

## ADVANCE NOTICE OF UPCOMING CHANGES TO PROTOCOLS

January 26, 2011

Amendments to the Specified Gas Emitters Regulation. In 2007 allowed regulated facilities an option of purchasing greenhouse gas (GHG) offsets in order to meet their reduction requirements. Offsets are voluntary removals or reductions in GHG emissions identified according to government approved protocols (see: [www.environment.alberta.ca/02275.html](http://www.environment.alberta.ca/02275.html)), where every tonne of carbon dioxide equivalent (CO<sub>2</sub>e) that is removed or reduced is equal to one offset credit.

A number of agricultural practice improvements can create carbon offsets including reduced tillage, improved nutrient management (fertilizer and manure), changes to livestock diets and/or feeding practices and increased energy efficiency. Although agriculture emits 8% of Alberta's total GHG emissions, agricultural practice improvements have already removed 15% of legislated emission reductions, or 3.2 million tonnes of CO<sub>2</sub>e from the atmosphere. This is equivalent to taking 1.5 million cars off the road and has generated close to \$38 million of income for agriculture in Alberta.

The Alberta Offset System is based on continuous improvement and is being informed by periodic reviews involving various stakeholders and experts.

- One area currently being strengthened concerns documenting practice changes. Higher standards of proof of practice change increases the assurance that GHG emissions have been reduced or removed. Minimum records needed to quantify GHG emission reductions and/or removals will be identified.
- With these new standards, only offsets created from practices that occur on a go-forward basis from January 1, 2012 will be eligible for credit following that date (i.e. the current rules will apply until that date). Credits that are already serialized and registered on the Alberta Emissions Offset Registry will be honoured.
- The five year review period for the Tillage System Management Protocol is also currently underway. Increased adoption rates of reduced tillage across Alberta, due in part to this offset program, will reduce the amounts of soil carbon that can be claimed as an offset.

**Beginning on January 1, 2012**, the following changes will apply to all carbon offset projects :

- Requirements for proof of practice change will increase.
- Only credits that meet new evidence requirements will be eligible.
- For the Tillage System Management Protocol, updated coefficients to include increased adoption rates of reduced tillage will reduce credit potential.

More changes are likely as the Alberta Offset System develops, however opportunities for agriculture remain significant. Farmers have been paid directly by private companies to improve environmental practices. Other benefits of adopting practice improvements that create carbon offsets include: improved production efficiencies, heightened values of farm records and opportunities to build the knowledge needed to access other markets.