

FACTS ABOUT CERP

WHAT IS CERP?

The Coalition for Emission Reduction Projects (CERP) exists to educate policymakers and the general public about the benefits of using offsets from domestic and international greenhouse gas (GHG) emission reduction projects as a means for regulated entities to meet their compliance obligations under a U.S. federal GHG regulatory program.

CERP MEMBERS

CERP brings together leading companies from the energy, manufacturing, agriculture, financial services, and emissions reduction project development sectors.

CERP members include: American Electric Power, BlueSource, Camco Global, C-Quest Capital, C-Trade Comercializadora de Carbono, Deutsche Bank, Dominion, DTE Energy, Duke Energy, EcoSecurities, Element Markets, El Paso Corporation, Environmental Credit Corp, Equator, John Deere, Leaf Clean Energy Company, Natsource, Noble Carbon Credits, PG&E Corporation and Verdeo Group.

HOW DOES CERP DIFFER FROM OTHER COALITIONS AND ASSOCIATIONS WORKING ON US CLIMATE CHANGE POLICY ISSUES?

Like some other groups, CERP brings together parties with business interests related to climate policies and the carbon markets. However, CERP has a unique focus and membership profile. CERP is solely focused on the issue of offsets, and is not taking positions on other elements of U.S. climate change policy at this time. Secondly, CERP's membership is broad-based, bringing together not only companies that develop and finance emission reduction projects, but also companies that expect to purchase offsets for compliance purposes.

WHAT ACTIVITIES IS CERP UNDERTAKING?

CERP is making available resources and research from its members, hosting industry roundtables and other public events, developing legislative and regulatory proposals, and advocating its principles before the Congress and the Executive Branch.

CERP's primary focus is on the legislative front. During the development and revision of the American Clean Energy and Security Act of 2009, CERP has played a key role in educating policy makers about policy design questions relevant to offsets and in proposing and securing "fixes" to the offsets provisions of the legislation. A large number of CERP's legislative "asks" have been incorporated in the legislation, and we continue to work on developing legislative solutions for the remaining issues. In 2008, CERP was a prime mover behind a bipartisan amendment introduced by Senators Stabenow (D-MI) and Brownback (R-KS). The amendment – which was cosponsored by Senators Lieberman (D-CT), Warner (R-VA), and others – would have established a sound offsets architecture broadly consistent with principles advocated by CERP. The amendment is widely viewed as the starting point for continued work on offsets in the Senate. CERP has come to be viewed by offices in both houses of Congress as a source of good counsel on the development of a vigorous offsets program within a U.S. cap-and-trade program.

CERP PRINCIPLES

As described more fully in CERP's Statement of Principles (see www.uscerp.org), CERP believes that any U.S. federal GHG regulatory program must adhere to the following principles:

- A U.S. GHG regulatory program should employ a market-based approach.
- Entities regulated under a U.S. GHG regulatory program should be given the option of achieving their compliance obligations through the use of offset allowances from qualifying emission reduction projects.
- Offset allowances should be available only for projects that achieve emission reductions that are additional, permanent, independently verified, enforceable, and measurable.
- There should not be arbitrary geographic or quantity limits on the use of reductions from qualifying emission reduction projects.
- The project approval process should be transparent and rely on established, approved project types and methodologies, with clear procedures to approve new methodologies and project types.
- Offset allowances should be available from an expansive set of sectors, activities, and countries.
- A U.S. GHG regulatory program should allow for the use of offset allowances from international projects that can meet U.S. standards for quality.
- Entities that implement emission reduction projects prior to the establishment of a U.S. regulatory program should be awarded offset allowances for early action if those projects meet the relevant quality standards.

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The Coalition for Emission Reduction Projects (CERP) brings together leading companies from the energy, financial services, and emissions reduction project development sectors. The Coalition's members have diverse interests and views on climate change policy. However, the CERP is united around the following principles:

- *The United States needs a reasonable and well-designed federal greenhouse gas regulatory program.*
- *Any such program should be market-based in its approach.*
- *Any such program should allow entities covered by the emissions cap to meet their requirements through the use of a range of domestic emission reduction and sequestration projects and also through the use of allowances and credits from international programs.*

Van Ness Feldman provides support to the coalition. For more information, please visit www.uscerp.org, or contact Kyle Danish (202.298.1876, kwd@vnf.com).