Carbon Offsets at COP 27:
A poison pill for the planet, farmers, and communities

Thursday Oct 27, 2022
12:00 pm Eastern

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Dr. Doreen Stabinsky
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Antonio Tovar
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Why small farmers, ranchers, and fisherfolk should oppose carbon markets?

Antonio Tovar, National Family Farm Coalition
The Dominant Paradigm: US Exceptionalism

The United States has historically depended on commodities for their economic growth: cotton, tobacco, wheat, and sugarcane from colonial times.

Corn, soy, rice, and meat in more recent times. The impact of monocrop operations on workers and the environment are well documented.

The political discourse to advance conventional agriculture are national security and more recently feeding a global growing population.
Is Carbon a commodity?
Carbon Markets Requirements

Additionality:
Implementation of NEW carbon "sequestration" techniques

Carbon sequestration monitoring:
High tech measurement.

Carbon market accumulation:
Size matter

Quotes for illustration purposes only
California’s Carbon Offsets are Counterproductive and a Poison Pill

Laurie Williams & Allan Zabel
Environmental Attorneys & Volunteers for Public Employees for Environmental Responsibility (PEER)
Our Background & Disclaimer

► Environmental attorneys from Oakland, California and volunteers for Public Employees for Environmental Responsibility (PEER)
► More than 30 years each at USEPA.
► Allan, a national expert on offsets under the Clean Air Act.
► Disclaimer: All of our climate activism has been on our personal time and in our personal capacity. Nothing we say is intended to represent the views of USEPA or the Biden Administration.
Reasons Carbon Offsets are Counterproductive and a Poison Pill

► Additionality – impossible to determine accurately and reliably
► Demand Shifting – impossible to track
► Perverse Incentives – creates pressure against needed regulations
► Harms Other Tools – poison pill
California is a Climate Leader

Positive:

- Ambitious GHG Reduction Goals
- Energy Efficiency appliances, buildings and cars
- Highly Influential Nationally and Internationally
California Caps 85% of GHG Emissions
A Capped GHG Emissions Control Program, with and without Carbon Offsets
If Offsets Lack Integrity, They Corrupt the Capped System.
To be Additional, Offset Emission Reductions must be:

- Beyond what is legally required, and
- Beyond what would otherwise occur without offset payment incentive.
“Offsets are an imaginary commodity created by deducting what you hope happens from what you guess would have happened.”

Dan Welch, quoted in The Guardian, June 16 2007
Only Two Approaches to Additionality

- **Project-by-Project Method**
  (“Tell a Story”): universally discredited

- **Performance Standard Method**:
  Includes “reductions” that are already occurring/non-additional. Based on a “beyond common practice” standard.
Additionality: Preserving a Forest, May Be a Bonus for What You Would Have Done Anyway
Demand Shifting: A Different Forest is Cut
Better Governance Cannot Fix Inherent Flaws

Better governance
- government agency oversight
- certification by verifiers
- approval by non-government registries
Perverse Incentive to Keep Damaging Activities Legal (e.g., releases of coal mine methane)
Four Categories of Climate Tools

- Economic Incentives
- Regulation
- Public Investment
- International Agreements
Carbon Offsets Harm Climate Tools

- Keeps Fossil Fuels Cheap
- Increases Opposition to Regulation
- Requires More Public Spending
- Spreads Offsets Internationally
Carbon Fees with Rebates Complement Other Climate Tools

- Incentivizes Shift to Clean Energy
- Lessens Opposition to Regulation
- Requires Less Public Spending
- Good International Model
Questions? & Contact Info & Links

Laurie Williams & Allan Zabel

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► (510) 390-4224

Links to some of our prior work:
► Video – The Huge Mistake – 2009 https://www.youtube.com/watch?v=BA-QufQzuWU
Suggested Additional Reading & Viewing


- Lisa Song (ProPublica) and James Temple (MIT Technology Review), May 11, 2021 (https://www.hcn.org/articles/forests-is-californias-carbon-offset-program-actually-helping-the-environment)


- John Oliver ("Last Week Tonight") Video “Carbon Offsets” August 21, 2022 (https://www.youtube.com/watch?v=6p8zAbFKpW0)
## Carbon Offsets Damage All Other Tools vs. Complementary Approaches with Integrity

<table>
<thead>
<tr>
<th>Climate Tools</th>
<th>With Carbon Offsets</th>
<th>Without Carbon Offsets</th>
</tr>
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<tbody>
<tr>
<td>Market Mechanisms</td>
<td>Favors Cap-and-Trade and Low Carbon Pricing and “Net-Zero” claims</td>
<td>Allows Carbon Fees with Per-Person Rebates and Higher Carbon Prices</td>
</tr>
<tr>
<td>Regulation</td>
<td>Creates Perverse Anti-Regulation Incentives to keep carbon offset activities “beyond” what is legally required</td>
<td>Complements/Does Not Interfere with new regulation that would require cessation of polluting activities and performing activities that reduce emissions</td>
</tr>
<tr>
<td>Public Investment</td>
<td>Requires additional spending to achieve climate goals because it weakens regulatory tools as well incentives for energy efficiency and conservation by keeping the price of energy low.</td>
<td>Reduces the public spending needed to achieve climate goals, because a combination of carbon fees and regulation will do more of the heavy lifting.</td>
</tr>
<tr>
<td>International Agreements</td>
<td>Using Carbon Offsets domestically sets this as an international standard that we spread through international agreements.</td>
<td>Encourages International Agreements that support transparent carbon pricing, border adjustments and similar regulation.</td>
</tr>
</tbody>
</table>
Congress & USDA & Carbon Offsets

Ben Lilliston
October 27, 2022
U.S. ag secretary wants soil carbon market

March 1, 2021

VILSACK SAYS A CARBON BANK FITS INTO USDA’S PORTFOLIO

March 23, 2021
Growing Climate Solutions Act

- USDA lists carbon offset protocols
- Project developers to self-certify
- Resources on voluntary carbon markets

Over 200 groups oppose GCSA
USDA’s Climate Smart Commodity

Public Spending:
$3.5 billion total, 70+ projects

No clear definition
Projects: ADM, JBS, Tyson, Smithfield, Bayer, Corteva, Cargill, John Deere, Mosaic, Nutrien, Perdue and Land-O-Lakes; Danone, Pepsico, Hershey, Nestle, Kellogg’s, General Mills, Frito-Lay, Del Monte, Driscoll’s and Campbell’s; Costco, Walmart and Target; McDonald’s Chipotle.

Carbon offset developers:
Truterra, Carbon A List, Nori, B Carbon, Indigo, Carbon Harvest, Terra Carbon and AgriCapture

AIM for Climate:
USDA push at COP27
Regulatory Agencies

- Securities and Exchange Commission – Climate Risk and Emissions, including Scope 3 and offsets

- Commodity Futures Trading Commission – Input on climate risk related to commodity and derivatives trading, including carbon credits
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