



CAPCOA Greenhouse Gas Reduction Exchange Workshop

February 18, 2014

San Joaquin Valley Air Pollution Control District

Agenda

- 9:00 Overview of CAPCOA GHG Exchange (GHGRx.org)
- 10:00 Demonstration of GHG Rx website
- 10:30 Question and Answer Session
- 11:00 Closing Remarks



CAPCOA Greenhouse Gas Reduction Exchange

For webcast participants,
email questions to:

webcast@valleyair.org

Subject: GHG Rx



What is CAPCOA?

- California Air Pollution Control Officers Association (CAPCOA.org)
- Non-profit association of California's 35 local air pollution control officers – including the San Joaquin Valley Air District
- Forum for local air districts to work together on statewide issues



CAPCOA's Work on GHGs and Land Use

CAPCOA
CALIFORNIA AIR POLLUTION CONTROL OFFICERS ASSOCIATION

CEQA & Climate Change

Evaluating and Addressing Greenhouse Gas Emissions from Projects Subject to the California Environmental Quality Act

January 2008

CAPCOA
CALIFORNIA AIR POLLUTION CONTROL OFFICERS ASSOCIATION

Model Policies for Greenhouse Gases in General Plans

A Resource for Local Government to Incorporate General Plan Policies to Reduce Greenhouse Gas Emissions

June 2009

CAPCOA
CALIFORNIA AIR POLLUTION CONTROL OFFICERS ASSOCIATION

Quantifying Greenhouse Gas Mitigation Measures

A Resource for Local Government to Assess Emission Reductions from Greenhouse Gas Mitigation Measures

August, 2010



CAPCOA Greenhouse Gas Reduction Exchange (GHG Rx)

online at www.ghgrx.org



The CAPCOA GHG Rx

Mission Statement: *Our mission is to provide a trusted source of high quality California-based greenhouse gas credits to keep investments, jobs, and benefits in-state, through an Exchange with integrity, transparency, low transaction costs, and exceptional customer service.*

Objectives: *To provide a secure, low-cost, high quality, greenhouse gas exchange for credits created in California. Financial resources invested in-state will help create local jobs and realize needed air pollution co-benefits from projects in California.*



Background & Purpose

- Developed to respond to requests from local governments and others in order to:
 - Encourage local generation and exchange of high quality GHG emission reduction credits
 - Facilitate mitigation of GHGs for CEQA, climate action plan commitments, and other voluntary purposes
- Credits are derived from voluntary projects in CA
- Program operates on two levels:
 - Decentralized project review by Participating Districts
 - Centralized platform provides common rules, tracking, and public access to information



CAPCOA's Objectives

- Ensure high quality credits
- Make it easy for buyers and sellers to find each other
- Keep transaction costs low
- Keep financial investments, air quality and other co-benefits in the local community



Additional Benefits

- Accelerate local GHG reduction
- Stimulate local economy
- Create a “feasible” mitigation option for CEQA



GHG Rx Platform Elements

- Credit Project Database
 - Credit projects are shown in summary form with contacts and links to complete information
 - Searchable by district, project type, etc.
 - Districts validate (verify) credit projects prior to listing, track credit transactions, and update listings
 - Districts are not involved in financial transactions
- Bulletin Board listings
 - Buyers seeking credits
 - Parties seeking funds to develop projects
- Funding Opportunities listings



Anticipated Users

- Lead agencies
- CEQA project developers
- Land use consultants
- GHG reduction project implementers
- Individuals
- Private companies



GHG Rx Key Features

- Credits are derived from voluntary projects in California
- No membership required
- Costs are kept low
- Builds on decades of CA Air District expertise with criteria pollutant emission reduction credits



Participating Air Districts (PDs)

- Bay Area AQMD
- Placer County APCD
- Sacramento Metropolitan AQMD
- South Coast AQMD
- San Joaquin Valley APCD
- Northern Sonoma APCD

Contact CAPCOA to list projects in other districts (916-441-5700)



GHG Rx “Rules of the Road”

- Participation Agreement
 - Follow the Administrative Guidelines for the GHG Rx
 - Use CAPCOA-approved quality criteria and protocols to evaluate credits
 - Issue legally binding instrument and terms for credits approved
- Administrative Guidelines approved by CAPCOA Board
 - Establish roles & responsibilities
 - Identify credit tracking requirements
 - Set quality assurance procedures for data and projects
 - Provide common forms
 - Include Users’ Guides



GHG Rx Quality Criteria

- GHG Rx Quality Criteria Guidance
 - Establish criteria for approval of protocols for projects
 - Include protocol for making case-by-case approvals of projects
- Overarching criteria: emission reductions must:
 - Be real, additional/surplus, quantifiable, validated (verified), enforceable, permanent
 - Occur in California
 - Be after date specified in protocol



GHG Funding Opportunities

- GHG Rx provides information on funding available for climate change and air pollution reduction projects
- To submit information, please contact staff from your district or CAPCOA



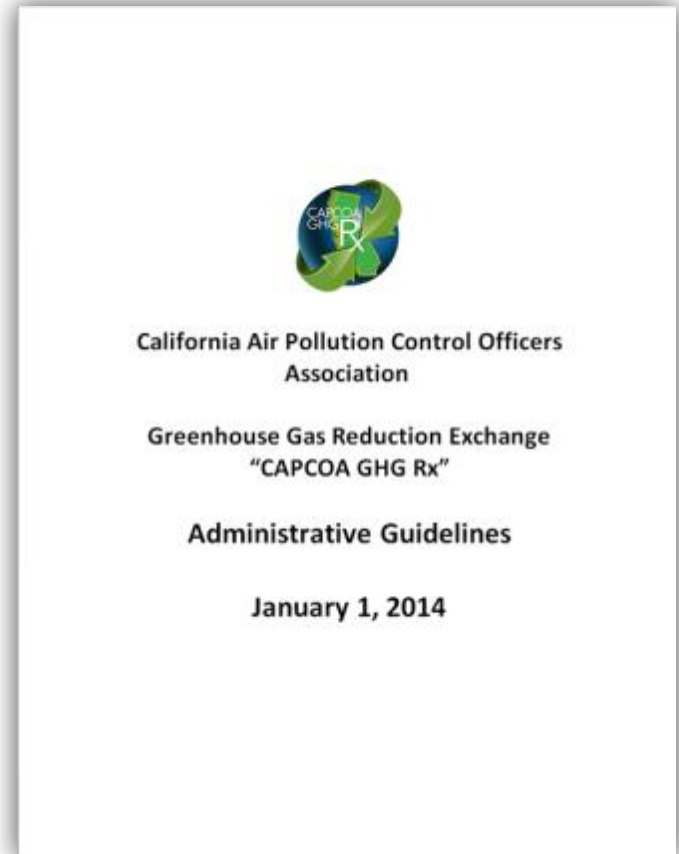
GHG Bulletin Board

- Listing for:
 - Buyers seeking to purchase credits
 - Parties seeking funding to develop projects
 - Can request post on website
 - Approved by System Administrator before posted



Resource Links

- **Administrative Guidelines**
(link on ghgrx.org)
 - Background, purpose
 - Functionality
 - Users, roles
 - Quality control
 - Rules for participation
 - Standardized forms





Resource Links

- Protocols (link on ghgrx.org)
 - Biomass-to-energy
 - Boiler Efficiency
 - Organic Waste (Livestock)*
 - Forest Management – I
 - Forest Management – II*
 - Forest Management – III*
 - Case-by-case*



*Provisionally approved by CAPCOA Board



Resource Links

- User Guide (link on ghgrx.org)
 - Use of GHG Rx website
 - Detailed instruction with screenshots



How the GHG Rx Works

Step 1: Submitting a Project

- A “project” is an activity that reduces GHG emissions and can thus generate GHG reduction “credits” for listing on the Rx
- Project developers = individuals, businesses, organizations, traders, brokers, etc.
- Projects follow CAPCOA-approved protocols
- Applications are submitted to the local air district



How the GHG Rx Works

Step 1: Submitting a Project, cont.

Credit listing information:

- Listing entity information (name, address, etc.)
- Credit project information (project description, location, protocol followed, implementation and expiration dates, etc.)
- Quantity of credits (minimum listing = 10 metric tons; minimum sale = 1 metric ton)
- History of credits (have they been listed elsewhere?)

Supporting Information:

- Maps, photographs
- Calculations
- Demonstration of how project complies with a CAPCOA protocol
- Monitoring and/or validation (a.k.a. verification) schedule
- Other information, such as location in environmental justice areas



How the GHG Rx Works

Step 2: Air District Review

- Review application for completeness
- Determine if project meets basic Rx criteria (real, additional/surplus, quantifiable, verifiable, enforceable and permanent)
- Verify protocol requirements are met
- Evaluate baseline and reduction calculations
- Conduct field visit
- Prepare validation report

Compliance with GHG banking rules at participating air districts satisfy these requirements.



How the GHG Rx Works

Step 3: Issue Legally Binding Instrument

Air District issues credit certificate with terms:

- Attests that the credits described in the application have been reviewed and meet all CAPCOA criteria
- Requires the applicant notify the Air District of any sale, transfer or retirement of the credits
- Renders the credits invalid if the terms of the approval are not met



How the GHG Rx Works

Step 4: Listing Credits

- Air District posts credits and all documentation on the Rx
- Unique project number and serial numbers assigned
- Seller notifies Air District of any credits sold, transferred or retired
- Sold, transferred, retired credits recorded by the Air District and shown as transactions
- Controls in place to eliminate any fraudulent or inappropriate listings



How the GHG Rx Works

Step 5: Tracking Credits

- Issuing District tracks credits throughout their life
 - Initial validation and issuance, periodic reviews, changes in status
 - Updates information on GHG Rx
 - Each credit has a unique serial number: 100-BA-SC-BM-11-1-250
Proj # -Air District – County – protocol – year – qty credits
- Periodic audit of projects by
 - Participating Districts & CAPCOA



Quality Control

- Participating air districts sign MOU with CAPCOA, requiring them to:
 - Follow the administrative rules of the GHG Rx
 - Use CAPCOA-approved criteria and protocols to evaluate credits
 - Issue binding terms for credits approved



Quality Control

- Administrative Guidelines govern the function of the GHG Rx
 - Establish roles & responsibilities
 - Identify credit tracking requirements
 - Set quality assurance procedures for data and projects
 - Provide common forms
 - Include Users' Guides



Quality Control

- GHG Rx Quality Criteria Guidance
 - Establish criteria for approval of protocols for projects
 - Include protocol for making case-by-case approvals of projects
- Overarching criteria - emission reductions must:
 - Be real, additional/surplus, quantifiable, validated (verified), enforceable, permanent
 - Occur in California
- Protocols reviewed by CAPCOA Engineering Managers, approved by CAPCOA Board



CAPCOA Greenhouse Gas Reduction Exchange

Questions?



GHG Rx Platform Demonstration

GHGRX.ORG - Windows Internet Explorer

http://ghgrx.org

Google Search Share More

Favorites GHGRX.ORG Home Home Search Page Safety Tools



CAPCOA Greenhouse Gas Reduction Exchange (GHG Rx)

MISSION STATEMENT

Our mission is to provide a trusted source of high quality California-based greenhouse gas credits to keep investments, jobs, and benefits in-state, through an Exchange with integrity, transparency, low transaction costs and exceptional customer service.

CORE VALUES AND OPERATING PRINCIPLES

Quality California Credits: Participating air districts will only quantify credits for projects in California that follow protocols approved by the CAPCOA Board. Properly trained or certified air district staff or individuals that are CARB- certified, if applicable, will provide third-party verification of credit projects.

Collaboration: Participating air districts will work together to create and maintain an Exchange bulletin board that lists all available credits registered under respective air districts.

Integrity: The Exchange services will be provided with the utmost integrity so our customers can be confident that the credits they are providing, purchasing, or using are of the highest quality possible.

Security: The Exchange will be built with stringent measures to ensure that projects and trades are tracked carefully so credits are accurately issued and are used (or retired) only one time.

Transparency: Information on all aspects of the Exchange will be fully disclosed and easy to obtain to foster trust and respect.

Low Transaction Costs: The Exchange will seek to keep transaction and other costs as low as possible.

Excellent Customer Service: The Exchange, through its local air district network, will provide outstanding customer service to be responsive to customers needs and suggestions.

Protocol Development: Air Districts are encouraged to develop credit protocols that will result in GHG reductions that are real, quantifiable, additional, verifiable, enforceable and permanent.

ABOUT US

Welcome to the CAPCOA GHG Rx. This site provides information on GHG credit projects within participating air districts. Credits available under the Exchange may be used to mitigate GHG emissions for CEQA or NEPA purposes or other applicable uses.

SEARCH PROJECT BY:

Air District	Choose	Project Type	Choose
Project ID	Choose	Project Name	Choose
		<input type="button" value="Search"/> <input type="button" value="Clear"/>	

GHG-CREDIT AVAILABILITY

Air District	GHG Credit Available	
	Achieved	Prospective
San Joaquin APCD	256171	0

GHG FUNDING OPPORTUNITIES

Click [here](#) for GHG grants and funding opportunities.

GHG BULLETIN BOARD

Click [here](#) for bulletin postings of GHG credit requests.

RESOURCE LINKS

[Administrative Guidelines](#)
[Protocol Forms](#)
[User Guide](#)



CAPCOA's Greenhouse Gas Reduction Exchange

Question and Answer Session

For webcast participants,

email: webcast@valleyair.org

Subject: GHG Rx



Questions After Today?

Check Appendix C of Administrative Guidelines
for list of district contacts

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