



# EPRI Offset Policy Dialogue Workshop #13

## *Offset Credit Stacking*

**Adam Diamant**  
Technical Executive  
Energy & Environmental Analysis Program

November 9, 2012  
Washington, D.C.

## Together...Shaping the Future of Electricity



- **EPRI is a non-profit “501(c)(3)”** scientific research consortium founded in 1973 to perform objective research and development relating to the generation, delivery and use of electricity for the benefit of the public.
- EPRI has **450+ participants in more than 40 countries** around the world.
- In the U.S., EPRI participants generate **more than 90% of electricity delivered.**
- **Principal locations** — Palo Alto, CA, Charlotte, NC and Knoxville, TN

# Goals for EPRI's Offset Policy Dialogue

- Inform key constituencies / stakeholders
- Provide a forum for a facilitated discussion
- Build a common understanding of offset system design elements and issues
- Explore new ideas and approaches
- Discuss potential offset mechanisms



# EPRI Offsets Workshops (2008-11)

- W1 – Existing Offset Systems
- W2 – Additionality & “Supplementarity” Limits
- W3 – Proposed Offset Policy Designs
- W4 – U.S. Domestic Forestry and Agriculture Offsets
- W5 – Reduced Emissions from Deforestation and Degradation (REDD)
- W6 – “Road Testing” Offset Methodologies
- W7 – “Sectoral” and Scaled-up International Mechanisms
- W8 – Offset Development and Approval Processes
- W9 – Commercial Procurement of GHG Offsets
- W10 – California’s New GHG Offsets Program
- W11 – Achieving Nitrous Oxide (N<sub>2</sub>O) Offsets in Agriculture

# 2012 EPRI Offsets Workshops

- Offset Aggregation – March 15, 2012
- Offsets Credit Stacking – Nov 9, 2012



# EPRI Offset Policy Dialogue Participants

- Electric sector
- Agriculture & Forestry
- Oil and gas industry
- Industrial organizations
- Academics / research institutes
- Finance / Banking / Asset mngmnt
- Offset developers / aggregators / consultants / verifiers / etc...
- Environmental and other non-governmental organizations (NGOs)
- Congressional and other legislative staff
- State & federal agencies (ARB, CalEPA, DOE, EPA, USDA...)
- International participants, including representatives from the United Nations' Clean Development Mechanism (CDM) and the International Energy Agency (IEA)



# 13<sup>th</sup> Workshop Meeting Materials

- Agenda
- Participants list
- Speaker bios
- Background paper:  
***“Offset Credit Stacking”***
- Speaker presentations and other workshop materials to be available online at: [globalclimate.epri.com](http://globalclimate.epri.com)



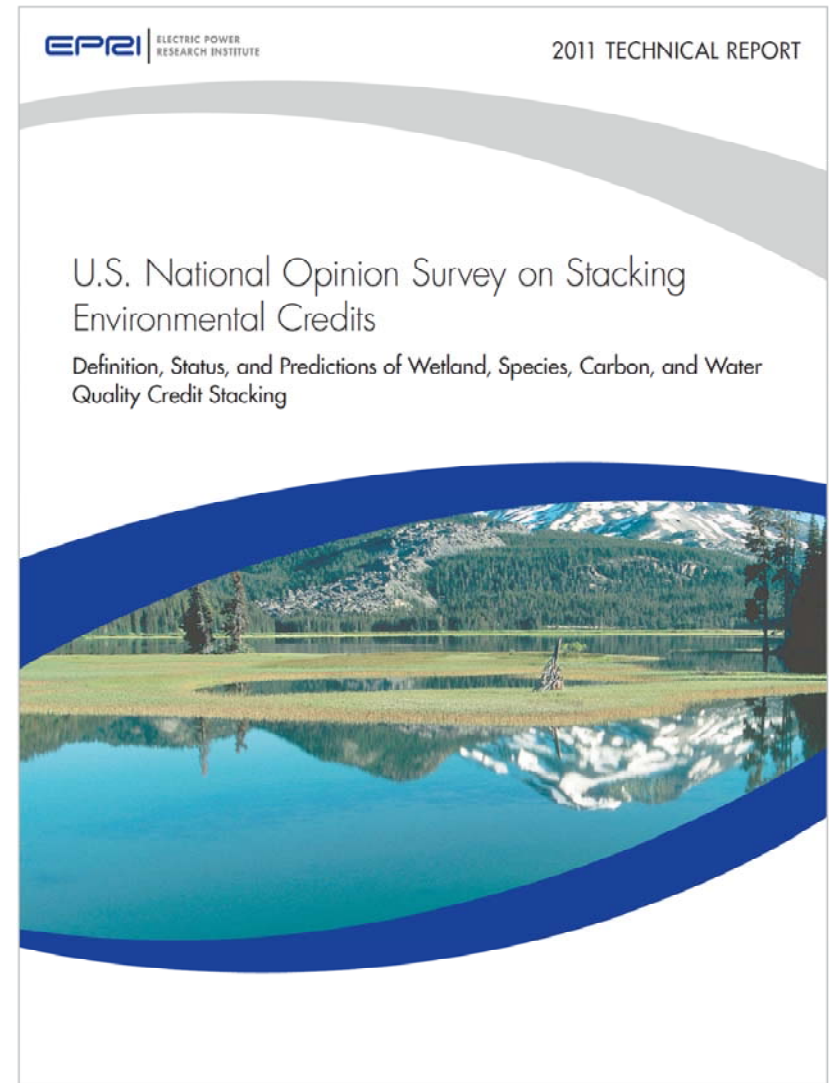
Direct URL:

[http://globalclimate.epri.com/annual\\_events\\_\\_ghg\\_offset\\_policy\\_dialogue.html](http://globalclimate.epri.com/annual_events__ghg_offset_policy_dialogue.html)

# EPRI Credit Stacking Survey (2011)

## Main Conclusions

- Credit stacking may results in positive ecological value, but the credit stacking scenario plays a large part in whether this value can be obtained, and there is little consensus on how these ecological benefits are being verified.
- There is little consensus on existing or pending regulations or regulatory guidance. This is a reflection of the fact that there are many different federal, state and local agencies that may be involved in making and enforcing regulations.
- There is a clear need for regulatory guidance, clarity and consistency, and no clear means of achieving it.





# Workshop #13 Goals – Offset Stacking

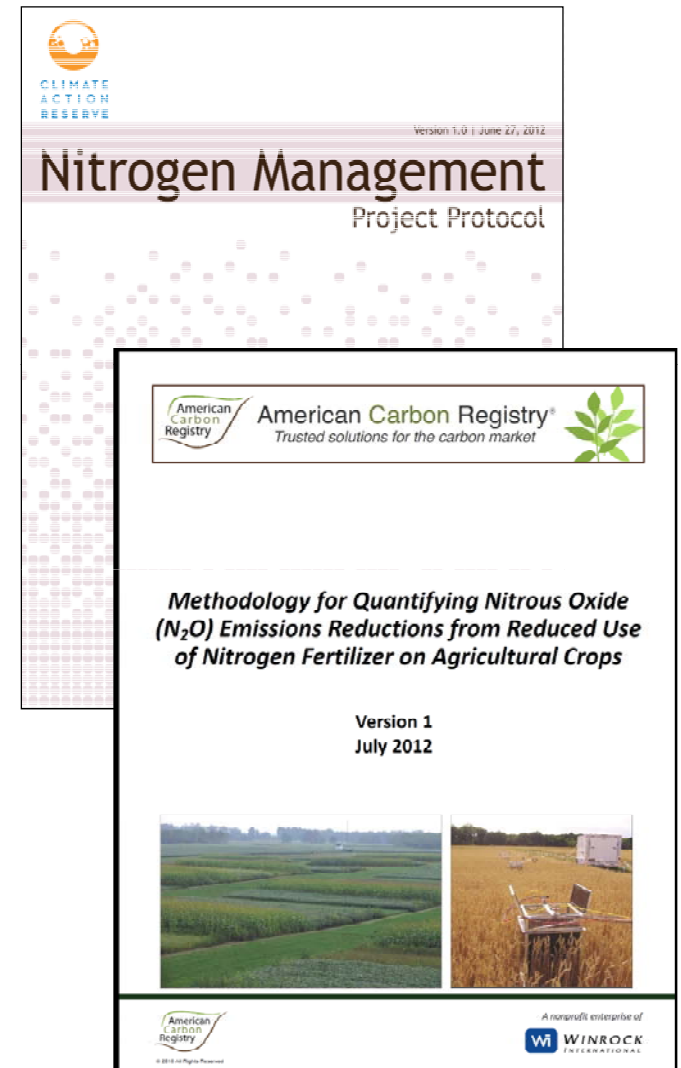
1. Gain better understanding of the **key technical and policy issues** related to offset credit stacking.
2. Gain further insight into different perspectives on the **financial and environmental additionality** of projects that involved stacked offset credits.
3. Understand the **lessons learned** by practitioners who have tried to stack credits in practice.
4. Explore the extent to which credit stacking is needed to provide sufficient **financial incentives and rewards** to parties who undertake conservation and environmental protection activities.
5. Discuss **potential policy and technical approaches** that may be used to overcome concerns related to offset stacking.

# EPRI Workshop “Rules of Engagement”

- The workshop structure is designed to facilitate highly interactive discussion. **Please speak up!**
- **“Chatham House” rules apply.** This means workshop participants are *free to use the information received at the workshop, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed.*
- **No press** is present at the workshop.
- **No formal meeting minutes** will be published.

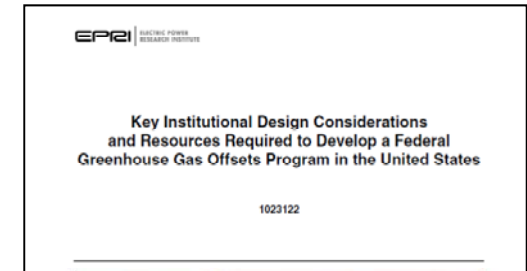
# Status of MSU-EPRI N<sub>2</sub>O Offsets Protocol

- **Climate Action Reserve (CAR)**  
*Nitrogen Management Project Protocol v1.0*  
(Approved June 2012)
  - Incorporates MSU-EPRI “Tier 2” N<sub>2</sub>O emissions quantification method and other key features
- **American Carbon Registry (ACR)**  
*Methodology for Quantifying Nitrous Oxide (N<sub>2</sub>O) Emissions Reductions from Reduced Use of Nitrogen Fertilizer on Agricultural Lands v.1* (Approved July 2012)
- **Verified Carbon Standard (VCS)**  
*Quantifying N<sub>2</sub>O Emissions Reductions in U.S. Agricultural Crop Through Nitrogen Fertilizer Rate Reduction (Draft)*
  - Completed Double Approval – Feb, 2012
  - Final approval expected Q4, 2012



# Key EPRI Offsets Documents

- *Key Institutional Design Considerations and Resources Required to Develop a Federal Greenhouse Gas Offsets Program in the United States.* EPRI document # 1023122 (2011).
- *Aggregation of Greenhouse Gas Emissions Offsets: Benefits, Existing Methods, and Key Challenges.* EPRI document #1022180 (2011).
- *Emissions Offsets: The Key Role of Greenhouse Gas Emissions Offsets in a U.S. Greenhouse Gas Cap-and-Trade Program.* EPRI document #1019910 (2010).
- *Key Issues in Designing Mechanisms to Reduce Greenhouse Gas Emissions from Deforestation and Degradation (REDD).* EPRI document #1017998 (2009).
- *The EPRI Greenhouse Gas Emissions Offset Policy Dialogue: Description of Key Issues in the Design of GHG Emissions Offset Programs.* EPRI document #1015633 (2008)
- *“A Comprehensive Overview of Project-Based Mechanisms to Offset Greenhouse Gas Emissions.”* EPRI document #1014085 (2007).



Available online:

[http://globalclimate.epri.com/annual\\_events\\_\\_ghg\\_offset\\_policy\\_dialogue.html](http://globalclimate.epri.com/annual_events__ghg_offset_policy_dialogue.html)



# Thank You for Participating

**Please direct your questions or comments about the workshop to:**

## **Adam Diamant**

Electric Power Research Institute  
Technical Executive  
Energy & Environmental Analysis Program  
Tel: 510-260-9105  
Email: [adiamant@epri.com](mailto:adiamant@epri.com)

## **Jessica Fox**

Electric Power Research Institute  
Senior Project Manager  
Energy & Environmental Analysis Program  
Tel: 650-855-2138  
Email: [jfox@epri.com](mailto:jfox@epri.com)

**Together...Shaping the Future of Electricity**