



RGGI Stakeholder Workshop on GHG Offsets
June 25, 2004
New York

Agenda

8:30 – 8:45	Introduction and overview of workshop:
8:45 – 10:45	Panel 1. <i>Reviewing existing programs</i>
10:45 – 11:00	Break
11:00 – 12:00	Panel 2. <i>Developing an Offset Program: Pros and Cons</i>
12:00 – 1:15	LUNCH
1:15 – 4:00	Panel 3. <i>Design Issues</i>
2:45 – 3:00	Break
3:00 – 4:00	Continuation of Panel 3. <i>Design Issues</i>
4:00 – 4:30	Wrap-up

Panel 1: Reviewing Existing Programs

- Issues:
 - How do current offsets programs operate?
 - What are the critical issues that practitioners have considered – and how have barriers been overcome?
- Speakers
 - Maurits Henkemans, Netherlands Economics Ministry, on Dutch CERUPT/ERUPT Program, UNFCCC JI and CDM and EU program
 - Ben Feldman, Natsource
 - Mike Burnett, Climate Trust
 - Joe Kruger, RFF, on economics and linking to trading programs, including offsets examples from criteria pollutants

Panel 2: Developing an Offsets Program: Pros and Cons

- Issues:
 - What are the advantages and disadvantages of including offsets in RGGI's cap and trade program?
 - What are the tradeoffs that must be addressed in offset programs?
- Speakers
 - Dale Bryk, NRDC, on the case for a limited offset program
 - Brian Jones, MJB&A, on the case for an expansive offset program

Panel 3: Design Issues

- Issues: HOW and WHAT of offset projects:
 - How can offsets be monitored, verified and quantified?
 - How should an offsets program be structured?
 - How should additionality be addressed?
 - What are the opportunities, and what issues and concerns arise, with respect to offsets in specific sectors and with respect to non-CO₂ gases or sinks?
 - What are the administrative requirements? What are the appropriate roles for case by case review, the development of protocols, and selection of approved lists of eligible offset categories?
- Speakers
 - Janet Ranganathan, WRI, on GHG-Protocol project module
 - Ken Colburn, NESCAUM, on project offsets operation, certification, and administration
 - Neil Sampson, The Sampson Group, on agriculture and forestry
 - Karl Schultz, Climate Mitigation Works, on non-CO₂ gases

Rationale for using GHG offsets

Pro

- Reducing individual and system costs by extending compliance options – adds compliance flexibility
- Brings in new/ uncovered sectors and facilities
- Allows industry outside of capped sectors to “test” working of system
- Creates opportunities for innovation
- May make political agreement on cap easier – now and in future
- Some sources that are difficult to quantify in cap-and-trade can be accurately measured in offset program

Rationale for using GHG offsets

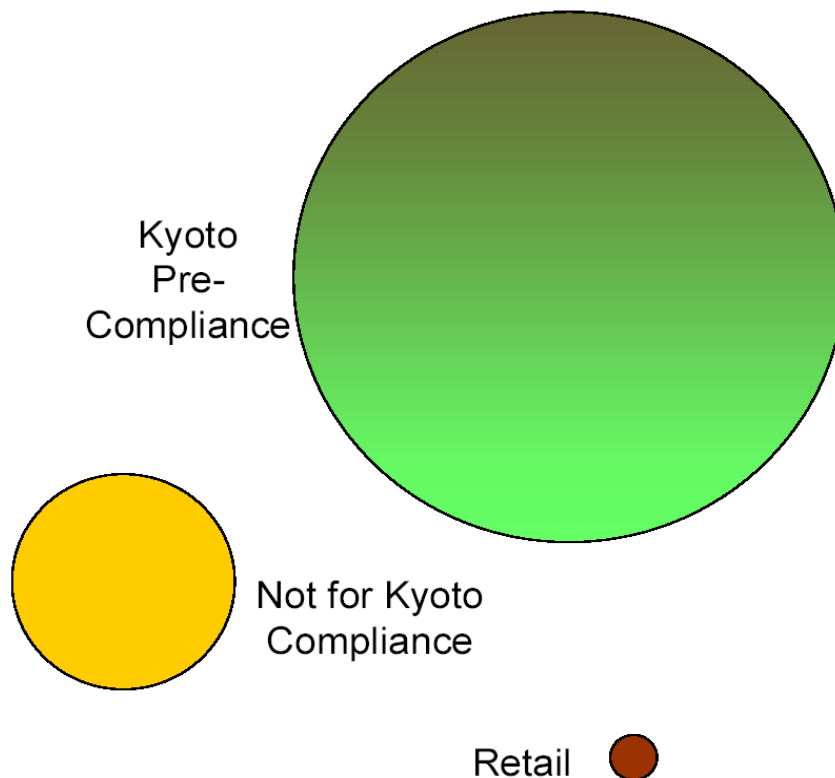
Con

- Adds administrative complexity and costs
- Assuring quality/ environmental integrity of offsets is difficult
- Reduces incentives for new entrants to join trading system



Overview of the Carbon Market

Project-Based Transactions (96%)

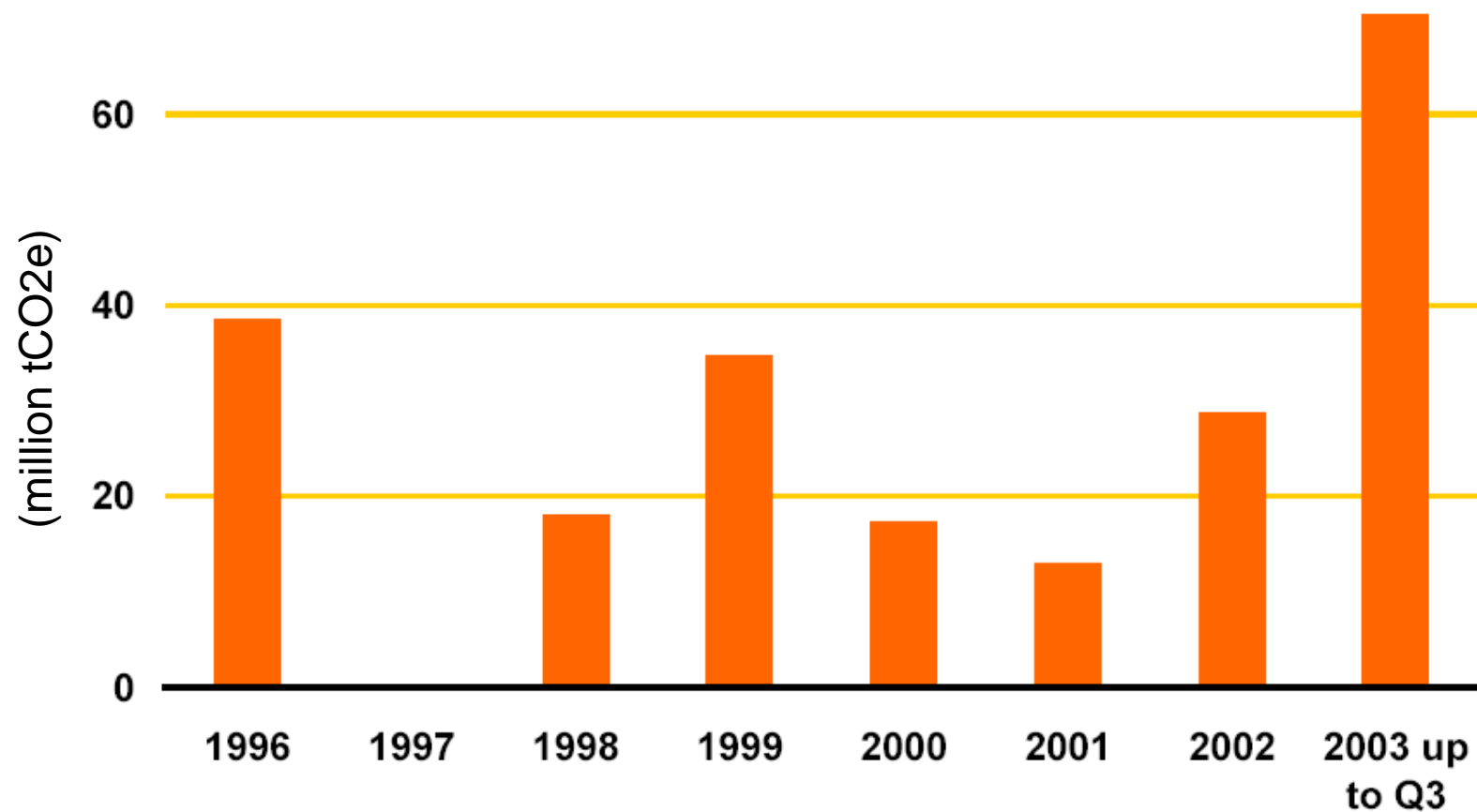


Allowance Markets (4%)

- UK Emission Trading Scheme
- EU Emission Trading Scheme
- Chicago Climate Exchange
- New South Wales Certificates

SOURCE: World Bank: State and Trends of the Carbon Market, 2003

Project-based emission reductions traded per year



Source: World Bank: <http://carbonfinance.org/>