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Application of the Oeko-Institut/WWF-US/ EDF methodology for assessing the quality of carbon credits

This document presents results from the application of version 3.0 of a methodology, developed by Oeko-Institut, World Wildlife Fund (WWF-US) and Environmental Defense Fund (EDF), for assessing the quality of carbon credits. The methodology is applied by Oeko-Institut with support by Carbon Limits, Greenhouse Gas Management Institute (GHGMI), INFRAS, Stockholm Environment Institute, and individual carbon market experts. This document evaluates one specific criterion or sub-criterion with respect to a specific carbon crediting program, project type, quantification methodology and/or host country, as specified in the below table. Please note that the CCQI website Site terms and Privacy Policy apply with respect to any use of the information provided in this document. Further information on the project and the methodology can be found here: www.carboncreditquality.org

Sub-criterion:	2.2.2: Avoiding indirect overlaps between projects
Carbon crediting program:	ACR
Assessment based on carbon crediting program documents valid as of:	15 May 2022
Date of final assessment:	08 November 2022
Score:	Natural forests: 5 Landfill gas utilization: 5

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Assessment

Relevant scoring methodology provisions

Double issuance can occur indirectly through overlapping claims by different entities involved in mitigation projects. Indirect overlaps between projects can only occur in cases where projects, in calculating their emission reductions or removals, include emissions sources that occur at other sites than where the project is implemented. This risk is only applicable to some project types. The following table provides examples of project types with or without a risk of indirect overlaps:

Project types with potential indirect overlaps between projects	Project types without potential indirect overlaps between projects
· Landfill gas utilization · Renewable electricity generation · Biomass use · Composting	· Landfill gas flaring · Avoidance of N_2O from nitric or adipic acid production · Energy efficiency improvements in thermal on-site applications

For project types for which this risk is not relevant, the score is 5. For other project types, the scoring depends on the carbon crediting programs' procedures to address this risk. The scoring approach for carbon crediting program procedures to avoid indirect overlaps between projects is as follows:

Program requirements	Score
The program only credits those types of projects for which overlaps between projects are very unlikely to occur	5
The program has robust provisions in place that effectively identify and avoid overlaps between projects registered within the program *and* projects registered under other programs (see principles in the methodology)	5
The program has robust provisions in place that effectively avoid overlaps between projects registered *within* the same program	3
The program does not have robust provisions in place to avoid indirect overlaps between projects	1

Information sources considered

1   The American Carbon Registry Standard. Requirements and specifications for the quantification, monitoring, reporting, verification, and registration of project-based GHG emissions reductions and removals. Version 7.0, December 2020, available at https://americancarbonregistry.org/carbon-accounting/standards-methodologies/american-carbon-registry-standard/acr-standard-v7-0_final_dec2020.pdf

2   ACR Terms of Use, July 2020, available at https://americancarbonregistry.org/how-it-works/membership/acr-terms-of-use/acr-terms-of-use-july-2020-clean.pdf

Relevant carbon crediting program provisions

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Assessment outcome

The carbon crediting program´s approach to avoid indirect overlaps between projects is assigned a score as follows:

Establishment of natural forest: 5

Landfill gas utilization: 5

Justification of assessment

Among the nine project types assessed, projects establishing natural forests ("Afforestation and Reforestation on degraded lands") and landfill gas utilization projects are eligible under ACR.

For **projects to establish natural forests**, the risk of indirect overlaps is of little relevance. The relevant quantification methodologies do not include emission sources in the calculation of emission reductions that occur at other sites than where the project is implemented. Any extraction of biomass that is extracted from the project area and used under other projects would imply a decline in the amount of biomass stored in the land area, and thus be deducted from future issuances (or accounted for under non-permanence provisions). Moreover, projects to establish natural forest typically do not include any significant emission sources outside the project site in the calculation of emission reductions. Any such emissions, such as from fertilization production or transportation, are relatively small and therefore considered immaterial. For this reason, these project types are assigned a score of 5.

For **landfill gas utilization projects**, the relevant quantification methodologies include emissions sources in the calculation of emission reductions that occur at other sites than where the project is implemented; however, there is no known practice by carbon crediting programs to issue carbon credits to other entities for these emission reductions. Under this project type, the owner of the landfill gas project may receive carbon credits for generating electricity with the captured gas or for selling the gas, thereby displacing the use of fossil fuels at other sites. An indirect overlap leading to double issuance could theoretically occur if the user of the electricity or the gas claims the emission reductions from *using* the electricity or gas as an end consumer while carbon credits are also issued for capturing and utilizing the gas at the supply side. Moreover, given that landfill gas utilization displaces the fossil fuels, it is theoretically possible that carbon credits could be issued to fossil fuel fired power plants for reducing or stopping their electricity generation or to fossil fuel producers or users for reducing or stopping fossil fuel production or use. However, there is no known practice by carbon crediting programs to issue carbon credits to these entities for these types of actions. For this reason, these project types are also assigned a score of 5: