



September 27, 2022

Chair Annette Nazareth

Integrity Council for the Voluntary Carbon Market

RE: Request for Comments on [Core Carbon Principles Assessment Framework and Assessment Procedure](#)

Chair Nazareth,

Thank you to you and the Integrity Council for the Voluntary Carbon Market for working to ensure the voluntary carbon market accelerates a just transition to 1.5 °C. The Carbon Business Council, a nonprofit trade association of more than 65 carbon management companies, appreciates your invitation to respond to the consultation you issued.

Carbon dioxide removal (CDR) helps restore the climate by removing legacy emissions from the atmosphere. The [global scientific consensus](#) is that removing gigatons of emissions is needed to reverse climate change's worst impacts. In response, a new generation of companies is creating an array of promising carbon removal solutions. Carbon removal companies are looking toward marketplaces to buy and sell carbon removal credits, which can expedite the industry's growth and help fulfill net-zero targets. Companies are quickly discovering the challenges of existing voluntary carbon markets (VCMs), many of which are built for offsets and not carbon removals.

As VCMs continue to scale, it is vital to address and crystallize the differences between avoidance and removal and overcome barriers to entry for CDR developers. How can VCMs be shaped to help foster carbon removal while ensuring rigor, accuracy, and accountability in the amount of carbon being removed from the atmosphere? A working group convened by the Carbon Business Council offers a pathway forward in a [recently published white paper](#).

We appreciate your thorough and thoughtful framework on VCMs and your wide array of information on offsets-based projects under international regimes. We encourage that the Integrity Council considers an expansion of carbon removal technologies usage (referred to in the paper as "breakthrough technologies"). CDR is fundamentally different from emissions avoidance; carbon emissions avoidance is about preventing additional emissions, while carbon removal is about removing pre-existing carbon dioxide from the atmosphere. Although this statement may seem obvious, avoidance is often conflated with removal, and credits for the two approaches are largely treated as indistinguishable in some of the current VCM systems. Monetizing and incentivizing carbon removal methods in VCMs can facilitate a gigaton climate impact. We encourage the Integrity Council to help foster climate restoration by accounting for the unique approaches, challenges, and opportunities of CDR.

Clearly defined VCM terms will help establish understanding and a common set of principles across markets, particularly as they diverge from compliance markets and other normative



regulatory structures in the offsets space, such as cap-and-trade programs. Importantly, their intentions with MRV around removals too sets them as distinctly separate. Thus, a differentiation of VCMs from former notions of compliance markets should continue to take place as they are uniquely different and hold newfound understandings of durable carbon management. Mineralization of carbon dioxide into a carbonate has unique lifespans compared to natural carbon sinks.

We invite the Integrity Council to review the Carbon Business Council's policy and market recommendations summarized in our letter and detailed more fully in the white paper itself:

Distinguish offsets and carbon removal credits. Traditional offset and removal credits can coexist in VCMs, but these two credit types are different and should be treated as such. Clarity in names and definitions will build greater transparency into net-zero commitments and the markets themselves.

Align definitions. Clearly defined VCM terms will help establish understanding and a common set of principles across markets. These definitions likely need to be developed by a government body or third party and will benefit from broad stakeholder buy-in and community input. An improved definition is particularly needed for *additionality*, which is interpreted, determined, and weighted differently across players and markets.

Establish a minimum quality to enter VCM markets. A wide range of durable carbon removal solutions exists, and as many as possible that meet minimum durability and quality standards should be brought to market. Establishing minimum entry thresholds for durability and quality, along with tools like a quality grading rubric, will help strengthen VCMs and establish broader baselines for CDR. Transparency and context around any quality rubric will be crucial to its success.

Streamline VCM verification. Verifying CDR approaches for removal credits helps build a stronger, more confident market that delivers climate benefits. At the same time, given the short time frame remaining to avert the worst effects of climate change, VCM verification systems will benefit from being agile and efficient to avoid years-long delays in verifying CDR to enter markets.

Price to reflect permanence. Each CDR solution presents unique benefits along with a series of trade-offs, ranging from the permanence of the removal method to the potential removal capacity of the relevant CDR technology. Along with other factors, the durability of a given CDR approach should be factored into VCM pricing, meaning solutions with longer permanence are priced and valued accordingly.

Increase transparency in emissions data and net-zero pledges. There are currently gaps in publicly disclosed data on carbon emissions and offsets in companies' net-zero pledges. Improved



transparency in this regard will offer new insight into how many credits CDR buyers will likely require, providing a positive signal for investment and development of CDR projects in VCMs.

Ensure CDR Project Developers are Supported to Enter VCMs. Some VCMs already offer support for CDR companies and identifying and addressing additional needs will help catalyze more high-quality CDR solutions. This may include, for example, credit to support CDR in early-stage research and development or during the verification process.

VCMs have a significant opportunity to evolve in a manner that helps bring durable and promising carbon removal solutions to market in addition to offsets-based markets. Based on the challenges and constraints in today's markets, the recommendations above help grow VCMs, scale carbon removal, and provide a greater menu of options for purchasers and governments to achieve the goals of the Paris Agreement goal. We appreciate the Integrity Council's climate leadership and thank you for the invitation to submit our response.

Sincerely,

Benjamin Rubin

Ben Rubin
Executive Director, Carbon Business Council