



February 19, 2016

Regional Greenhouse Gas Initiative, Inc.  
90 Church Street, Fourth Floor  
New York, NY 10007

RE: Comments for RGGI Program Review

To Whom It May Concern:

The American Carbon Registry (ACR) respectfully submits comments herein to contribute to the Program Review of the Regional Greenhouse Gas Initiative (RGGI). Founded in 1996 as the first private voluntary greenhouse gas registry in the world, ACR has twenty years of unparalleled experience in the development of rigorous, science-based carbon offset standards and methodologies, as well as operational experience in project registration, verification oversight, and credit issuance. ACR is a pioneer in harnessing the power of markets to realize emissions reductions without burdening the economy. ACR's parent organization, Winrock International, is named for philanthropist Winthrop Rockefeller and is a nonprofit organization that works with people in the United States and around the world to empower the disadvantaged, increase economic opportunity, and sustain natural resources. Winrock staff have been deeply involved in development of robust carbon accounting methodologies, as well as design of carbon offsetting systems, and this expertise fortifies ACR's ability to ensure the integrity of every offset issued.

ACR is also an approved Offset Project Registry (OPR) for the California cap-and-trade program. In this role, ACR works with the California Air Resources Board (ARB) to oversee the registration and issuance of California-eligible offsets. We appreciate RGGI's leading role as the country's first regulatory cap-and-trade program to reduce greenhouse gas emissions and have been pleased to see the program's success as a model for other states and regions.

We understand that being an innovator has its challenges and have watched RGGI make prudent program changes and adjustments over time. With the RGGI Model Rule again open for revisions, we believe the time is right to consider further enhancements for the offset component of the program. With recent prices of RGGI allowances trending higher, we believe that regulated emitters will soon look to offsets for cost containment. It is also important to note that offsets are quite different from the other cost containment mechanism, the Cost Containment Reserve (CCR), in that offsets do not increase emissions. Offsets also offer opportunities to derive economic, environmental, and social co-benefits. It is, however, imperative that offsets be of the highest integrity. Offsets must represent real, additional, verifiable, enforceable, and permanent emissions reductions. Anything less risks a blemish that undermines the credibility of the entire program.

In the short history of California's cap-and-trade program, some 35 million offset credits have been issued. Even subtracting the "early action" credits generated by projects initiated before the program started, 19 million offsets have been issued. These 19 million offsets were generated with auction floor prices that started at \$10 per allowance. The other 16 million were generated under voluntary market conditions

that were typically below \$10 per offset. Based on these data, the RGGI price signal could soon support development of a robust offsets market. It is, therefore, critical that RGGI states offer proven processes and infrastructure to facilitate smooth verification and issuance of credible offsets.

In California, for example, extensive efforts have gone into ensuring that offset protocols address all scenarios and that the language is as precise as possible. Despite this, literally hundreds of issues of interpretation have arisen over the past three years during project implementation and verification. Many times, ARB must resolve items of minute detail: how instrument calibration is performed, how tree height regression estimates are applied, or how to evaluate different state's requirements for livestock digester air permits while maintaining consistency with the offset protocol. With full-time staff dedicated exclusively to the offsets program, ARB still needs assistance. It navigates issues of interpretation by working with the approved Offset Project Registries, the parties that have been actively engaged in overseeing project implementation and verification and that have subject matter experts in-house. RGGI will face an additional layer of complexity in ensuring that the offset project standards are applied consistently across all nine states.

The offset registry model effectively adds to the ARB staff without any expenditure of public dollars. The registry charges fees for services directly to offset project developers and not to the state. Experience has shown that the offset registry model, rather than being redundant, adds significant efficiency to the process of overseeing independent verifiers and issuing offsets that reflect real, additional, verifiable, enforceable, and permanent emissions reductions. A potentially unwieldy offsets process becomes coherent at no cost to the state (actually providing savings relative to the investment that would have to be made in resources to manage a healthy offsets program).

We recommend that RGGI's participating states also adopt the offset project registry model. Respecting that the nine states may differ in their opinions, we suggest that the Model Rule be revised to simply allow individual states the option of leveraging the offset registry model. Participating states that prefer to manage offsets programs on their own would continue to do so.

An ancillary but substantial added benefit is that a registry could bring into RGGI's offsets program a wealth of offset project standards that are well-suited to RGGI states and could even advance the development of offsets standards tailored to regional needs. Having a wider range of offset standards inherently means that the market has greater opportunity to identify the lowest cost emissions reduction options. Speaking specifically to ACR's process for developing offset project standards (termed by ACR as "methodologies" and by ARB as "protocols"), environmental integrity is paramount. A draft methodology becomes available for use only if it can successfully pass through ACR's technical review, a public comment period, and a blind scientific peer review by multiple subject matter experts. The process is also transparent, with public and peer reviewer comments, along with methodology authors' responses or modifications, available on ACR's website. ACR's published methodologies include the following:

- Fertilizer Management
- Grazing Land and Livestock Management
- Conversion of High-Bleed Pneumatic Controllers in Oil & Natural Gas Systems
- Use of Certified Reclaimed HFC Refrigerants and Advanced Refrigeration Systems
- Compost Additions to Grazed Grasslands
- Truck Stop Electrification
- Improved Efficiency of Vehicle Fleets

- Recycling of Transformer Oil
- Avoided Conversion of Grasslands and Shrublands
- Carbon Capture and Storage Projects
- Wetland Restoration

In addition, other methodologies are in various stages of development, including the following:

- Destruction of Ozone Depleting Substances (update to ARB protocol)
- Conversion of Foam Blowing Agents from High-GWP to Low-GWP Materials

Several of these could see significant scope for application in RGGI states, while offering material co-benefits. Among the examples:

- Fertilizer run-off into the Chesapeake Bay could be reduced through improved fertilizer application, leading to improvements in water quality. Indeed, carbon offsets could potentially be stacked with nutrient management credits, enabling ecological value to help protect this vital watershed.
- Semi-trucks need not idle overnight if the drivers can avail of electric power at truck stops. Associated reductions in diesel engines' NOx and particulate emissions would deliver local air quality improvements.
- Dairy farmers could see new offset revenue by changing grazing and manure management practices, resulting in better soil health and air quality. Engaging the agriculture sector in climate mitigation efforts can be challenging, and such offsets can help effect participation.
- Upgrades to commercial refrigeration could be incentivized, which, aside from reducing emissions of refrigerants, would reduce energy consumption – decreasing electricity costs and furthering RGGI's success in lowering CO<sub>2</sub> emissions.
- Natural gas pipelines traversing the Northeast vent methane, emissions that can be reduced by upgrading valves. With impacts of increased shale gas use an ever present concern, mitigating these releases would no doubt see broad support.
- Wetlands along the northeastern coast could be restored to provide a buffer against storm surges and flooding, protecting infrastructure investments and enhancing habitat, soil, and water quality, in addition to reducing GHG emissions.

Clearly, offsetting provides tangible benefits. Let us also reiterate that offsets as compliance instruments warrant consideration different from CCR allowances. Both limit compliance costs. However, offsets represent actual emissions reductions. CCR allowances simply permit additional tons of CO<sub>2</sub> to warm the atmosphere.

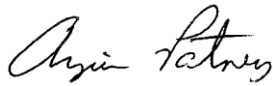
Finally, the offset project registry model offers familiarity to offset project developers. Many of the same firms that have implemented projects in California and, through voluntary initiatives, across the country can be expected to have an interest in doing projects under RGGI. Knowing that they can work with the same registry with which they've successfully issued offsets in the past, relying on trusted guidance to navigate different processes, could accelerate the growth of a strong offsets market in RGGI states.

Attached is a suggested revision to the Model Rule. It allows participating RGGI states the option of utilizing the registry model, subject to stringent requirements. The essential design of RGGI's offsets program would be unchanged. The registry model would simply help ensure RGGI's offsets program

exhibits efficiency, integrity, and consistency, while also introducing a range of additional emissions reduction opportunities.

We appreciate being able to contribute to the RGGI Program Review. Please feel free to contact us if you would like to further discuss our comments.

Respectfully,



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## Suggested Revisions to Model Rule

### 1. Additional Definitions for Section XX-10.2

Offset Project Registry. “Offset Project Registry” means an entity that meets the requirements of section XX-10.8, and is approved by the REGULATORY AGENCY, that collects consistency applications, facilitates determinations of the completeness and consistency of consistency applications, collects monitoring and verification reports, facilitates verification of monitoring and verification reports, and issues RGGI registry offset credits for offset projects that meet the requirements of section XX-10.5.

RGGI Registry Offset Credit. “RGGI Registry Offset Credit” means a credit issued by an Offset Project Registry for a CO<sub>2</sub> equivalent emission reduction or carbon sequestration of one short ton of CO<sub>2</sub>e. The credit for CO<sub>2</sub> equivalent emission reductions or carbon sequestration must meet the applicable requirements for CO<sub>2</sub> offset allowances of XX-10. Pursuant to section XX-10.7, the REGULATORY AGENCY may determine that a RGGI registry offset credit may be removed, retired, or cancelled from the Offset Project Registry system and issued as a CO<sub>2</sub> offset allowance.

### 2. Revisions to XX-10.3, General Requirements

- (a) Replace all instances of “CO<sub>2</sub> offset allowances” with “CO<sub>2</sub> offset allowances and RGGI registry offset credits” with the exception of XX-10.3(f).
- (b) XX-10.3(a)(1)
  - (1) Add subsection (vi), as follows: “(vi) Offset project types available through Offset Project Registries, provided that the development of the associated offset project standards included public comment opportunity and blind scientific peer review by independent subject matter experts and that use of the offset project standards satisfies all the applicable requirements of XX-10.
    - (i) As a subsection to (vi), add, “(a) Prior to the award of RGGI registry offset credits or CO<sub>2</sub> offset allowances pursuant to XX-10.7, any quantity expressed in metric tons, or metric tons of CO<sub>2</sub> equivalent, shall be converted to tons using the conversion factor specified in XX-1.2(bt).

### 3. Revisions to XX-10.7, Award and Recordation of CO<sub>2</sub> offset allowances, as follows

(a) XX-10.7(a)(1)

- (1) Add subsection (ii), as follows: “A RGGI registry offset credit issued pursuant to section XX-10.9 must be removed or cancelled by the Offset Project Registry within 10 calendar days of notification by the REGULATORY AGENCY, such that the RGGI registry offset credit is no longer available for transaction on the Offset Project Registry system. RGGI registry offset credits must be removed or cancelled by the Offset Project Registry before the REGULATORY AGENCY issues a CO<sub>2</sub> emission offset allowance pursuant to this section. The Offset Project Registry must provide proof to the REGULATORY AGENCY that the RGGI registry offset credits have been permanently removed or cancelled from the offset project registry system.

### 4. Add section XX-10.8, Approval Requirements for Offset Project Registries, as follows

XX-10.8 Approval Requirements for Offset Project Registries

- (a) *Applicability.* The approval requirements specified in this section apply to all Offset Project Registries that will operate to provide registry services under this Subpart.
- (b) *Requirements.* The REGULATORY AGENCY may approve Offset Project Registries that meet and maintain the requirements specified in this section.

- (1) Offset Project Registry Approval Application. To apply for approval as an Offset Project Registry, the applicant shall submit the following information to the REGULATORY AGENCY:

- (i) Name of applicant;
- (ii) Name of president or chief executive officer;
- (iii) List of all board members, if applicable;
- (iv) Addresses of offices located in the United States;
- (v) Documentation that the applicant carries at least five million U.S. dollars of professional liability insurance; and
- (vi) List of any judicial proceedings and administrative actions filed against the applicant within the previous five years, with a detailed explanation as to the nature of the proceedings.
- (vii) Description of applicant’s process for developing offset project standards, including public comment opportunity and blind scientific peer review

- (2) The applicant must submit, in writing, the procedures to screen and address internal conflicts of interest. The applicant must provide the following information to the REGULATORY AGENCY:
- (i) A staff, management, and board member conflict of interest policy where there are clear criteria for what constitutes a conflict of interest. The policy must:
    - (a) Identify specific activities and limits on monetary and non-monetary gifts staff, management, or board members must not conduct or accept to meet the Offset Project Registry's internal policies of conflict of interest policy, or alternatively provide a comprehensive policy on the applicant's requirements for the reporting of any and all conflicts based on internal policies that guard against conflict of interest; and
    - (b) Include a requirement for annual disclosure by each staff, management, or board member of any items or instances that are covered by the applicant's conflict of interest policy on an ongoing basis or for the previous calendar year.
    - (c) The applicant must have appropriate conflict of interest and confidentiality requirements in place for any of its contractors;
  - (ii) List of all service types provided by the applicant;
  - (iii) The industrial sectors the applicant serves;
  - (iv) Locations where services are provided; and
  - (v) A detailed organizational chart that includes the applicant and any parent, subsidiary, and affiliate companies.
  - (vi) If the applicant under this section is going to designate a subdivision of its organization to provide registry services, then the prohibition in section XX-10.8(c)(1) on serving as an offset project consultant shall apply at the subdivision level and the applicant must provide the following general information for its self:
    - (a) General types of services; and
    - (b) General locations where services are provided.
- (3) The applicant has the following capabilities for registration and tracking of RGGI registry offset credits issued under this article:
- (i) A comprehensive registration requirement for all registry participants;
  - (ii) Tracking ownership and transactions of all RGGI registry offset credits it issues at all times; and

- (iii) Possesses a permanent repository of ownership information on all transactions involving all RGGI registry offset credits it issues under this article from the time they are issued to the time they are retired or cancelled.
- (c) The applicant's primary business must be operating an Offset Project Registry for voluntary or regulatory purposes, and the applicant must meet the following business requirements:
  - (1) The applicant may not act as an Offset Project Sponsor or offset project consultant for offset projects registered or listed on its own Offset Project Registry and developed using a CO<sub>2</sub> emissions offset project standard of section XX-10.5 once approved as an Offset Project Registry. The applicant must annually disclose to the REGULATORY AGENCY any non-offset project related consulting services it provides to a Project Sponsor who lists an offset project pursuant to section XX-10.5 with the applicant as part of the information included in the annual report required in section XX-10.9(k);
  - (2) The applicant may not act as an independent verifier pursuant to section XX-10.6 once approved as an Offset Project Registry;
  - (3) If the applicant designates a subdivision of its organization to provide registry services, the applicant may not be a Project Sponsor for offset projects listed at the subdivision's registry, act as an independent verifier, or be a CO<sub>2</sub> budget source;
  - (4) The applicant must demonstrate experience in the continuous operation of a registry serving a regulatory market for carbon-emissions based commodities in the United States for a minimum of three years;
  - (5) The applicant must have at least three years of demonstrated experience in, and requirements for, direct staff oversight and review of offset projects, project listing, offset verification, and registry offset credit issuance;
  - (6) The applicant's process for development of offset project standards must include public comment opportunity and blind scientific peer review by independent subject matter experts, with such processes demonstrated to be in practice for a minimum of two years; and
  - (7) The applicant's primary incorporation or other business formation and primary place of business, or the primary place of business of the designated subdivision, if the applicant designates a subdivision to provide registry services pursuant to this section, must be in the United States of America.
- (d) The Offset Project Registry must continue to maintain the professional liability insurance required in section XX-10.8(b)(1)(v) while it provides registry services to Project Sponsors who are implementing offset projects pursuant to section XX-10.5.



- (e) If any information submitted pursuant to sections XX-10.8(b) through (d) changes after the approval of an Offset Project Registry, the Offset Project Registry must notify the REGULATORY AGENCY within 30 calendar days and provide updated information consistent with that required in sections XX-10.8(b) through (d).
- (f) The Offset Project Registry must attest, in writing, to THE REGULATORY AGENCY as follows:
  - (1) “As the authorized representative for this Offset Project Registry, I understand that the Offset Project Registry is voluntarily participating in the NAME OF RELEVANT RGGI STATE component of the CO<sub>2</sub> Budget Trading Program.”;
  - (2) “All information generated and submitted to the REGULATORY AGENCY by the Offset Project Registry related to an offset project pursuant to section XX-10.5 will be true, accurate, and complete.”;
  - (3) “All information provided to the REGULATORY AGENCY as part of a REGULATORY AGENCY audit of the Offset Project Registry will be true, accurate, and complete.”;
  - (4) “All registry services provided will be in accordance with the requirements of section XX-10.9.”; and
  - (5) The authorized representative of the Offset Project Registry must attest in writing, to THE REGULATORY AGENCY: “I certify under penalty of perjury under the laws of the NAME OF RELEVANT RGGI STATE I have authority to represent the Offset Project Registry and all information provided as part of this application is true, accurate, and complete.”.
- (g) REGULATORY AGENCY Approval.
  - (1) Within 60 calendar days of receiving an application for approval as an Offset Project Registry, the REGULATORY AGENCY will inform the applicant in writing either that the application is complete or that additional specific information is required to make the application complete.
  - (2) The applicant may be allowed to submit additional supporting documentation before a decision is made by the REGULATORY AGENCY.
  - (3) Within 60 calendar days following completion of the application process, the REGULATORY AGENCY shall approve an Offset Project Registry if evidence of qualification submitted by the applicant has been found to meet the requirements of section XX-10.8 and issue an Executive Order to that effect.
  - (4) The REGULATORY AGENCY and the applicant may mutually agree, in writing, to longer time periods than those specified in subsections XX-10.8(h)(1) and XX-10.8(h)(3).

- (5) The REGULATORY AGENCY approval for an Offset Project Registry is valid for a period of 10 years, whereupon the applicant may re-apply. At the time of re-application, the Offset Project Registry must:
- (i) Demonstrate it consistently met all of the requirements in section XX-10.8;
  - (ii) Pass a performance review, which, at a minimum shows the Offset Project Registry consistently:
    - (a) Demonstrates knowledge of the CO<sub>2</sub> emissions offset allowance program and offset project standards;
    - (b) Meets all regulatory deadlines; and
    - (c) Provides registry services in accordance with the requirements of this section.
- (h) Modification, Suspension, and Revocation of an Executive Order Approving an Offset Project Registry. The REGULATORY AGENCY may review, and, for good cause, modify, suspend, or revoke an Executive Order providing approval to an Offset Project Registry.
- (1) During revocation proceedings, the Offset Project Registry may not continue to provide registry services for the REGULATORY AGENCY.
  - (2) Within five working days of suspension or revocation of approval, an Offset Project Registry must notify all Project Sponsors for whom it is providing registry services, or has provided registry services within the past 12 months, of its suspension or revocation of approval.
  - (3) A Project Sponsor who has been notified by an Offset Project Registry of a suspended or revoked approval must re-submit its offset project information to a new Offset Project Registry or the REGULATORY AGENCY, as directed by the REGULATORY AGENCY. An offset project listed at the REGULATORY AGENCY or a new Offset Project Registry will continue to operate under its originally approved allocation period, provided that the REGULATORY AGENCY may extend the allocation period or the relevant deadline for monitoring and verification reports for one year if the REGULATORY AGENCY determines that such extension is necessary to provide time for re-submission of information to the new Offset Project Registry or to the REGULATORY AGENCY.
- (i) If the applicant under section XX-10.8 is going to designate a subdivision of its organization to provide registry services, all the requirements of section XX-10.8 may be applied at the designated subdivision level.
  - (j) An approved Offset Project Registry must make itself and its personnel available for an audit by the REGULATORY AGENCY.

**5. Add section XX-10.9, Offset Project Registry Requirements, as follows**

**XX-10.9 Offset Project Registry Requirements**

- (a) The Offset Project Registry shall determine if a consistency application is complete in providing the information required in section XX-10.4. The Offset Project Registry will provide its finding to the REGULATORY AGENCY within 10 days following receipt of the consistency application.
- (b) Within 30 days of the REGULATORY AGENCY making its completeness determination, the Offset Project Registry will issue a determination as to whether the offset project is consistent with the requirements of sections XX-10.3 and XX-10.4 and the requirements of the applicable offset project standard of section XX-10.5. For any offset project found to lack consistency with these requirements, the Offset Project Registry will inform the project sponsor of the offset project's deficiencies. The Offset Project Registry will provide its findings to the REGULATORY AGENCY.
- (c) The Offset Project Registry must make the following information publicly available for each offset project developed under an offset project standard of section XX-10.5:
  - (1) Within 10 working days of the consistency application being deemed complete by the REGULATORY AGENCY:
    - (i) Offset project name;
    - (ii) Offset project location;
    - (iii) Offset Project Sponsor;
    - (iv) Type of offset project;
    - (v) Name and date of the offset project standard used by the offset project;
    - (vi) Dates of offset project consistency application submittal and Project Commencement; and
    - (vii) Identification of whether the offset project is in an initial or renewed allocation period;
  - (2) Within 10 working days of the Offset Project Registry making a determination of RGGI registry offset credit issuance:
    - (i) Annual verified project baseline emissions;
    - (ii) Annual verified emissions reductions achieved by the offset project;
    - (iii) The unique serial numbers of RGGI registry offset credits issued to the offset project for the applicable monitoring and verification report;

- (iv) The final monitoring and verification report for each issuance of RGGI registry offset credits; and
  - (v) Independent verifier certification statement and report for each issuance of RGGI registry offset credits.
- (3) Clear identification of which offset projects are listed and submitting monitoring and verification reports using offset project standards of section XX-10.5.
- (d) Conflict of Interest Review by Offset Project Registries. The Offset Project Registry must evaluate the independent verifier of a consistency application for conflicts of interest. The Offset Project Registry will provide the findings to the REGULATORY AGENCY no later than the Offset Project Registry provides the findings of the completeness determination.
- (e) The Offset Project Registry may provide guidance to Project Sponsors or Independent Verifiers for offset projects using an offset project standard of section XX-10.5, if there is no clear requirement for the topic in the offset project standard, this Subpart, or a REGULATORY AGENCY guidance document, after consulting and coordinating with the REGULATORY AGENCY.
  - (1) An Offset Project Registry must maintain all correspondence and records of communication with a Project Sponsor or Independent Verifier when providing clarifications or guidance for an offset project using an offset project standard of section XX-10.5.
  - (2) Before providing such guidance, the Offset Project Registry may request the REGULATORY AGENCY to provide clarification on the topic.
  - (3) Any Offset Project Sponsor requests for clarifications or guidance must be documented and the Offset Project Registry response must be submitted on an ongoing monthly basis to the REGULATORY AGENCY beginning with the date of approval as an Offset Project Registry.
- (f) The Offset Project Registry must audit at least 10 percent of the annual full offset verifications developed for offset projects using an offset project standard of section XX-10.5 when at least five full offset verifications are conducted in a calendar year.
  - (1) The audit must include the following checks:
    - (i) Attendance with the offset verification team on the offset project site visit;
    - (ii) In-person or conference call attendance for the first offset verification team and Offset Project Sponsor meeting;

- (iii) In-person or conference call attendance to the last meeting or discussion between the offset verification team and Offset Project Sponsor;
  - (iv) Documentation of any findings during the audit that cause the Offset Project Registry to provide guidance to, or require corrective action with, the offset verification team, including a list of issues noted during the audit and how those were resolved;
  - (v) A review of the detailed verification report and sampling plan to ensure that they meet the minimum requirements of this Subpart and documentation of any discrepancies found during the review; and
  - (vi) An investigative review of the conflict of interest information provided by the independent verifier, which includes the following:
    - (a) Discussions with both the independent verifier who submitted the conflict of interest information and the Project Sponsor to confirm the information provided is true, accurate, and complete;
    - (b) An internet-based search to ascertain the existence of any previous relationship between the independent verifier and the Project Sponsor, and if so the nature and extent; and
    - (c) Any other follow up by the Offset Project Registry to have reasonable assurance that the information provided on the conflict of interest is true, accurate, and complete.
- (2) All information related to audits of offset projects developed using an offset project standard of section XX-10.5 must be provided to the REGULATORY AGENCY within 10 calendar days of a REGULATORY AGENCY request.
- (3) The audits must be selected to provide a representative sampling of independent verifiers, representative sampling of lead verifiers, representative sampling of offset project types, and representative sampling of offset projects by size when more than 19 verification are conducted in a calendar year.
- (4) The Offset Project Registry must provide an annual report to the REGULATORY AGENCY by January 31 for its previous year's audit program of offset projects developed using offset project standards of section XX-10.5 that includes:

- (i) A list of all offset projects audited;
  - (ii) Locations of all offset projects audited;
  - (iii) Independent verifiers associated with each offset project and names of offset verification team members;
  - (iv) Dates of site visits;
  - (v) Offset Project Registry staff that conducted the audit; and
  - (vi) Audit findings as required in section X-10.9(f)(1)(iv) through (vi).
- (g) The Offset Project Registry must review each detailed verification report for completeness and accuracy before accepting the associated Independent Verifier Certification Statement and issuing RGGI registry offset credits.
- (h) The Offset Project Registry must provide all information in its possession, custody, or control related to a listed offset project under an offset project standard of section XX-10.5 within 10 calendar days of request by the REGULATORY AGENCY.
- (i) The Offset Project Registry must make its staff and all information related to listed offset projects under offset project standards of section XX-10.5 available to the REGULATORY AGENCY during any audits or oversight activities initiated by the REGULATORY AGENCY to ensure the requirements of this Subpart are being carried out as required.
- (j) The Offset Project Registry must remove or cancel any RGGI registry offset credits issued for an offset project using an offset project standard of section XX-10.5, such that the RGGI registry offset credits are no longer available for transaction on the Offset Project Registry system, once notified by the REGULATORY AGENCY that the offset project is eligible to be issued CO<sub>2</sub> offset allowances.
- (k) The Offset Project Registry must provide an annual report by January 31 of the previous year's offset projects that are listed using an offset project standard of section XX-10.5. The report must contain the name of the offset project, type of offset project and applicable offset project standard, name of Project Sponsor, location of offset project, status of offset project, associated independent verifier, allocation period, amount of any RGGI registry offset credits issued to date, amount of any RGGI registry offset credits retired or cancelled for the offset project by the Offset Project Registry to date.
- (l) The Offset Project Registry may choose to offer insurance or other products to cover the risk of invalidation of CO<sub>2</sub> offset allowances, but purchase or use of the insurance or other invalidation risk mechanisms will be optional for all entities involved with RGGI registry offset credits and CO<sub>2</sub> offset allowance transactions.

(m) All information submitted, and correspondence related to, listed offset projects under offset project standards of section XX-10.5 by the Offset Project Registry must be maintained by the Offset project Registry for a minimum of 15 years.