

## CARBON OFFSET PRIMER



A NFT Climate Impact Certificate

















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Carbon Collectible® NFTs

#### Definition

A carbon credit represents the right to emit 1 ton of carbon dioxide  $(CO_2)$ . A carbon offset is the removal (or avoidance) of 1 ton of  $CO_2$  from the atmosphere by a carbon credit project.

The primary source of  $\mathrm{CO}_2$  emissions in China is fossil fuels, notably burning coal. In 2020, the largest sources of  $\mathrm{CO}_2$  emissions in the U.S. were transportation, industry, and power generation.

#### Two Types of Carbon Offset

#### Compliance Carbon Offsets

Some jurisdictions, such as California have a cap-and-trade scheme for greenhouse gas emissions. The state government enforces a cap on the annual emission of greenhouse gases by regulated organizations like the electricity company. If the electricity company exceeds their annual cap, they must pay a fine or buy "compliance" carbon offsets to counter-balance their excess. To comply with this government regulation, the electricity company can only buy compliance carbon offsets from a regulated exchange.



#### **2** Voluntary Carbon Offsets

Some organizations, such as Toyota and Amazon, volunteer to buy carbon offsets to counter-balance their carbon emissions. Anyone can buy and sell "voluntary" carbon offsets. However, the buyer typically expects the carbon offsets to comply with a recognized third-party validation standard.

#### Carbon Offset Validation

The following third parties offer validation standards for carbon offsets.

- 1 Gold Standard
- 2 Verified Carbon Standard
- 3 Climate Action Reserve

- 4 American Carbon Registry
- 5 Plan Vivo
- The Climate, Community & Biodiversity Alliance

Traditional carbon offsets represent historical carbon sequestration. After a customer buys a traditional carbon offset, they must retire it when they want to claim the benefit of the offset. Please note, it is possible to use manual measurement techniques to validate the amount of historical carbon that has been sequestered into the structure of a tree or into its biomass. However, manual measurement, validation and certification is very expensive and unaffordable for many low-income forest communities.

### LET'S GET STARTED

# Click Here to Make a Climate Impact Today

We add biodiversity to carbon credits to enhance your value....

We fund regenerative entrepreneurship to multiply, recycle and compound your ESG sponsorship.

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