



## Carbon offset market raises questions

Growing industry has few standards; buyers need to beware

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When Al Gore faced attacks earlier this year over how much energy is used to power his 10,000-square foot home, the vice president-turned-global warming guru offered an increasingly common defense.

Gore may indulge in some of life's luxuries, but a spokeswoman told The Associated Press that Gore still maintains a "carbon-neutral" lifestyle. That's thanks to a mixture of conservation and carbon offsets — a voluntary system in which people pay money toward renewable energy projects as a way to counterbalance their use of more traditional, and polluting, energy sources.

The desire to make amends for everything from a trip to the Oscars to a morning commute has spawned a plethora of for-profit and nonprofit carbon offset providers, whose offerings run the gamut in terms of how much they cost and what they say they will accomplish. But the growing retail market, which is largely unregulated, also is raising questions among environmentalists who say not all offsets are created equal.

"There's a lack of standards in the voluntary market, and the offsets that people are purchasing might not be accomplishing what they hope they will," said Deborah Carlson, climate change campaigner with the David Suzuki Foundation, a Canadian environmental advocacy group.

When the environmental group Clean Air-Cool Planet commissioned a study on carbon offsets, communications manager Bill Burtis was surprised to find how few groups offered transparent details of their projects or had set up any process of independently verifying their environmental benefits.

"It was pretty startling," he said.

Some offset retailers did not even return the study's questionnaire, and one provider, which Burtis wouldn't identify, actually lobbied against the release of the report.

Clean Air-Cool Planet hired an independent firm to do the study because it has ties to a carbon offset provider called NativeEnergy.

The study ultimately awarded only a few companies its highest rankings, including the U.S. firms Climate Trust, Sustainable Travel International and NativeEnergy. Burtis said other providers have made changes since the report came out.

There also have been attempts to come up with formalized criteria for ranking carbon offsets, but no clear standard has emerged. That process, too, could incite controversy — Burtis notes that whoever ultimately creates a solid standard could potentially make a lot of money off validating other groups' carbon offset projects.

Environmentalists are quick to note that carbon offsets do have the potential to do good. Carlson said one major benefit of carbon offsets is that they often force people to evaluate how much carbon they actually are responsible for, hopefully spurring people to first make reductions and then buy offsets. It's also seen as a practical way to fund renewable energy projects ranging from wind power to solar energy.

But others worry that an easy payment solution has the potential to give people a way to essentially assuage guilt over buying big cars, big houses and even Big Macs, while doing little to actually reduce their "high-carbon" lifestyles. Carbon offsets may counterbalance your use of polluting energy sources, but they do not actually erase the initial output that contributes to global warming.

"It's sending this message that somehow it's this get-out-of-jail free card," said Charlie Kronick, head of the

climate and energy campaign for Greenpeace U.K.

That's especially troubling if the offset itself doesn't actually prove effective, something even the experts concede can be hard to judge.

If you do choose to use carbon offsets, here are a few things to look for:

- **Transparency.** Many say offset providers should clearly spell out what projects they are contributing to and offer tangible proof those projects are making a positive impact. Be wary of groups that provide only vague information on how your money will be used or that sell offsets in bundles or "pooled carbon offsets" that don't clearly state all the projects involved.
- **Additionality.** By far the most contentious issue about carbon offsets involves whether the contributions are actually prompting an organization to do something that they wouldn't have otherwise done. For example, if a farmer was looking for a way to dispose of methane gas produced by his business but couldn't afford to build a system for using the gas as a renewable energy source, then contributing carbon offsets to that project would be considered additional. But if the farmer had been planning to build a system for using methane to produce energy anyway and had the funds for it, then accepting carbon offsets wouldn't appear to add anything additional (except perhaps a bit of padding to everyone's bottom line).
- **Verification.** Experts recommend that you look for carbon offsets that have been independently verified by a reputable third party. While there is no clear standard for validating carbon offset projects, many place faith in the Gold Standard, which was developed based on certain Kyoto Protocol criteria.
- **Project type.** In general, environmentalists favor offsets that work toward developing more widespread renewable energy, such as wind turbines or solar energy, with the goal of eventually replacing more pollution-heavy energy producers.
- **Approach.** The Clean Air-Cool Planet study faulted many offset providers for not providing enough education about global warming. Also, not all offset providers offer tips for how people can reduce their energy use before buying carbon offsets.

Many groups also are skeptical about a popular form of carbon offsets: reforestation. People may like the idea of having a tree planted in their honor, but it can take years for plantings to grow large enough to pay off with real environmental rewards. In the meantime, the trees are vulnerable to disease, fire and other forces that could eradicate them.

Reforestation also does little toward creating more sustainable, renewable energy sources —which many experts believe will be key to any solution.

Bill Stanley, director of the global climate change initiative at the Nature Conservancy, notes that small changes, such as adding insulation to your home, using public transportation or buying locally grown products, can reduce carbon emissions and potentially save money.

Still, Stanley said carbon offsets can be an effective tool. He said the Nature Conservancy plans to add an offset option to the portion of its Web site that lets people calculate how much carbon they are responsible for, although the group is still working to design one that meets its integrity standards.

Stanley also said he wouldn't necessarily criticize someone for just buying carbon offsets, since a high-quality purchase could ultimately help spur more renewable energy projects.

"It's a step in the right direction," Stanley said.

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