Comments from the Bipartisan Policy Center

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TO: Sasha Strohm
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United States Department of Agriculture
1400 Independence Avenue, S.W.
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RE: Comments Regarding the Greenhouse Gas Technical Assistance Provider and Third-Party Verifier Program (89 FR 46335 (May 29, 2024); Pages: 46335-46336)

On behalf of the Bipartisan Policy Center’s Energy Program, we are pleased to submit the following comment in response to the United States Department of Agriculture’s request for information on the new Greenhouse Gas Technical Assistance Provider and Third-Party Verifier Program, the main program authorized under the Growing Climate Solutions Act (GCSA), part of the Consolidated Appropriations Act of 2023. BPC welcomes this next step in implementation of the GCSA, and we believe that this new program will play an important role in supporting a high-integrity voluntary carbon market (VCM) and driving greater participation in the market by removing barriers for farmers, ranchers, and forest landowners as they seek information on the VCM.

The BPC Energy Program drives federal energy policy that boosts our economy, makes America more secure, and tackles climate change—all while keeping the U.S. a global leader. We achieve this by providing thought leadership, conducting original research, and building consensus on significant energy and climate policy issues. Some of our key areas of focus in recent years include carbon management and carbon dioxide removal, nature-based climate solutions, and the VCM. BPC sees the potential for carbon credits and a robust VCM to drive billions of dollars to essential climate mitigation projects, and in 2022 we launched a project on strengthening voluntary carbon credits as a vital private climate finance tool. BPC hosted two workshops to design a set of policy options to improve the quality of voluntary carbon credits, with input from key stakeholders including government leaders, representatives from companies buying and selling carbon credits in the VCM, carbon registry experts, and leading environmental
organizations. We published two reports\(^1\) on the VCM and pathways to improving carbon credits.

Meeting climate goals requires the world to rapidly scale efforts to reduce emissions of greenhouse gases and remove accumulated emissions from the atmosphere. Key scientific bodies, including the Intergovernmental Panel on Climate Change (IPCC)\(^2\) and the U.S. National Academies of Sciences, Engineering and Medicine,\(^3\) have found that carbon dioxide removal methods will be necessary to produce net negative emissions and meet climate targets, and that well-designed and executed nature-based and hybrid nature-engineered CDR methods are cost-effective and net beneficial to the climate. The IPCC’s most recent assessment of pathways to global net-zero greenhouse gas emissions provides the strongest evidence yet that the lands sector is a key contributor to cost-effective mitigation, and that a lack of financing and technical know-how are important barriers to large-scale implementation. Nature-based solutions have the additional benefit of providing alternative revenue streams and contributing to the rural economy when farmers, ranchers, and forest landowners have access to the VCM. USDA’s Greenhouse Gas Technical Assistance Provider and Third-Party Verifier Program has the potential to help address both of these barriers.

Please see our response below to Question 1 of the RFI.


The Growing Climate Solutions Act calls for the Secretary of Agriculture to “publish a list of, and documents relating to, widely accepted protocols that are designed to ensure consistency, reliability, effectiveness, efficiency, and transparency of voluntary environmental credit markets” (emphasis added). The five terms are adjectives that describe desired characteristics of voluntary environmental credit markets (for simplicity, hereafter referred to as voluntary carbon markets (VCMs)). The USDA should therefore evaluate how protocols are designed to advance these five desired VCM characteristics.

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\(^3\) [https://nap.nationalacademies.org/catalog/25259/negative-emissions-technologies-and-reliable-sequestration-a-research-agenda](https://nap.nationalacademies.org/catalog/25259/negative-emissions-technologies-and-reliable-sequestration-a-research-agenda)
When defining the terms for the five desired VCM characteristics, USDA should align its definitions to the principles outlined in the federal government’s recent Voluntary Carbon Markets Joint Policy Statement and Principles document. This joint policy statement was signed by the Secretary of Agriculture, Secretary of Energy, the Secretary of Treasury, and several White House officials, and it states that “These principles will also guide how the U.S. Government engages with VCMs.”

Alignment across departments and federal agencies is essential because as the joint policy statement notes, “the U.S. Government is playing an increasingly important role in carbon credit markets.” It would be detrimental to the development and operation of robust VCMs if different federal government programs, guidance, and regulations relied on different key terms with different definitions. BPC’s research in this area has also found that the harmonization and alignment of quality criteria are central to advancing meaningful and trustworthy carbon credits. We encourage continued engagement between USDA, Department of Energy, Department of the Treasury, and other federal agencies on supporting high-integrity VCMs.

The table below provides an initial starting point for defining the GCSA terms in alignment with the joint policy statement.

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<th>GCSA Term</th>
<th>Joint Policy Statement Principle</th>
<th>Suggested excerpts to inform GCSA term definition</th>
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<tr>
<td>Consistency</td>
<td>Principle 1. Carbon credits and the activities that generate them should meet credible atmospheric integrity standards and represent real decarbonization.</td>
<td>Unique. One credit responds to only one tonne of carbon dioxide (or its equivalent) reduced or removed from the atmosphere and is not double-issued. Validation and Verification. Activity design is validated, and results are verified, by a qualified, accredited, independent third party. Ensure credit certification standards bodies’ governance procedures address real or perceived conflicts of interest in relation to the standards body’s own governance, as</td>
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| Reliability | Principle 1. Carbon credits and the activities that generate them should meet credible atmospheric integrity standards and represent real decarbonization. | Real and Quantifiable. Claimed emissions reductions or removals represent a genuine atmospheric impact that is determined in a transparent and replicable manner using robust, credible methodologies. Relevant activities are designed to prevent emissions from occurring, being shifted, or intensifying beyond their boundaries as a result of the activity (“leakage”).

Robust baselines. Baselines for emissions reduction and removal activities are based on rigorous methodologies that avoid over-crediting, prioritizing the use of performance benchmarks where applicable, and that evolve over time to reflect advancements in national climate policy, emissions pathways and decarbonization practices, and technology.

Credit certification standards bodies should ensure robust MMRV of emissions reductions and removals.

Climate and environmental justice impacts of credited activities are important to understand, and project and program developers should seek to avoid negative externalities for the communities in which they operate.

Identification and delivery of verified “co-benefits” associated with credit-generating projects and programs, such as sustainable economic development and increased biodiversity, are encouraged. |
| Effectiveness | Principle 1. Carbon credits and the activities that generate them should meet credible atmospheric integrity standards and represent real decarbonization. | Additional. The activity would not have occurred in the absence of the incentives of the crediting mechanism and is not required by law or regulation.

Permanence of greenhouse gas benefits. The emissions removed or reduced will be kept out of the atmosphere for a specified period of time during which any credited results that are released back into the atmosphere are fully remediated. |
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<th>Efficiency</th>
<th>Principle 7. Policymakers and market participants should facilitate efficient market participation and seek to lower transaction costs.</th>
<th>Addressing the barriers (e.g., high transaction costs) facing credit-generating suppliers—including farmers, ranchers, forest owners, small businesses, developing country jurisdictions, and others—can improve the overall ability of VCMs to produce high-integrity credits. Where appropriate, including for land-based credits, the use of scientifically robust models—including those supported by government investment—can help reduce MMRV costs and improve credit integrity when paired with appropriate safeguards.</th>
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| Transparency | Principle 1. Carbon credits and the activities that generate them should meet credible atmospheric integrity standards and represent real decarbonization. Principle 6. Market participants should contribute to efforts that improve market integrity. | Credit certification standards bodies should:  
- Operate or make use of a registry to transparently track the attributes, issuance, ownership, and retirement and/or cancellation of credits, coordinating where appropriate to ensure that activities are not registered with more than one registry.  
- Require publicly available and accessible, comprehensive, and transparent information on crediting activities.  
Stakeholders should seek to improve market functionality for a variety of market participants, including:  
- improving transparency and the publicly available data of credit-generating projects and programs, including transaction volumes and prices  
- promoting fair and equitable treatment of suppliers involved in credit generation, including fair distribution of revenue |
Conclusion
Lowering barriers to participation and providing technical assistance to farmers, ranchers, and forest landowners to engage in the voluntary carbon market enables a stronger VCM that will provide both economic and environmental benefits. Aligning the Program’s definition of key terms with the principles in the joint policy statement will further the federal government’s policy goal of a voluntary carbon market based on integrity and quality. BPC looks forward to continued engagement with USDA on strengthening opportunities for farmers, ranchers, and forest landowners in the VCM.