

July 8, 2011

Tim Lesiuk
Chair, WCI Offsets Committee

Dear Mr. Lesiuk,

RE: WCI Draft Recommendations Offset System Process

IPOG (Industry Provincial Offsets Group) welcomes the opportunity to provide comments on the WCI's Draft Recommendations Offset System Process. IPOG is a multi-stakeholder group with membership that includes four provincial governments, large industry, offset project developers and marketers. IPOG members represent over 50% of greenhouse gas (GHG) emissions in Canada. IPOG focuses on issues and governance considerations in developing sound offsets markets that will result in real GHG reductions.

IPOG believes that offsets are an essential part of any efficient climate change framework.

Specifically with respect to the WCI draft recommendations:

- **3.7** IPOG believes that Certification and Issuance should be two steps in the same process rather than two separate processes.

Further during the Issuance portion of the process, there is no need for project work to be revisited. Rather, Issuance should be an administrative role rather than a technical or project review role. I.e. IPOG supports the Draft Recommendation. Given the comprehensive due diligence process recommended by WCI, there should be sufficient scrutiny of the project up to this stage of the process and requiring additional documentation at this stage would be unduly burdensome on project developers/project proponents.

- **3.8** IPOG recommends that each jurisdiction be allowed to decide on revocability of offsets in their jurisdiction. That said, offsets revocability should be based on the end-use jurisdiction, not the jurisdiction in which the project was developed. E.g. if a project is developed in California and used for compliance in BC, the revocability or non-revocability of those offsets would be decided by the

prevailing decision in BC regarding whether to its offsets will be revocable or not, rather than the California standard. This would allow for harmonization of treatment of all offsets in a jurisdiction rather than having to track which offsets are revocable and which are non-revocable for each jurisdiction.

Further, should there be a situation where an offset certificate for a specific project was found to be fraudulent or in error, it is recommended that the regulatory authority accept liability of offset certificates issued in their jurisdiction rather than putting that unduly burdensome expectation on project proponents or regulated entities. It will only add to the cost and difficulty in developing offsets projects with no more insurance that fraud or errors of this nature do not arise.

Should the WCI decide to pursue the option there the burden is placed on the project proponent, the remedy for replacing offset certificates found to be fraudulent or in error should include the option to source replacement offsets or other remedies that are part of the contractual arrangement between the project proponent and project developer.

Once again, thank you for the opportunity to provide feedback to the WCI Offset System. We look forward to ongoing communication.

Sincerely,



Denise Chang-Yen
IPOG Co-Chair



Yvan Champagne
IPOG Co-Chair