

Evergreen Carbon

I'm Wolf with Evergreen Carbon. So, I do a lot of work on the mitigation side and just quickly, so the double counting it's not a huge issue; in fact, it's a non-issue. Each carbon credit has a unique serial number that's retired only once. So, two projects in two different states can't have the same exact carbon credits, but they can be from the same project for sure. And so just to talk about with carbon credits the co-benefits and economic, and I think that's admirable in kind of having a higher article, whether inside Washington State, or outside, or international. I just caution, needs to be very clear on the design as such a program, because all projects are not built the same and cost is a huge driver. So I can get companies a carbon credit from China on a solar farm for, like, 65 cents and compared to a forest project someplace else for 10 - 12 dollars. So we need to kind of balance that and be very clear in the rule about what constitutes a co-benefit. Does it have to have a secondary certification?

Like that Vera might offer a project and climate action reserve doesn't actually have a program of co-benefits, but many of their projects do have them. So, how do you define that? And then what percentage; What portion can a project actually use carbon credits? The 100% down to 10,000? If they have a million tons of greenhouse gas in one year do we expect them to purchase that much, every year?

And so, yeah, anyway, so I'm just kind of bringing up some issues around that and I'll have some other written comments later on.

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And Steve thank you for the clarification, because actually what my recommendation, which I didn't get to, is that on the greenhouse gas assessment as far as applying like mitigation; you should only apply to scope one and scope two perhaps, for people to offset. You don't offset the products themselves, because that is indeed double counting because those greenhouse gases were used to create those products, so they're already counted for. And so somebody else buys those products. No, they shouldn't be trying to mitigate upstream and downstream, which is scope three; it's not practical. And a life cycle assessment scope three at best is a good estimate, at worst it's kind of a poor estimate. It depends on how you draw boundaries and stuff and you can provide some assurance to it, but they're not absolute, like, you do with scope one and scope two assessment. And so on the mitigation side, you can really only kind of focus on what the facility is doing, not the upstream and downstream. I think the LCAs are important as an area of judgment and to see this is really huge, this is really small; so this is kind of cool, this is bad. But you can't put a dollar or an absolute greenhouse gas value and then apply a dollar amount that someone needs to pay to offset, like a steel vector purchasing, for their products.

For instance, it's the steel manufacturer needs to be responsible for their own greenhouse gases. That is how the whole thing is set up. So, I appreciate Steve's comments and clarification and I agree with him. I think you need to just cut out trying to mitigate upstream and downstream, but use those values those, those estimates, for sound judgment. And as sound yes or no for reasons. So, I guess that's what I want to talk about those boundaries.

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So, as I think more about this, as far as the mitigation requirement, I would encourage you to focus on just scope one, just what the facility will be doing in a direct manner. Because the electricity, the scope two is essentially taken care of through the energy analysis work that you're conducting is part of the GAP rule as well. And so, you have that area covered and then again the LCA is an estimation tool and a good thing for information.

And then the whole thing is; my next question would be, what is being verified? Are you bringing in a 3rd party via IOS standards? So a lot of the consulting work I do is up in Canada where they actually have a pretty solid regulatory framework at a province level and at a federal level and these things, they tend to work together. And I can see the GAP rule being kind of an effective tool and effective bridge tool, that what we might get at next out of even national regulatory frameworks, which I'm hopeful for. So, get back to my initial point on the mitigations. Like, look at scope one and then consider what percentage, how much mitigation overtime? Are you going to expect an organization to be offsetting for a 20 or 50 years? Is that what they're going to be doing under this GAP rule if they are a accepted project? I'm just trying to put some kind of boundaries around how to apply this once a project is accepted under the GAP rule and how it's going to work.