

The Offset Market in Alberta

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Outline

- Intent of the Offset System
- Principles and Design
- Project Eligibility Criteria
- Roles and Responsibilities



Intent of the Offset System

- Project-based
- Real emission reductions/removals from
 - Actions not covered by regulations
 - Actions that go beyond normal business operations
- Principles driven (see next slide)
- Effective and Efficient in Design and Implementation

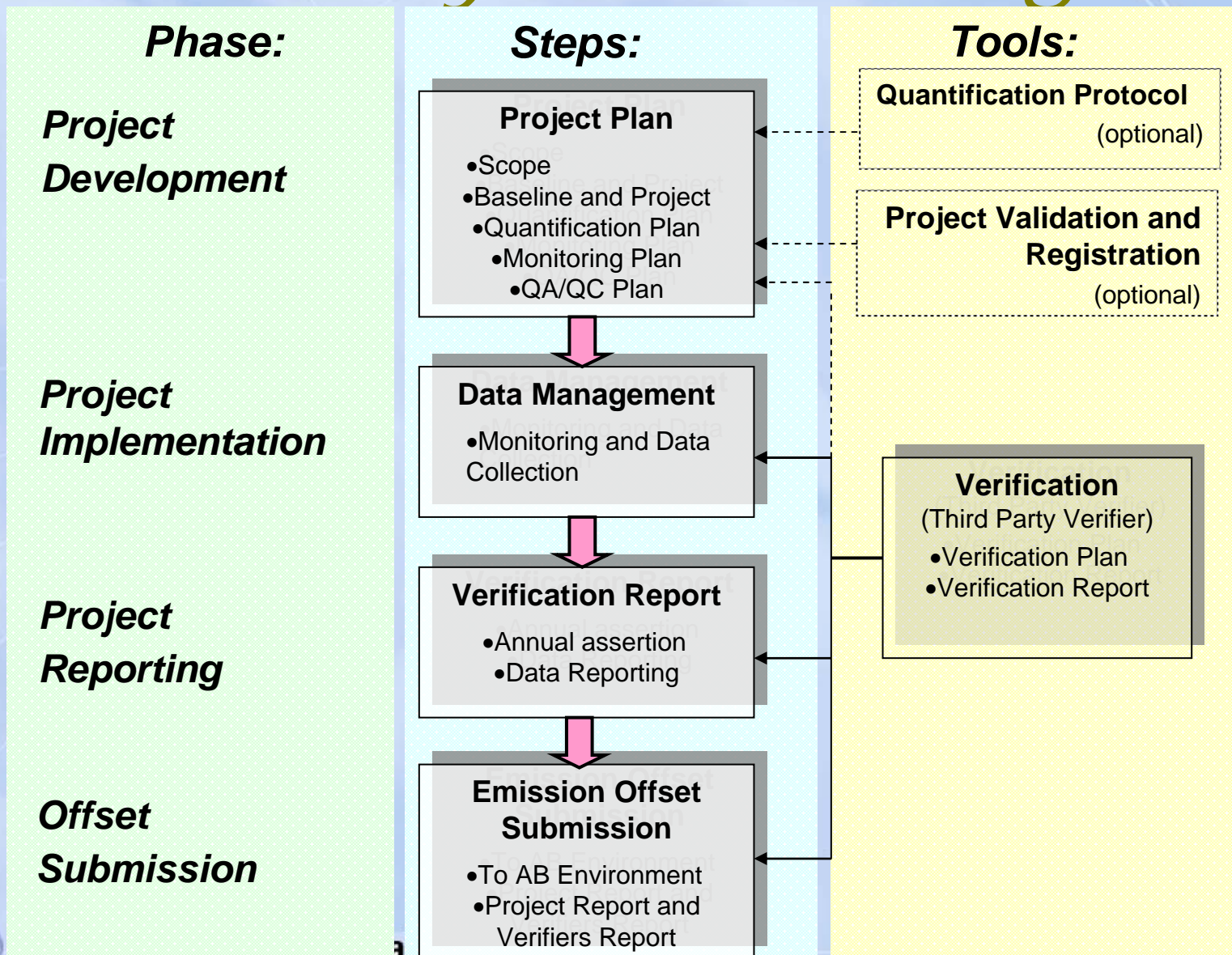


Offset System Principles

- Administratively Simple
- Maximum Scope
- Transformational Change
- Environmental Benefits
- Transparency and Accountability
- Building and Linking



Offset System Design



Offset System Design (2)

- **Ex Poste Verification System**
 - Need strong government approved protocols
 - Provides certainty for buyers, sellers and investors
 - Protocols – standards that define the supply of credits from projects
- **Protocols – basis for linking and building when other markets are developed**



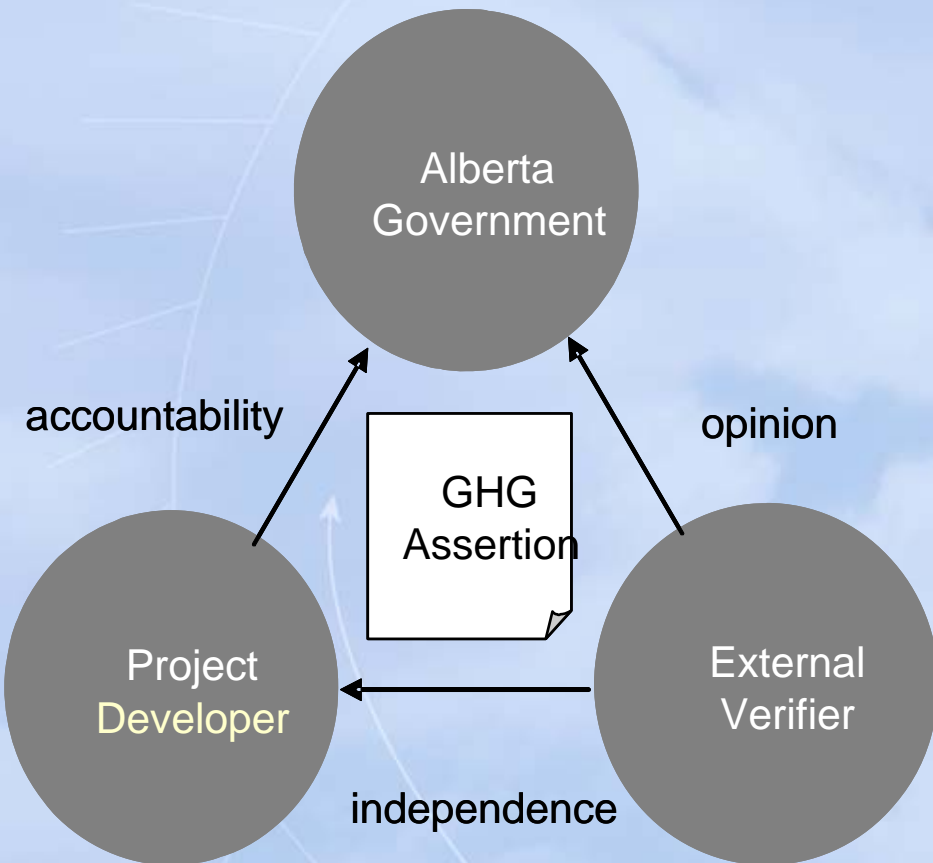
Project Eligibility Criteria

- Specified Gas Regulation – Emission Offsets
 - Result from activities on or after January 1, 2002;
 - Be real, demonstrable, quantifiable, measurable;
 - Occur from actions not otherwise required by law;
 - Have clearly established ownership;
 - Be counted once for compliance purposes;
 - Be verified by a qualified third party;
 - Occur in Alberta.



Roles and Responsibilities

Three Way Relationship:



- **Project Developer:**
 - Provides good, reliable information to the government; maintains data
- **Verifier:**
 - Objective and independent from the Project Developer
- **Government:**
 - Sets the rules of the Game

