



Climate Change Central

Alberta Offset Consultation Survey Results



- **Sellers**

- Invites – 54
- Response – 10

- **Verifiers**

- Invites – 18
- Response – 8 (5 partial)

- **Buyers**

- Invites – 146
- Response – 31

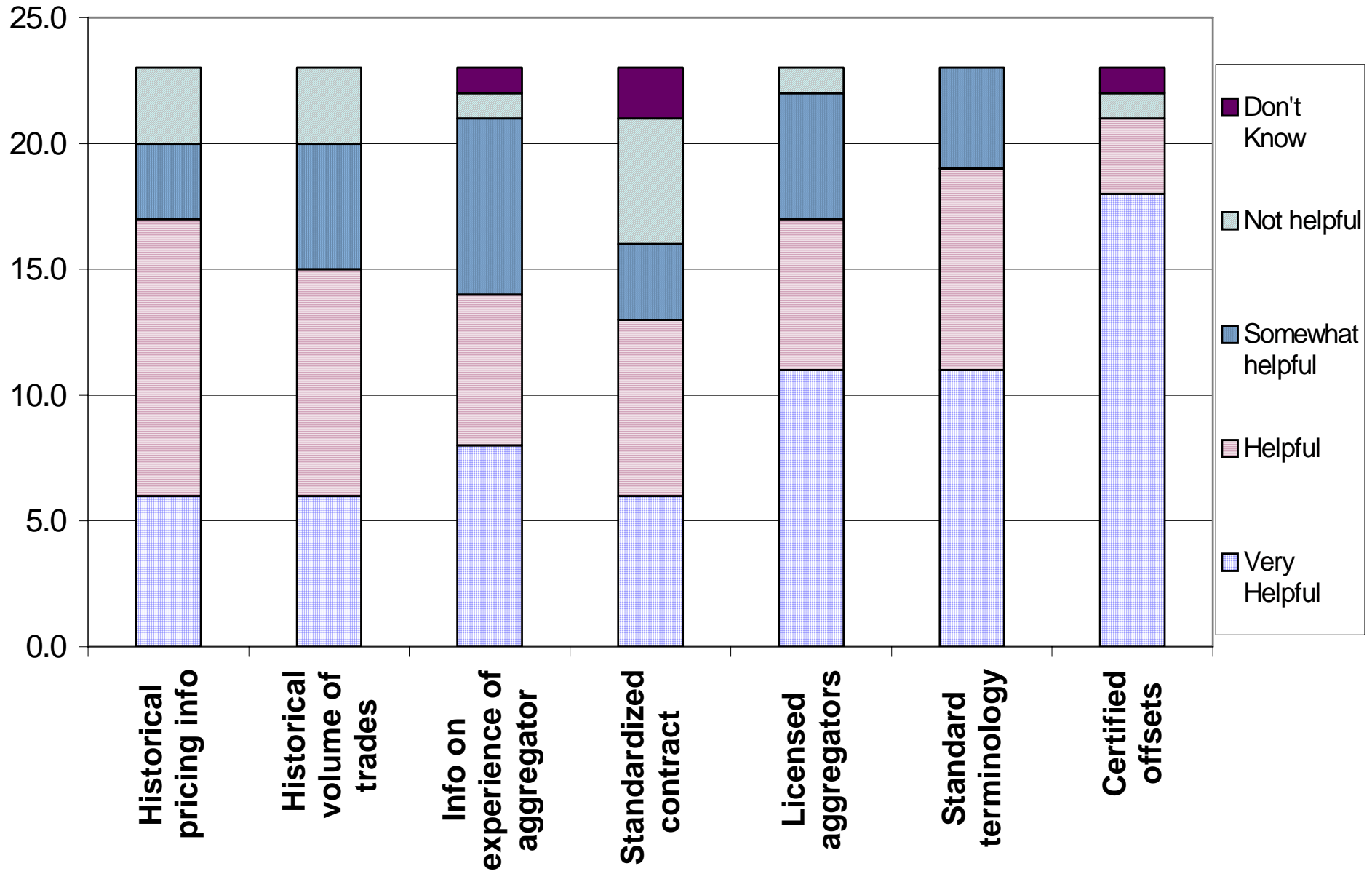
- **Aggregators/ Project Developers**

- Invites – 96
- Response – 21

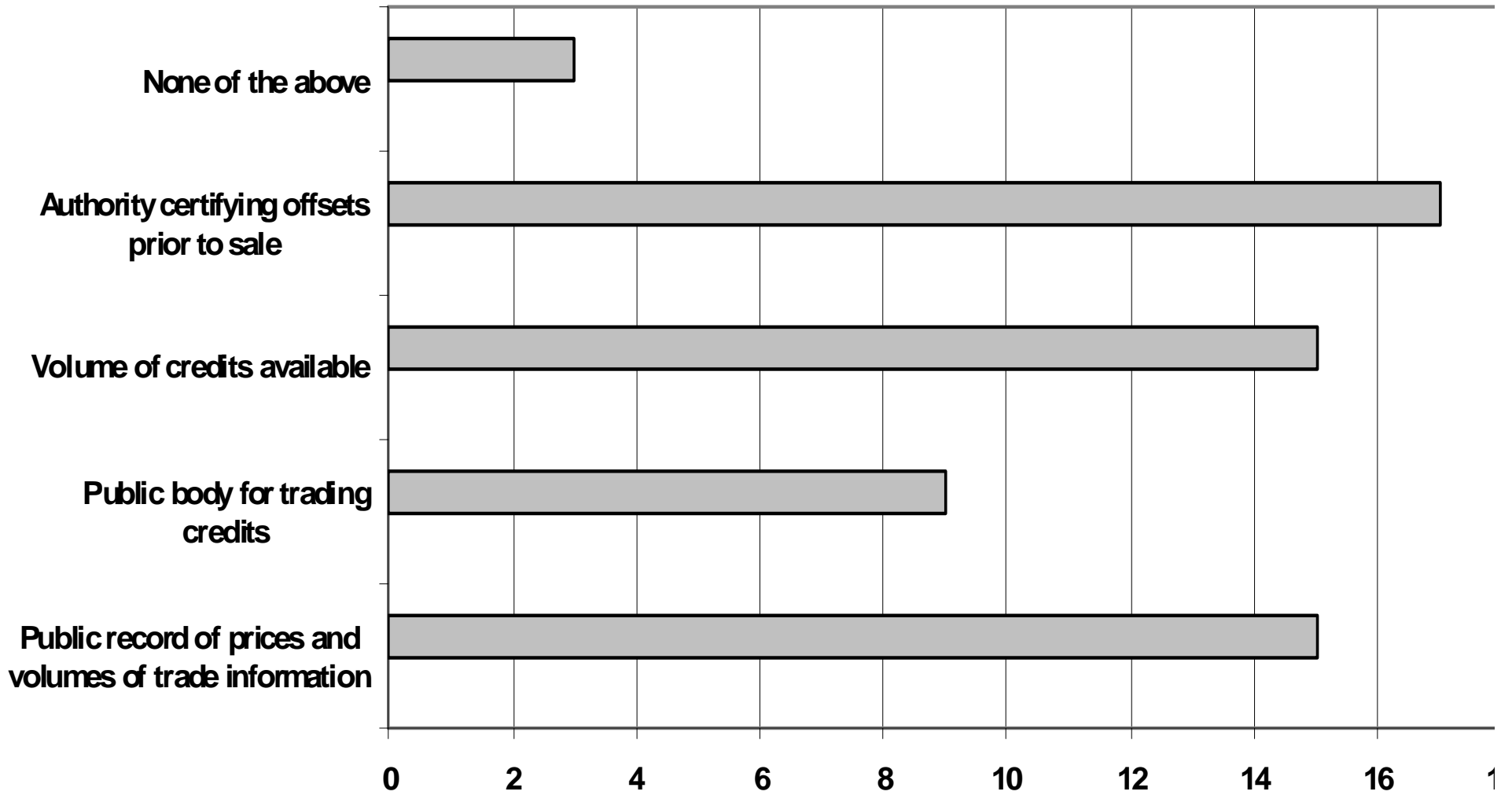


- 64% had enough information to participate in the carbon offset market
- Desired additional information
 - Visibility of market participants
 - A more clear registry

What additional considerations would be helpful in deciding whether or not to buy offset credits?



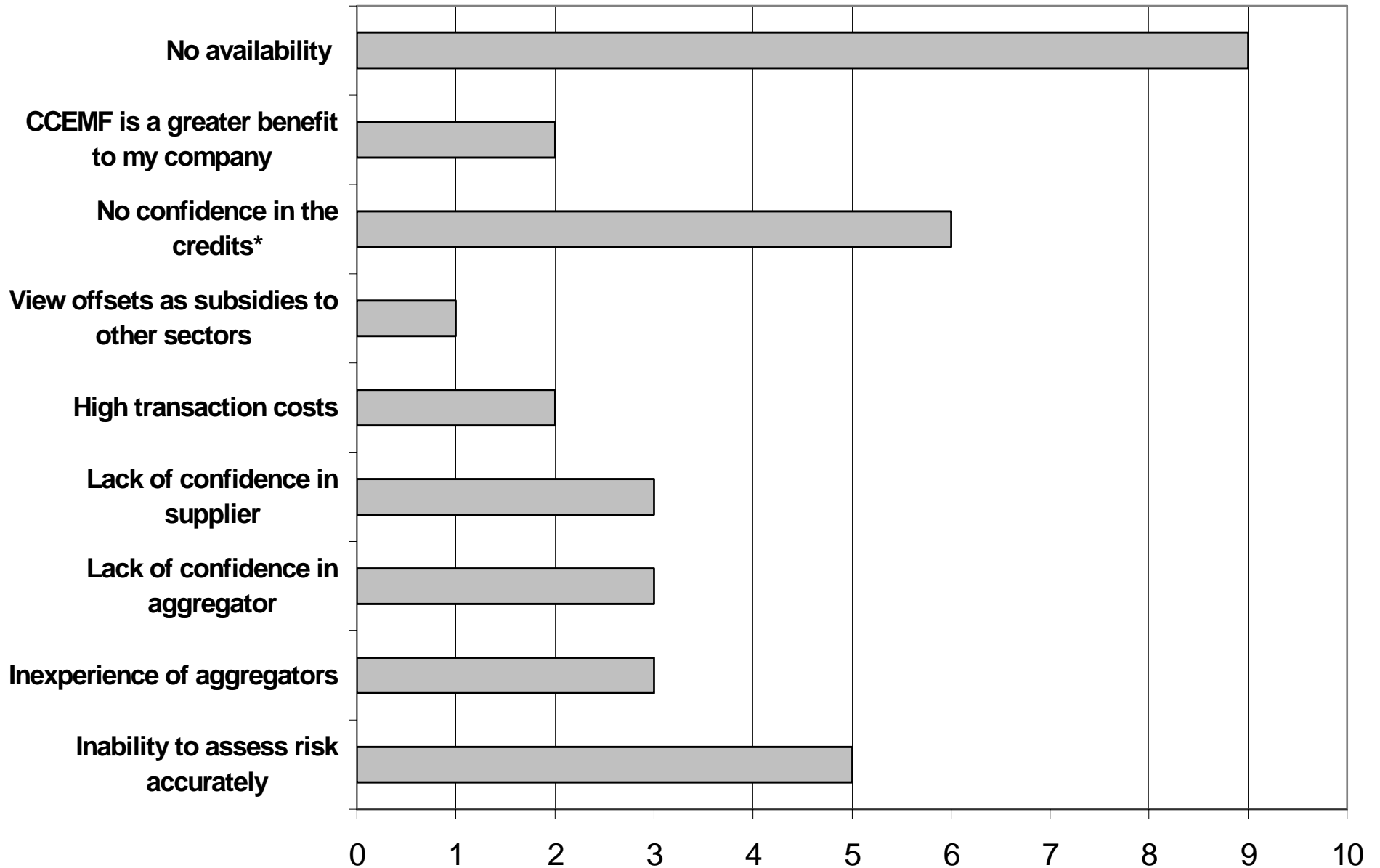
What info would be useful to you to allow for an accurate economic valuation?



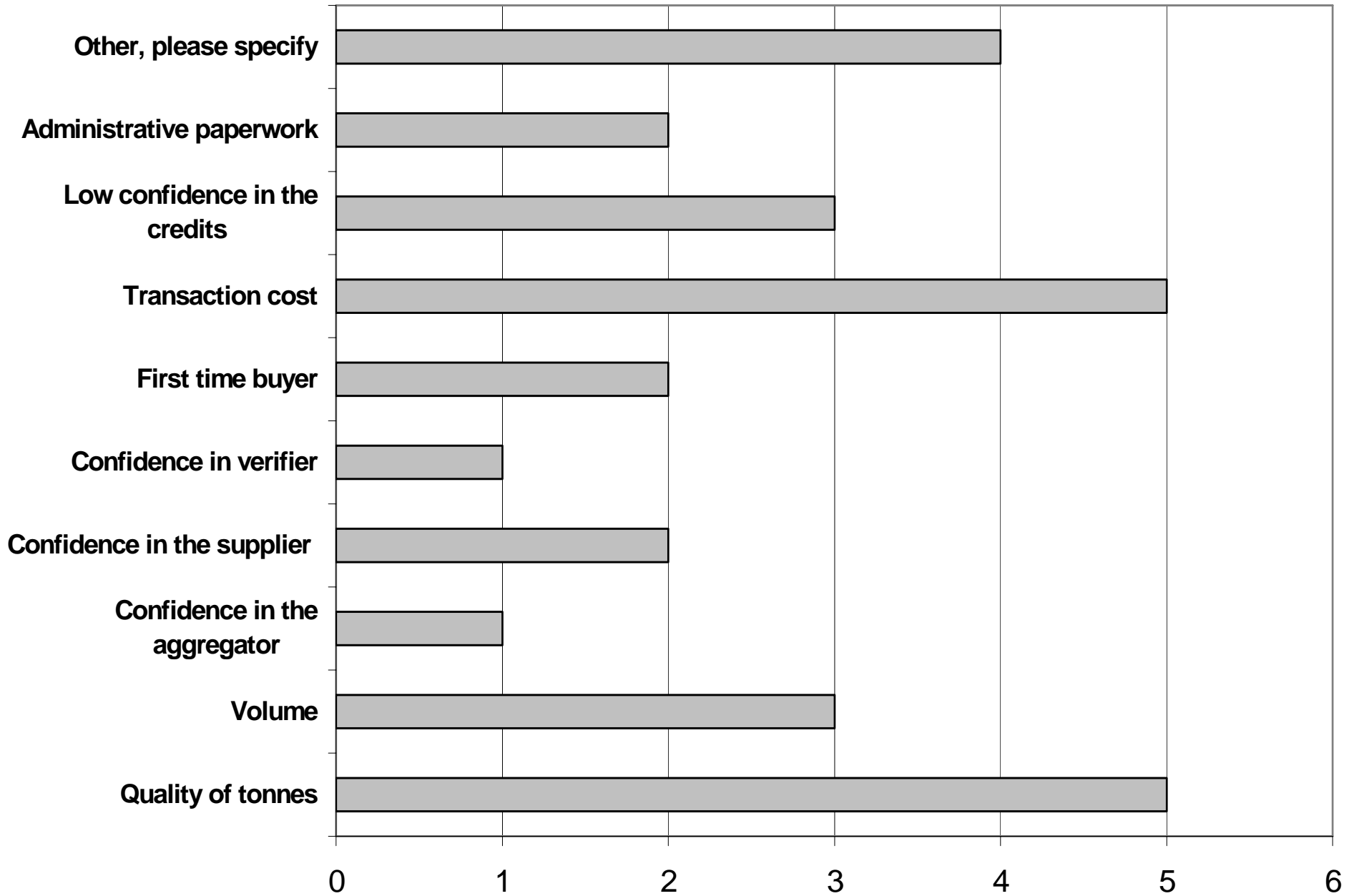


- Most respondents (60%) did not find the offset transaction process straightforward
 - Why? Primarily because they were unaware of how the transaction process would occur (36%)

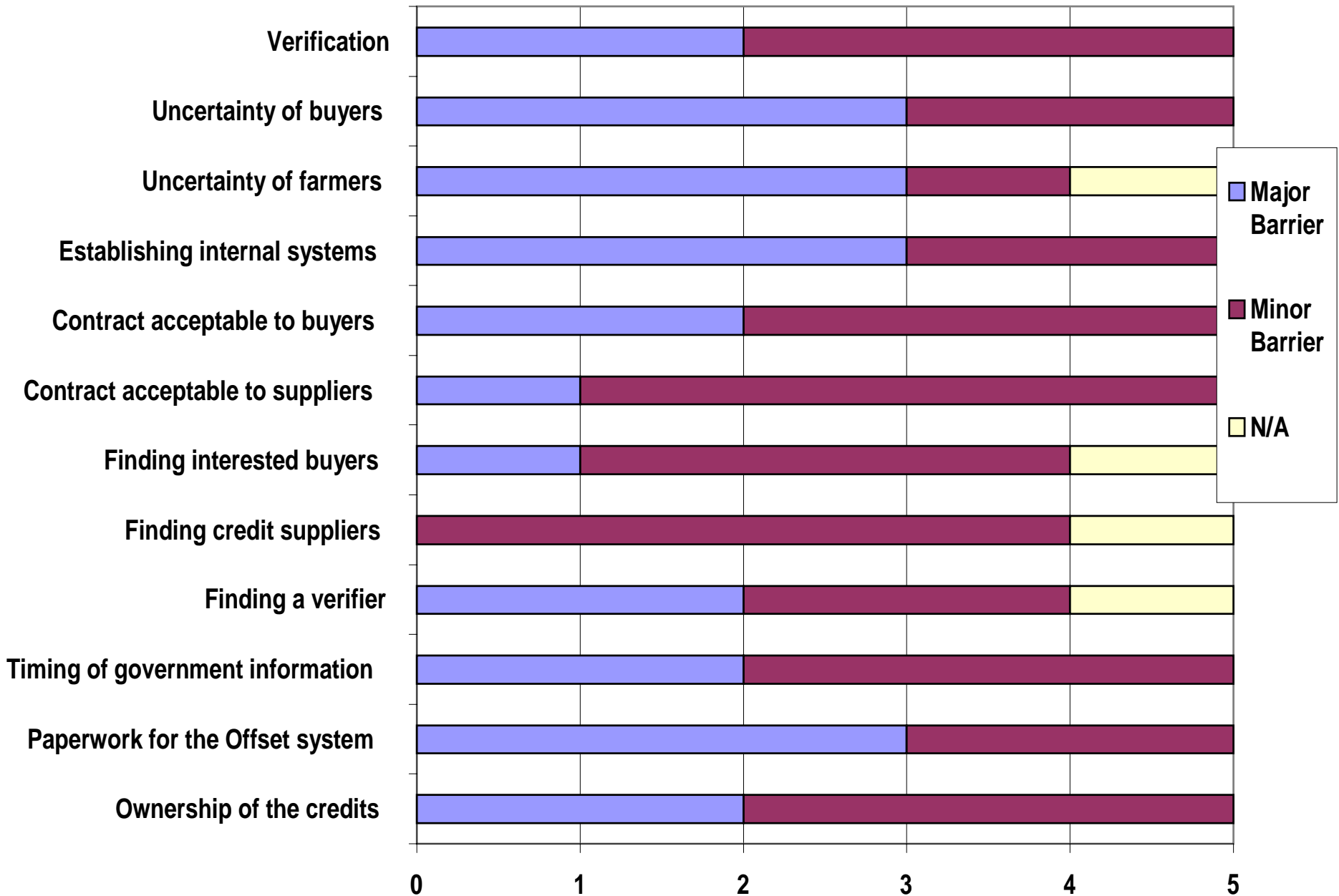
Why did you not participate in the offset market during the 2007 compliance period?



Why did you discount by that amount?



What were the barriers in trying to get credits to market in the first compliance period?





- 59% support Alberta's GHG regulatory approach
- **Support:**
 - Allowance for industry growth
 - Certainty in the process
 - Recognition of limitations without US climate change policy
 - Reasonable compliance costs
- **Unsupportive:**
 - Lack of offset certainty
 - Lack of an absolute cap
 - Tech fund price cap
 - Too much focus on cost containment

Offset System Perceptions Climate Change Central

The use of protocols	Yes	82%
The breadth of protocols	Yes	79%
Protocols based on ISO 14064-2 framework	Yes	77%
Protocol excel spreadsheet calculators	Yes	62%
No government validation	No	67%
An assurance factor for biosinks projects to deal with potential for non-permanence	Yes	50%
Allow no offsets from outside Alberta	Yes	79%
Credit issuance January 1st, 2002	Yes	64%
Start date January 1st 2002	Yes	79%
The design of the Alberta registry	No	54%



- 44% participated in other carbon offset programs
- **Pros of the Alberta Offset System**
 - Protocols: multiple, allows project developers to initiate protocols
 - Liability off aggregator
 - Credits back to 2002
 - Fair, transparent and accurate protocols
 - Environmental integrity
 - Low validation and verification costs



- **Cons of the Alberta Offset System**

- Lack of credit certification
- Lack of government intervention in project approval
- Large cost of verification
- Limited to Alberta offsets
- Tech fund price cap/over reliance on the fund
- Need for government intervention on inappropriate aggregator actions
- Intensity based reductions
- March timing for compliance
- Lack of global registry compatibility



- To get a liquid, transparent offset market:
 - Larger volume of sales/ increase in supply
 - More information
 - Credit certification
 - Offsets for purchase centrally
 - Allow offsets beyond Alberta's borders
 - Federal/provincial policy clarity for after 2010
 - More protocols
 - Cost certainty
 - A trading platform
 - More visible registry/ compatibility with North American registries
 - Price and quality disclosure
 - No price cap



Support for the following offset system changes:

- 55% – Alberta-based public exchange would facilitate trading
- 87% – Offset credits certified
- 50% – dispute resolution body for Alberta offset system
- 94% – Canadian and international offset credits allowed
- 60% – Cost recovery fee for the offset registry
- 75% of buyers – registration/clearing system of transactions



- **Things to enhance or change:**

- Registry – more user friendly – more secure platform
 - compatible with other registries
- Revisit grandfathering option (before 2002)
- More info on where and how to purchase offsets
- Report templates : verification and proof of ownership
- Protocols: more of them, streamline protocol review & approval process
- Certainty that credits will have value after Jan 1, 2010
- Timing issues: One year timing delay on reporting



- **Things to enhance or change:**
 - Protocol guidance document - additionality and surplus
 - Tech fund – planned phase out or reduction in tech fund, align to the federal scheme
 - Performance benchmarks for all aggregators
 - Merit-based accreditation of verifiers
 - Commitment to increasing intensity based reduction and/or to move to absolute reductions
 - Price discovery
 - Certification/government approval of offsets/creation of a central certification body
 - Allow non-Alberta offsets for compliance



For access to the survey...

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If you planning on re-selling the credits, where do you typically go to sell the credits that you have purchased?

