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CARBON OFFSETS:

ARE SUCH CREDITS EFFECTIVELY HELPING MITIGATE CLIMATE CHANGE?

by Catherine Verdier*

Each year, the Oxford University Press selects a word to be added to the *New Oxford American Dictionary* — a word that not only reflects the events and concerns of the preceding year but also is forward-looking. In 2006, the word of the year was “carbon neutral.”¹ Numerous airlines, businesses, athletes, entertainers, international institutions, and more have expressed their commitment to carbon neutrality.²

An average citizen can reduce his or her net impact on the world’s climate by voluntarily purchasing carbon offset credits at a relatively low cost. Carbon offsets are credits for emission reductions achieved by investments in either renewable energy projects or carbon sinks. Companies that provide offsets allow consumers to calculate their emissions from travel or home energy usage.³ Consumers typically make a payment to an offset provider, and that contribution is passed to another firm promoting carbon dioxide reductions. As of late 2006, about 40 operations worldwide offered carbon offsets.⁴

The majority of carbon offset providers invest in some form of reforestation, concentrating on preserving existing forests or restoring native tree species in a particular threatened area. Other companies instead use revenue to fund renewable energy projects such as wind farms, solar power, and methane capture.⁵ For example, one company in the United Kingdom has pledged to introduce energy-efficient wood-burning stoves to developing world communities; each household stove would reduce carbon emissions by about 1.5 metric tons a year.⁶

Criticisms of carbon neutral programs abound. Some doubt that such schemes actually promote carbon neutrality, and others outright dispute the program’s effectiveness in controlling climate change. Many critics view carbon offset programs as a way to alleviate personal consumer guilt instead of an effective means to lower greenhouse gas emissions. Some believe that offsets give consumers a license to pollute, instead of a reason to cultivate more energy-efficient habits.⁷

Reforestation offsets especially have come under scrutiny. For instance, calculations concerning the amount of carbon saved through tree-planting programs are based on the assumption that the trees will last at least one hundred years, but there is no guarantee that the trees planted through reforestation programs will not succumb to disease or forest fire before that one hundred year mark. Some scientists suggest that a rise in temperature of two to three degrees Celsius could cause the trees to die early, break down into methane, and actually worsen the climate change situation.⁸

Critics claim that the lack of regulation in the offset market allows disreputable organizations to sell the same carbon credit many times over. Additionally, consumers cannot ensure that

their money is actually reaching the intended programs. There are also concerns that calculations by off-set groups are unreliable: different providers often arrive at very different price estimates for offsetting the same amount of carbon.⁹

The privatized market for carbon offsets could, critics fear, have ominous effects on public policy. Voluntary offset programs should not be seen as a substitute for government regulations to control climate change. Indeed, some say that purchasers of carbon offsets are creating an environment that enables governments to avoid creating legislation to slow global warming.¹⁰

The general public reaction to carbon offsets has been “better safe than sorry.” The more optimistic see voluntary carbon offsets as a temporary measure for controlling climate change until more comprehensive legislation can be enacted, and the more pragmatic believe that carbon offset purchasers are preparing for an economy in which carbon dioxide and other greenhouse gases are closely regulated and heavily taxed.¹¹



Endnotes:

¹ Oxford University Press, *Carbon Neutral: Oxford Word of the Year* (Nov. 13, 2006), available at http://blog.oup.com/oupblog/2006/11/what_do_al_gore.html (last visited Feb. 4, 2007).

² What You Can Do: Go Carbon Neutral, David Suzuki Foundation website, http://www.davidsuzuki.org/Climate_Change/What_You_Can_Do/carbon_neutral.asp (last visited Feb. 4, 2007).

³ For example, in one year, a mid-sized car that is driven 12,000 miles will create about 3.55 tons of carbon dioxide; companies charge anywhere between U.S. \$4 and \$30 to offset one metric ton of carbon. See Seattle Post-Intelligencer, *Feel Less Than Green?* (Nov. 20, 2006), available at http://seattlepi.nwsource.com/business/292969_carbonoffsets20.html (last visited Feb. 4, 2007).

⁴ Seattle Post-Intelligencer, *id.*

⁵ David Suzuki Foundation website, *supra* note 2.

⁶ ClimateCare.org, Efficient Cooking Stoves, http://www.climatecare.org/projects/technologies/index.cfm?content_id=C44B31BE-1143-DB05-0774A-B90971039DB (last visited Feb. 4, 2007).

⁷ Chicago Sun-Times, *Part of the Solution or License to Pollute?* (Dec. 11, 2006), available at <http://www.suntimes.com/news/nation/167584,CST-NWS-guilt11.article> (last visited Feb. 4, 2007).

⁸ Green Business News, *Firms Urged to Audit Carbon Offset Schemes* (Oct. 10, 2006), available at http://green.itweek.co.uk/2006/10/firms_urgued_to_.html (last visited Feb. 4, 2007).

⁹ New Internationalist, *Carbon Offsets: The Facts* (July 2006), available at <http://www.newint.org/features/2006/07/01/carbon-offsets-facts/> (last visited Feb. 4, 2007).

¹⁰ The Guardian, *Paying for Our Sins* (Oct. 18, 2006), available at <http://society.guardian.co.uk/societyguardian/story/0,,1924335,00.html> (last visited Feb. 4, 2007).

¹¹ David Suzuki Foundation website, *supra* note 2.

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