Submitted Electronically

Federal Trade Commission
Office of the Secretary
600 Pennsylvania Avenue NW
Washington, DC 20580

February 17th, 2023

RE: Green Guides Review (16 CFR part 260) (Matter No. P954501) Guides for the Use of Environmental Marketing Claims

Honorable Officials,

On behalf of the Greenhouse Gas Management Institute (GHGMI), we welcome the opportunity to provide comments to the United States Federal Trade Commission on the questions posted in 16 CFR Part 260 RIN 3084-AB15. GHGMI is a 501(c)(3) non-profit organization with a mission to enable meaningful climate action by governments, corporations, and organizations by growing and supporting a global community of experts and institutions with the highest standards of professional practice in measuring, reporting, verifying, accounting for, and managing greenhouse gas (GHG) emissions.

Our Institute is dedicated to training the ever-growing GHG professional community on the principles, concepts, and methods to manage and credibly account for GHG emissions and removals at the national, corporate, and project levels. In the last 15 years, GHGMI has worked with over 8,000 experts from more than 180 countries with the goal of supporting the development of the social infrastructure necessary to effectively implement future climate policies at all levels. GHGMI's research work is guided by scientific inquiry, and we conduct forward-looking independent research into key GHG emissions accounting and management questions.

(A) General Issues

In addition to the questions targeting revisions to the Green Guides on *16 CFR Part 260 5. Carbon Offsets*, our Institute would like to address questions under General Issues in relation to Specific Claims regarding *16 CFR Part 260 15. Renewable Energy Claims*. Since before the installation of the Green Guides by the Federal Trade Commission, a body of literature has been growing on the improper and misleading use of contract arrangements (or financial instruments) to "claim" renewable energy consumption.

GHGMI urges the Federal Trade Commission to completely reconsider and open for revision the section *for Renewable Energy Claims* given the peer-reviewed evidence (and absence of counter-evidence) showing a lack of impact and resulting misleading marketing claims to consumers. In summary, Renewable Energy Claims substantiated with purely financial contracts for vaguely defined "attributes", such as Renewable Energy Certificates (RECs), are misleading and result in a physically deceptive conveyance of environmental impact information. RECs cannot be assumed to change the total amount of renewable energy produced and do *not change nor represent* the physical and exclusive delivery of electrical energy to any organization's facility. No product manufactured or service provided that is not directly powered by renewable sources should be claimed to be powered (or other manufacturing terms, e.g., assembled) using renewable energy.

We provide comments on the identified clauses of the numbered sections below and section examples to address inaccuracies and to improve the Green Guides.

Question 3. What modifications, if any, should be made to the Guides to increase their benefits to consumers?

§ 260.5 Offset Credits

§ 260.5 (a) *Given the complexities of carbon offsets, sellers should employ competent and reliable scientific and accounting methods to properly quantify claimed emission reductions and to ensure that they do not sell the same reduction more than one time.*

In the context of today's carbon offset market, the requirement to use competent and reliable accounting methods is (or should be) superfluous. Sellers of carbon offsets are not the entities responsible for employing proper quantification methods. Instead, there are multiple, established carbon offset programs that impose these requirements on carbon offset project developers and make the issuance of carbon credits conditional upon the verification that the requirements have been met.

Instead of this requirement, the FTC should require that companies may only make carbon offsetting claims in conjunction with securing and retiring carbon credits issued by an established and reputable carbon offset program. To make a claim, carbon credits must be retired on the program's registry system. We offer some minimum institutional requirements for what constitutes an "established" program in the resource below:

- Carbon Offset Programs, *offsetguide.org*. Accessible here: https://www.offsetguide.org/understanding-carbon-offsets/carbon-offset-programs/

The requirement to "ensure that [sellers] do not sell the same reduction more than one time" is essential, and is also safeguarded to some extent by carbon offset programs. Here, however, current practice could be improved. Sellers should have an obligation to check credit registries to ensure double use is not occurring and should also have an obligation to prevent double claiming by not selling the same credit to multiple entities. To support this requirement, sellers should be required to show that the purpose and the beneficiary of a credit retirement are unambiguously indicated and publicly accessible within an established carbon offset program's registry so that a retired credit cannot be shown to multiple buyers as proof that it was retired on their behalf. Furthermore, FTC should consider defining what constitutes sufficient information for this purpose, as current program registries do not consistently provide detailed information on either retirement purposes or specific beneficiaries.

§ 260.5 (b) *It is deceptive to misrepresent, directly or by implication, that a carbon offset represents emission reductions that have already occurred or will occur in the immediate future. To avoid deception, marketers should clearly and prominently disclose if the carbon offset represents emission reductions that will not occur for two years or longer.*

The intent of this provision is sound. However, it could be improved in several ways. First, the wording of the provisions is somewhat ambiguous (or at least hard to follow). Carbon offset credits should represent emission reductions that have already occurred; this is not a problematic or deceptive practice. See, for example, https://www.offsetguide.org/high-quality-offsets/avoiding-overestimation/. We suggest the text be adjusted to the following (tracked in red for highlighting purposes):

> "It is deceptive to ~~misrepresent~~ suggest, directly or by implication, that a carbon offset represents emission reductions that have already occurred when this is not the case."

Further, the following statement should be added:

> "Valid carbon offset credits must represent emission reductions or removals that have been verified *ex post*, not anticipated reductions or removals."

The provision of allowing forwarding crediting of reductions that may occur within 2 years does not provide any meaningful assurance – there should be a hard line against allowing forward crediting due to the uncertainties and risks it poses. Most established carbon offset programs prohibit forward crediting for offsetting purposes.

A second concern, however, could be that companies might mispresent whether they have in fact retired carbon offset credits to make an offsetting claim. To prevent this scenario, the statement should be reformulated (or elaborated) to say that companies must retire credits to make an offsetting claim, or – if offsets are sold to customers – that credits must be retired within a short period after the sale to customers. This period should be much less than 2 years (unless a longer period is transparently communicated to customers, as suggested in Example 1). Offsetting claims should only be premised on actual, verifiable credit retirements in an established registry.

§ 260.5 Example 1 *On its Web site, an online travel agency invites consumers to purchase offsets to "neutralize the carbon emissions from your flight." The proceeds from the offset sales fund future projects that will not reduce greenhouse gas emissions for two years. The claim likely conveys that the emission reductions either already have occurred or will occur in the near future. Therefore, the advertisement is deceptive. It would not be deceptive if the agency's Web site stated "Offset the carbon emissions from your flight by funding new projects that will begin reducing emissions in two years."*

The scenario in this example is a valid concern. However, it misses the essential requirement that carbon credits must be secured and retired to make a valid offsetting claim, either now or (with proper notification to customers) in the future. It would be deceptive to suggest customers have immediately offset their emissions if credits are not secured and retired within a short period (e.g., 6 months). The details of the example should be revised accordingly.

§ 260.5 (c) *It is deceptive to claim, directly or by implication, that a carbon offset represents an emission reduction if the reduction, or the activity that caused the reduction, was required by law.*

Similar to the requirement related to quantification methods, in the context of today's carbon offsetting market this is a somewhat odd provision. First, evaluating whether an activity is required by law is only one element of establishing its "additionality." Demonstrating additionality is essential for making a valid offsetting claim, but it requires multiple tests beyond a simple check against legal requirements – see discussion here: https://www.offsetguide.org/high-quality-offsets/additionality/high-quality-offsets-additionality-how-carbon-offset-programs-address-additionality/

Second, from an environmental marketing perspective, this requirement is largely superfluous. Most (if not all) established carbon offset programs ensure that carbon credits are only issued for emission reductions or removals that are not required by law. Thus, if a company secures and retires carbon credits to make an offsetting claim – which is what the FTC should require – it should be unnecessary to stipulate that the underlying reductions are not required by law. As a regulatory matter, this sort of requirement should be imposed on the carbon offset programs that issue credits, not on companies making claims in conjunction with those credits.

§ 260.15 Renewable Energy Claims

§ 260.15 (a) *A marketer should not make unqualified renewable energy claims, directly or by implication, if fossil fuel, or electricity derived from fossil fuel, is used to manufacture any part of the advertised item or is used to power any part of the advertised service, unless the marketer has matched such non-renewable energy use with renewable energy certificates.*

The exception presented under § 260.15 (a) is incorrect. RECs are not certificates of purchased energy and any claim of renewable energy generation and use substantiated by instruments such as RECs or other Energy Attribute Certificates (EACs) is flawed. None of these instruments or transactions can be assumed to result in the generation of additional renewable energy or entail the physical and exclusive delivery of electrical energy from a renewable energy generator to a single user, and so should not be used to claim renewable energy use.

As a factual and physical matter, electrical energy, from any source, generated and delivered into a transmission and distribution grid becomes part of an undifferentiated pool of electrical potential. Therefore, consumers of electricity supplied by the electrical grid are drawing electricity in an undifferentiated and indifferentiable manner.

The marketing framing of RECs and other Energy Attribute Certificates (EACs), as well as many types of electric company-sponsored "green power pricing" and "green power tariffs", mislead consumers to believe there is actual consumption of renewable energy. Often, consumers enroll in these utility-led programs for a premium believing they are in fact physically consuming renewable energy or are at least causing an equivalent amount of new renewable energy to be produced somewhere else, however, neither is true.

§ 260.15 (b*) Research suggests that reasonable consumers may interpret renewable energy claims differently than marketers may intend. Unless marketers have substantiation for all their express and reasonably implied claims, they should clearly and prominently qualify their renewable energy claims. For instance, marketers may minimize the risk of deception by specifying the source of the renewable energy (e.g., wind or solar energy).*

Clear and reasonable claims should be the norm. Unfortunately, the existing market of renewable energy claims allows organizations to make renewable energy claims even though it is based upon scientifically disproven environmental accounting assumptions. Environmental marketing claims should never mislead consumers and must be supported by a reasonable basis that requires reliable scientific evidence (§ 260.2).

Physically speaking, renewable energy claims substantiated by purely contractual arrangements (i.e., unbundled EAC procurement) are flawed and misleading. Such a claim is based on a purely financial transaction that involves no physical transaction nor does it alter how much renewable energy is being generated or an organization's physical consumption of electricity and the emissions physically associated with its operations or assets.

§ 260.15 (c) *It is deceptive to make an unqualified "made with renewable energy" claim unless all, or virtually all, of the significant manufacturing processes involved in making the product or package are powered with renewable energy or non-renewable energy matched by renewable energy certificates. When this is not the case, marketers should clearly and prominently specify the percentage of renewable energy that powered the significant manufacturing processes involved in making the product or package.*

Based on our previous responses to the former two sections, we recommend the following revision (tracked in red for highlighting purposes) to this Part in order to be fully aligned with the scope and intent of the Green Guides, i.e., avoid misleading marketing claims.

> *It is deceptive to make ~~unqualified~~ "made with renewable energy" claim unless all, or virtually all, of the significant manufacturing processes involved in making the product or package are directly powered[1] with renewable energy ~~or non-renewable energy matched by renewable energy certificates~~. When this is ~~not the~~ case, marketers should clearly and prominently specify the percentage and type of renewable energy that directly powered the significant manufacturing processes involved in making the product or package. Renewable energy usage claims cannot be substantiated by purely contractual transactions, such as Renewable Energy Certificates.*
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> *[1] Directly powered means an exclusive transmission line from a renewable source and associated energy consumption from the source.*

***§ 260.15 (d)** If a marketer generates renewable electricity but sells renewable energy certificates for all of that electricity, it would be deceptive for the marketer to represent, directly or by implication, that it uses renewable energy.*

> Physically and correctly, if the marketer generates and consumes its own renewable energy generation, via an exclusive transmission line, and sells "certificates" for their generation, a claim that they use renewable energy is still correct. It is the marketer purchasing these certificates and making such a claim that would be making a misleading claim.

***§ 260.15 Example 1**: A marketer advertises its clothing line as "made with wind power." The marketer buys wind energy for 50% of the energy it uses to make the clothing in its line. The marketer's claim is deceptive because reasonable consumers likely interpret the claim to mean that the power was composed entirely of renewable energy. If the marketer stated, "We purchase wind energy for half of our manufacturing facilities," the claim would not be deceptive.*

> In addition to the rationale provided by the example, both statements are misleading for they do not specify, or disclose, whether the renewable energy is directly consumed or substantiated via contractual arrangements. With the latter being true, these statements are completely misleading to the consumer – its clothing line was not "made with wind power" nor with "wind energy for half of their operations".

***§ 260.15 Example 2**: A company purchases renewable energy from a portfolio of sources that includes a mix of solar, wind, and other renewable energy sources in combinations and proportions that vary over time. The company uses renewable energy from that portfolio to power all of the significant manufacturing processes involved in making its product. The company advertises its product as "made with renewable energy." The claim would not be deceptive if the marketer clearly and prominently disclosed all renewable energy sources. Alternatively, the claim would not be deceptive if the marketer clearly and prominently stated, "made from a mix of renewable energy sources," and specified the renewable source that makes up the greatest percentage of the portfolio. The company may calculate which renewable energy source makes up the greatest percentage of the portfolio on an annual basis.*

> Like Example 1, in addition to the rationale provided by the example, both statements are misleading for they do not specify, or disclose, whether the consumption of renewable energy is directly consumed or substantiated via contractual arrangements from a mixed portfolio. With the latter being true, these statements are completely misleading to the consumer – its products were not "made with renewable energy" nor "from a mix of renewable energy sources".

***§ 260.15 Example 3**: An automobile company uses 100% non-renewable energy to produce its cars. The company purchases renewable energy certificates to match the non-renewable energy that powers all of the significant manufacturing processes for the seats, but no other parts, of its cars. If the company states, "The seats of our cars are made with renewable energy," the claim would not be deceptive, as long as the company clearly and prominently qualifies the claim such as by specifying the renewable energy source.*

> In this Example, like with any claim substantiated by renewable energy certificates and other types of purely financial contractual arrangements, the company is providing a misleading and

false statement. Qualifying such claims by specifying the renewable energy source would not change the physical reality that there is no physical evidence as to whether renewable energy was directly consumed on-site. In an electrical distribution grid, consumed energy will be drawn from an undistinguishable pool of resources from both renewable and fossil sources.

§ 260.15 Example 4*: A company uses 100% non-renewable energy to manufacture all parts of its product, but powers the assembly process entirely with renewable energy. If the marketer advertised its product as "assembled using renewable energy," the claim would not be deceptive.*

In this example, we recommend adding clarification on whether the assembly process was directly powered with renewable energy. In the case where the company makes such a claim by purchasing "certificates", this claim would be false and deceptive.

§ 260.15 Example 5*: A toy manufacturer places solar panels on the roof of its plant to generate power, and advertises that its plant is "100% solar-powered." The manufacturer, however, sells renewable energy certificates based on the renewable attributes of all the power it generates. Even if the manufacturer uses the electricity generated by the solar panels, it has, by selling renewable energy certificates, transferred the right to characterize that electricity as renewable. The manufacturer's claim is therefore deceptive. It also would be deceptive for this manufacturer to advertise that it "hosts" a renewable power facility because reasonable consumers likely interpret this claim to mean that the manufacturer uses renewable energy. It would not be deceptive, however, for the manufacturer to advertise, "We generate renewable energy, but sell all of it to others."*

In this example, we recommend adding clarification on whether the assembly process was directly powered with renewable energy. As commented under § 260.15 (d), if the manufacturer generates and consumes its own renewable energy generation, via direct line, and sells "certificates" for their generation, a claim that they use renewable energy is still correct and not misleading. Other manufacturers purchasing these certificates from the Example's manufacturer to make a renewable energy claim would, therefore, be making a misleading and false claim.

Question 6. *What modifications, if any, should the Commission make to the Guides to reduce the costs imposed on consumers? **(a)** What evidence supports your proposed modifications? **(b)** How would these modifications affect the benefits of the Guides?*

§ 260.5 Offset Credits

The reputational risk to buyers of using carbon credits that are later revealed to be low quality represents a significant cost to credit buyers. The Green Guides guidance on carbon offset-related claims would benefit from a more complete set of guidance around carbon offset quality criteria that should be substantiated for each carbon offset project (and therefore any credits it generates). The quality of a carbon offset credit is not readily apparent to buyers at present (see https://www.offsetguide.org/avoiding-low-quality-offsets/ and pages 2-1 to 2-2 of https://www.epri.com/research/products/000000003002025723). Buyers of offset credits should be able to access sufficient project information (project documents, verification reports, monitoring reports, supplemental documents, third-party measurement or lab results, etc.) from sellers of offset credits to perform due diligence to determine the quality of carbon offset credits, should they desire to reduce this risk.

We recommend that FTC identify carbon offset programs that uphold sufficient quality and information disclosure requirements, along with operating publicly accessible and transparent carbon credit registries, and permit offsetting claims only in conjunction with the retirement of credits issued by these programs.

Separately, there is a growing body of work and a community of experts focused on the question of offset credit quality (see Integrity Council for Voluntary Carbon Markets (ICVCM), Carbon Credit Quality Initiative, Calyx Global, Sylverra, BeZero, and others). Carbon credit quality ratings are being developed by this expert community. These ratings provide valuable information about credit quality to potential credit buyers. While the credit ratings initiatives and startups are still relatively nascent, we recommend that this credit rating information (if available for a given project) should be presented side-by-side with other project documentation to further inform buyers.

Question 7. *Please provide any evidence that has become available since 2012 concerning consumer perception of environmental claims, including claims not currently covered by the Guides. Does this new information indicate the Guides should be modified? If so, why, and how? If not, why not?*

The answer is provided below in tandem with question 8.

Question 8. *Please provide any evidence that has become available since 2012 concerning consumer interest in particular environmental issues. Does this new information indicate the Guides should be modified? If so, why, and how? If not, why not?*

§ 260.5 Offset Credits

A paramount concern related to carbon offsets, which is conspicuously not addressed by the current Green Guides, is the potential for misleading marketing claims associated with their use. This is a separate question from whether carbon credits validly represent additional, permanent, properly quantified, and verified greenhouse gas mitigation.

It is common, for example, for companies to market their products (or their entire operations) as "carbon neutral" on the basis of using carbon offsets. (Companies may also use similar terms like "climate neutral" or "net zero"). Unfortunately, there is limited evidence on how consumers perceive and understand these claims. The evidence that exists suggests many consumers interpret "carbon neutral" as equivalent to "having zero impact," or as implying that goods and services were produced in a climate-friendly way.[1] Whether or not a claim of carbon neutrality is actively misleading, it could have a perverse effect on consumer behavior if misinterpreted this

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[1] Amelang, S. (2022). "Climate neutral" product labels mislead vast majority of consumers – survey. *Clean Energy Wire*, 26 September. https://www.cleanenergywire.org/news/climate-neutral-product-labels-mislead-vast-majority-consumers-survey.

way. A 2020 study in Germany, for example, found that visitors to a youth hostel took longer showers when told that the showers were "climate neutral" due to carbon offsetting.[2]

These potential effects should be actively guarded against. Heating water with energy derived from fossil fuels still contributes to CO_2 emissions, and is not equivalent to heating water with emissions-free energy, regardless of whether carbon offsets are used. Similarly, "carbon neutral" steel produced using conventional coal-fired production methods is not equivalent to steel produced using green hydrogen and electricity. Consumers misled into thinking so could end up overconsuming conventional steel, prolonging conventional production methods, and diverting demand from new methods that are needed to meet U.S. climate goals.

The potential for consumers to misinterpret offsetting claims is receiving increased attention from regulators in other countries. In a recent proceeding in the Netherlands, for example, the Dutch Advertising Code Committee ruled that it was misleading for the airline KLM to suggest that travelers could "fly CO_2 zero" based on the use of offset credits.[3] This decision was grounded in a determination that "fly CO_2 zero" was an absolute claim, and the carbon offsets being used were subject to too much uncertainty to support this claim. A separate lawsuit is now challenging KLM's advertising campaign under European consumer law, alleging that KLM's assertion that consumers can "fly sustainably" through offsetting, for example, is fundamentally misleading because it implies an equivalence between a carbon neutral flight and one that is truly emissions-free.[4] Similar cases are being brought against companies in other countries.[5] In another consumer-related court case, the Swedish Patent and Market Court determined that a company's advertising related to carbon offsets "misleadingly gives the impression that [the company's] product does not give rise to any climate footprint at all"; the Court banned the company from using the term "net-zero climate footprint" in the marketing of its products.[6]

Potential misunderstandings about offsetting claims are being considered in other regulatory contexts as well. The United Kingdom Climate Change Committee (an advisory group), for example, suggested last year that many corporate offsetting claims lack clarity, and that terms like "net zero" or "carbon neutral" can obfuscate the difference between companies that are actively reducing their own emissions (or the emissions associated with their products) and those that merely rely on carbon offsets. The Committee highlighted the risks this may pose for achieving the UK's climate goals (similar to the steel example mentioned above) and suggested

[2] Günther, S. A., Staake, T., Schöb, S. and Tiefenbeck, V. (2020). The behavioral response to a corporate carbon offset program: A field experiment on adverse effects and mitigation strategies. *Global Environmental Change*, 64. 102123. DOI:10.1016/j.gloenvcha.2020.102123.

[3] Baazil, D. (2022). Dutch Watchdog Rules KLM's 'Carbon Zero' Ad Is Misleading. *Bloomberg.com*, 8 April. https://www.bloomberg.com/news/articles/2022-04-08/dutch-watchdog-rules-klm-s-carbon-zero-ad-is-misleading.

[4] Deutsch, A., Ridley, K. and Jessop, S. (2022). Dutch airline KLM sued over 'greenwashing' ads. *Reuters*, 6 July. Aerospace & Defense. https://www.reuters.com/business/aerospace-defense/dutch-airline-klm-sued-over-greenwashing-ads-2022-07-06/.

[5] Sutton, I. (2022). Climate pledges put companies in crosshairs of consumer litigation. *Clean Energy Wire*, 2 November. https://www.cleanenergywire.org/news/climate-pledges-put-companies-crosshairs-consumer-litigation.

[6] Coyne, A. (2023). Swedish court bans Arla's net-zero advertising claim. *Just Food*, 6 February. https://www.just-food.com/news/swedish-court-bans-arlas-net-zero-advertising/.

that it could be "beneficial" for companies to relinquish offsetting claims altogether, by using carbon credits instead as a means to support climate change mitigation without any express or implied claim to carbon neutrality.[7] In the European Union, the European Financial Reporting Advisory Group (EFRAG) has endorsed this approach as well, recommending in a consultation document last year that when companies disclose the use of carbon offsets in their sustainability reporting, they should not "disclose carbon credits as a counterbalance or offset for [their] GHG emissions" nor "disclose carbon credits as a means to reach GHG emission reduction targets."[8]

All of the above suggests that, while companies may not be actively trying to mislead customers when using carbon offsets and making "carbon neutrality" (or similar) claims, such claims have a significant risk of being misunderstood. Fortunately, as the German youth hostel study concluded (Günther et al. 2020), it is possible to mitigate misunderstandings by providing context for corporate offsetting claims. At a minimum, we recommend that the FTC update its Green Guides with guidance as follows:

- If companies make marketing claims associated with the use of carbon offsets – including, but not limited to, claims of carbon neutrality, climate neutrality, or "net zero" emissions – they must provide a disclaimer stating that the use of carbon offsets is not equivalent to reducing or eliminating the greenhouse gas emissions from their products or operations, and implies nothing about the environmental sustainability of their products or operations.
- Companies should be expressly prohibited from making claims that, due to the use of carbon offsets, their products or operations are "zero emission," "decarbonized," "emissions free," or other terms or phrases incorrectly suggesting that they inherently generate no emissions.

§ 260.15 Renewable Energy Claims

A myriad of evidence is available that covers the impact of Renewable Energy Claims on consumers and climate action issues. A list of selected literature is provided at the end of our comment letter.

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[7] Climate Change Committee (2022). *Voluntary Carbon Markets and Offsetting*. UK Climate Change Committee, United Kingdom. https://www.theccc.org.uk/publication/voluntary-carbon-markets-and-offsetting/.

[8] EFRAG (2022). *ESRS 1 Climate Change*. European Financial Reporting Advisory Group, Brussels, Belgium. https://efrag.org/lab3#subtitle6. Exposure Draft.

Question 19. *Should the Commission initiate a proceeding to consider a rulemaking under the FTC Act related to deceptive or unfair environmental claims?* ***(a)*** *If so, which principles set out in the Green Guides should be incorporated into a rule? For each suggested provision, explain why and provide any evidence that supports your proposal.*

§ 260.5 Offset Credits and § 260.15 Renewable Energy Claims

We would support a rule that would establish independently enforceable requirements related to unfair and deceptive environmental claims relating to carbon offset credit usage, credit quality, and access to registry information as described above. Similarly, developing guidance for unfair and deceptive claims regarding renewable energy claims aligns with our commentary provided herein.

(B) Specific Claims

Question 1. *Carbon Offsets and Climate Change, 16 CFR 260.5. The Guides currently include guidance relating to carbon offsets. Should the Commission consider revising this section or provide additional guidance addressing other types of advertising claims related to carbon offsets and/or climate change?* ***(a)*** *Are there any specific claims related to carbon offsets not currently addressed by the Green Guides that are appropriate for further consideration during the review? (****b)*** *What, if any, evidence is there of deceptive claims related to climate change in the market?*

Some in the offset community may argue that emission removal-based offset credits should be prioritized or designated as more legitimate than emission reduction-based credits. We would like to point the Federal Trade Commission to the following article (https://ghginstitute.org/2020/04/17/should-carbon-offsets-only-include-removing-co2-from-the-atmosphere/) that explores the debate between removal and reduction offset credits. We urge the Federal Trade Commission to reinforce the physical reality that both types of credits can be legitimate and valid ways to reduce atmospheric levels of GHGs.

Supporting Documentation and Literature

Broekhoff, D. and Colbert-Sangree, T., 2022. Exploring the Role of Greenhouse Gas Emissions Offsets to Achieve Corporate Decarbonization Goals: A Compendium of Technical Briefing Papers and Frequently Asked Questions. EPRI, Palo Alto, CA: 2022. 3002025723. https://www.epri.com/research/products/000000003002025723

World Bank 2021. A Guide to Carbon Crediting: Designing and Implementing Domestic Carbon Crediting Mechanisms. Project for Market Readiness, World Bank. Washington DC.

Broekhoff, D., Gillenwater, M., Colbert-Sangree, T., and Cage, P. 2019. "Securing Climate Benefit: A Guide to Using Carbon Offsets." Stockholm Environment Institute & Greenhouse Gas Management Institute. Offsetguide.org/pdf-download/

Brander, M., Gillenwater, M., and Ascui, F. (2018). Creative accounting: A critical perspective on the market-based method for reporting purchased electricity (scope 2) emissions. *Energy Policy*.

Benchimol, A., Gillenwater, G., and Broekhoff, D. (2022). "Frequently Asked Questions: Green Power Purchasing Claims and Greenhouse Gas Accounting." Greenhouse Gas Management Institute & Stockholm Environment Institute. Offsetguide.org/green-power-faq

University of Edinburgh's Resources and Evidentiary Literature on Renewable Energy Purchasing and the Market-based (Scope 2) Method. https://www.bccas.business-school.ed.ac.uk/impact-and-collaboration/renewable-energy-purchasing/

We thank you for granting us the opportunity to provide comments on this proposed rule. If you have any questions, please don't hesitate to contact me.

Corresponding Author

Dr. Michael Gillenwater, Executive Director and Dean
Greenhouse Gas Management Institute
e: michael.gillenwater@ghginstitute.org
a: Greenhouse Gas Management Institute
9231 View Avenue NW.
Seattle, Washington, USA 98117

Supporting Signatories

Tani Colbert-Sangree
Senior Program Officer
Greenhouse Gas Management Institute

Alissa Benchimol
Senior Program Officer
Greenhouse Gas Management Institute

Derik Broekhoff
Senior Scientist
Stockholm Environment Institute

Dr. Mark Trexler
Director
The Climatographers