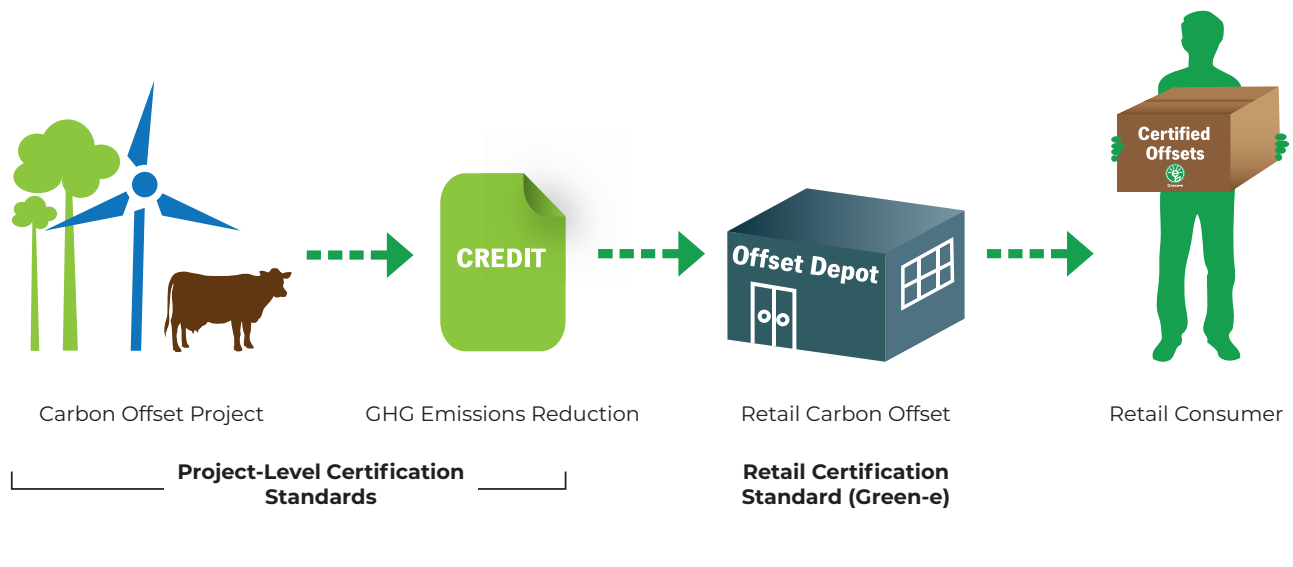
GREEN-E® CLIMATE CERTIFICATION

Green-e® Climate is a consumer protection certification program for carbon offsets sold in the retail market.

The Green-e® Climate program is an independent, third-party certification for utility and competitive offset programs. **The Green-e® Climate program verifies customers' exclusive ownership of the reductions, correct delivery, and protects against double selling. The unique, third-party assurances that Green-e® Climate certification provides are critical to consumer confidence, since voluntary purchases of offsets are intangible and unregulated.**

A program of Center for Resource Solutions, Green-e® has certified utility and competitive energy products and provided consumer protection for commercial and residential energy customers for over 20 years. Green-e® environmental and consumer standards are developed





through a transparent and open stakeholder review process and are overseen by an independent governance board of industry experts representing diverse stakeholders.

Green-e® certification of offset products is important not only for consumer protection, but as a way to demonstrate overall product quality. Consumers demand Green-e® certification because they trust Green-e® to enforce the highest quality standards on products that carry the logo. Certification also helps market products to consumers and businesses—certified products are listed on the Green-e® website and promoted at conferences, tradeshows, and in consumer media. Green-e® is also endorsed as the standard for quality by environmental organizations and government agencies, and in leading environmental standards, including the USGBC’s LEED green building certification and International Living Future Institute’s Living Building Challenge.

How to Source Carbon Offsets for Green-e® Climate

Green-e® Climate ensures high-quality carbon offsets by requiring certification by an Endorsed Program using an approved project-level protocol, which have been vetted to meet the PAVER criteria (see pg. 3). Before purchasing offsets, review the **Green-e® Climate Endorsed Programs** page to find project types that may be approved for Green-e® Climate. Then proceed to identify the carbon offsets you wish to purchase by either purchasing directly from the projects or utilizing a broker.

PURCHASE OFFSETS WITH A BROKER

Brokers are knowledgeable entities who can help you source offsets that will meet the standards set forth by the Green-e® Climate program. The **brokers list** hosted by Climate Action Reserve (CAR) is a valuable resource if you wish to use a broker. Additionally, International Carbon Reduction and Offset Alliance (ICROA) **members** are often carbon retailers. Once you have identified offsets you plan to purchase, be sure to reference the Green-e® Climate Endorsed Programs page and check with the Green-e® staff to ensure offsets qualify for the program before purchasing.



CONTACT REGISTRIES

Assess costs of opening an account and annual account fees. Typically, \$500–\$1,000.



OPEN ACCOUNT

After you have chosen a registry, open an account by following the steps listed in this document.



CONTACT PROJECTS

Contact projects listed with that registry to determine the pricing and availability of offsets.



GREEN-E® VIABILITY

Check the project information against the Endorsed Programs page and with the Green-e® team.



PURCHASE

Purchase the offsets under your account in the registry.



RETIRE THE OFFSETS

Retire the offsets in your account on your customer's behalf based off of the sales of your Green-e® product.

[Note: this can be done at intervals of your choosing, as long as they are retired before your Green-e® audit.]

STEPS TO PURCHASE DIRECTLY FROM PROJECTS

Endorsed Programs

GOLD STANDARD



The Gold Standard Registry allows for the unitization, serialization, transfer and retirement of credits in a secure fashion. Each credit can be traced back to its project and hence the certification that underpins its issuance. The registry has a public view for transparency and to search for specific projects. A carbon credit buyer can open an account and manage their own projects or credits (transact, retire) or a buyer can use a service provider (e.g. carbon retailer) with an existing account to retire the credits on behalf of the buyers.

Opening an Account

To apply for a registry account, email registry@goldstandard.org.

Purchasing Carbon Offsets

The Gold Standard **Project Marketplace** helps developers of Gold Standard Projects to post and sell their credits. While this marketplace is geared towards individuals and small organizations, it also serves as a place to profile existing certified Gold Standard projects and includes contact details for all projects so that large buyers can reach out directly to projects.

Retiring Carbon Offsets

Gold Standard Registry users with an active account can transfer credits to other accounts or receive credits from other accounts in the registry. Users can also retire credits from their own account. A confirmation is

received by email to the user after every transaction or retirement. The system ensures there is no double issuance, double transfer or retirement.

VERIFIED CARBON STANDARD (VCS)



The **Verified Carbon Standard** (VCS) program is VERRA's flagship program, and allows vetted projects to turn their greenhouse gas (GHG) emissions reductions into tradable carbon credits. Since its launch in 2006, VCS has grown into the most widely used voluntary GHG program in the world. Projects developed under VCS must follow a rigorous assessment process in order to be certified. Emission reductions generated by these projects and certified by VCS are eligible to be issued as Verified Carbon Units, or VCUs, with one VCU representing one metric tonne of CO₂e reduced or removed from the atmosphere. VCUs can be transacted in an open marketplace, with the end-user of a VCU being able to claim an offset of their emissions via the **Verra Registry** system.

Opening an Account

Entities interested in transacting and/or retiring VCUs should open a **Verra Registry account**. The Verra Registry facilitates the transparent listing of information on certified projects, issued and retired units, and enables the trading of units. The Verra Registry also ensures the uniqueness of projects and credits in the system. For more information, please contact the Verra Registry.

Purchasing Carbon Offsets

Once a Verra Registry account has been opened, accountholders can purchase VCUs and have those transferred into their account. Generally speaking, the market for VCUs is an “over-the-counter” market, meaning that buyers and sellers will negotiate bilateral agreements for the purchase and transaction of VCUs. Typically, this means that prospective buyers will contact individual projects they are interested in purchasing VCUs from. The contact information for project developers is available on the Verra Registry account. Prospective VCU buyers may wish to explore the Verra Registry account in order to first identify a project they are interested in sourcing VCUs from, and then reach out to the project developer directly in order to discuss the purchase of VCUs.

Retiring Carbon Offsets

Verra Registry accounts provide the functionality to initiate and accept VCU transfers. A VCS Registry account will also display the current VCU holdings of that account. This means that once a transfer is executed, the quantity of VCUs received will be shown within the Verra Registry account. Verra Registry accounts provide functionality to initiate retirements of VCUs. Accordingly, after the desired quantity of VCUs have been transferred into a Verra Registry account, the account holder may execute a retirement as a means to permanently remove those VCUs from circulation in the VCS registry system. Note that retirement of a VCU represents the end-life of a VCU and allows the retiree to claim an offset of one metric tonne of CO₂e.

CLIMATE ACTION RESERVE (CAR)

**CLIMATE
ACTION
RESERVE**

The Climate Action Reserve encourages action to reduce greenhouse gas (GHG) emissions by ensuring the environmental integrity and financial benefit of emissions reduction projects. The Reserve establishes high quality standards for carbon offset projects, oversees independent third-party verification bodies, issues carbon credits generated from such projects and tracks the transaction of credits over time in a transparent, publicly accessible system. The Reserve offsets program demonstrates that high-quality carbon offsets foster real reductions in GHG pollution, support activities that reduce local air pollution, offer ecosystem-wide benefits, spur growth in new green technologies and jobs, and allow emission reduction goals to be met at lower cost.

Opening an Account

Interested parties can open an account with the Reserve by completing an **online application**.

If you have any questions about the registration process, please contact the Climate Action Reserve Administrator at 213-891-1444 x2 or email reserve@climateactionreserve.org.

Possible volume discounts are available for projects with very large issuances, please contact the Reserve Administrator for more information.

Purchasing Carbon Offsets

Financial transactions of CRTs occur outside of the Reserve Registry. However, to encourage a robust carbon offsets market, the Reserve offers an **Offsets Marketplace**, which is a listing of Reserve Account Holders who buy, sell, or retire CRTs and opt-in to share their contact information publicly.

The Marketplace includes information on Project Developers, Retailers, Brokers and Traders, and Exchanges that deal in CRTs.

Interested parties can also download the Projects Report from the **Reserve Registry**. The Projects Report is a complete listing of all projects in the Reserve Registry and includes information on project developers as well as project-specific documentation and credit issuances. The Reserve also hosts a **Projects Map** on the Reserve's Projects webpage for an interactive view of projects in our program.

Retiring Carbon Offsets

When transferring credits between Account Holders, the Account Holder receiving the transfer will scroll down to the "Incoming Offset Credit Transfers" module on their homepage of the Reserve Registry. There, they can

review the transfer and either confirm or reject it. Once the transfer is confirmed, the Account Holder will be able to deposit the credits into any active accounts.

Offset credits may be retired using the Transfer Offset Credits screen on the Account Holder's profile page of the Reserve Registry.

When you retire offset credits, you may select the quantity to retire, the retirement account in which to deposit offset credits, the reason for retirement, notes about the retirement reason, and a list of email recipients to be notified about the retired offsets.

You may use these features to retire credits on someone's behalf and send notification regarding the retirement. For example, you may select the retirement reason "Environmental Benefit" and enter "Work Commute January" as the retirement reason. Note that the Retirement Reason Details appear on the Retired Offset Credits public report, so your retirement reason should be something that is meaningful to others.

AMERICAN CARBON REGISTRY (ACR)



The **American Carbon Registry** (ACR), a nonprofit enterprise of Winrock International, was founded in 1996 as the first private voluntary greenhouse gas registry in the world. A mission-driven institution named for philanthropist Winthrop Rockefeller, Winrock believes that climate change will have a profound impact on the poorest populations around the world and that markets are the most effective path to mobilize actions to reduce emissions.

Opening an Account

All project developers, validation/verification bodies, traders, brokers, and retailers must have an ACR account. The process for opening an ACR account is initiated online, and typically takes two to five business days for approval once all required documentation is received. Each approved account will receive an Account Manager login. The Account Manager will then be able to create logins in the system for other account users in your organization.

Learn more about opening an account at americancarbonregistry.org/how-it-works/membership.

Purchasing Carbon Offsets

Once an ACR account has been opened, accountholders can purchase verified emissions reductions (VERs) issued against ACR standards as Emission Reduction Tonnes (ERTs) and have those transferred into their account. One ERT represents the reduction or removal from the atmosphere equivalent to one metric tonne of carbon dioxide. The market for VCUs is an "over-the-counter" market, meaning that buyers and sellers will negotiate bilateral agreements for the purchase and transaction of (VERs). Typically, this means

that prospective buyers will contact individual projects they are interested in purchasing VCUs from. The contact information for project developers is available both in the registry system and on the **ACR site**.

Retiring Carbon Offsets

ACR account provides the functionality to initiate and accept VER transfers. An ACR registry account will also display the current VER holdings of that account. This means that once a transfer is executed, the quantity of VERs received will be shown within the ACR registry account. ACR registry accounts provide functionality to initiate retirements of VERs. Accordingly, after the desired quantity of VERs have been transferred into an ACR registry account, the accountholder may execute a retirement as a means to permanently remove those VERs from circulation in the ACR registry system. Note that retirement of a VER represents the end-life of a VCU and allows the retiree to claim an offset of one metric tonne of CO₂e.

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