

October 28, 2022

Gold Standard
Chemin de Balexert 7-9
1219 Châtelaine
International Environment House 2
Geneva, Switzerland

Re: Anew Climate, LLC comments to Gold Standard Consultation on Conditions for Consenting to Tokenization of Gold Standard-Issued Credits

Dear Mr. Salway:

Anew Climate, LLC (Anew), formerly known as Element Markets and Bluesource, is one of the largest climate solutions providers in North America with a successful established track record in both voluntary and compliance carbon markets, as carbon offset project developer and retailer, as well as in the markets for renewable natural gas, low carbon fuels, electric vehicle credits, emissions credits, and renewable energy credits. We appreciate the opportunity to provide Gold Standard with comment on the topic of "Conditions for Consenting to Tokenization of Gold Standard-Issued Credits" presented in the Consultation document released September 14, 2022.

First and foremost, we applaud Gold Standard for launching this public consultation and taking a thoughtful approach to exploring how best to allow for tokenization of Verified Emission Reductions (VERs). We support the proposal Gold Standard has made to allow for tokenization of VERs, and we generally support the recommendations made by the IETA Digital Climate Markets Task Force, most of which align with Gold Standard's proposed approach. We also applaud Gold Standard for keeping concerns related to fraud and environmental integrity top of mind. At this critical juncture of the carbon markets, while awaiting revised IC-VCM guidelines, we believe maintaining the highest levels of integrity in the voluntary carbon markets to be of the utmost importance. Below, we explain in more detail the reasons for supporting tokenization of VERs, as well as some concerns we believe should be considered in this consultation.

Anew supports Gold Standard's proposal to permit the tokenization of VERs and support the tokenization of carbon credits from ICROA-endorsed standards more broadly. We believe doing so will further help build demand for voluntary carbon and will increase participation in the voluntary carbon markets by further expanding access to new market participants, large and small. We see the potential for tokenization to enable more individual, retail-scale purchases via fractionalization of credits (e.g., the "retirement" of units smaller than 1 tonne CO₂e). We also see tokenization as an opportunity to provide greater transparency to an individual buyer into the details of the carbon project they are supporting, as well as extending Gold Standard's serialized credit tracking (issuance and retirement) onto decentralized and public chain platforms. By establishing clear guardrails for bringing VERs "on-chain", project developers and carbon market stakeholders can participate in innovative climate finance / digital asset projects while continuing to rely on the rigor and integrity of Gold Standard's registry requirements.

Responding specifically to Gold Standard's proposal for VERs to be immobilized and held in "custodial" registry accounts when tokenized, as opposed to "retired," Anew is supportive. We believe Gold

Houston Office

3200 Southwest Freeway
Suite 1310
Houston, TX 77027

Salt Lake City Office

2825 E. Cottonwood Parkway
Suite 400
Cottonwood Heights, UT 84121

Additional Offices

Carlsbad, CA	Calgary, AB
San Francisco, CA	Budapest, Hungary
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Standard's concern that "retiring" carbon credits to issue tokens could create more confusion in the market is a valid one. Retiring a carbon credit has long been understood to be the action which claims the right to the emission reduction once and for all, and it is important that does not change. A credit should only be retired on the registry once the organization claiming that emission reduction decides to do so. Where carbon credits are fractionalized and "retired" while in token form, we also believe it is important for tokenization platforms to regularly true-up with the Gold Standard registry to ensure that the Gold Standard registry is as up to date and accurate as possible. Careful consideration should be taken with regard to token burn mechanisms to ensure that the underlying reduction claims associated with any tokenized credits are retired in a transparent manner and with no undue delay. We believe Gold Standard would be warranted to set a maximum time or volume threshold for requiring tokenization platforms to perform this true-up. At least once quarterly, as proposed by Gold Standard, would be a reasonable frequency as a starting point, but more frequent may be warranted in the future.

Finally, while Anew is very supportive of tokenization of VERs and credits from ICROA-endorsed standards, we do believe it will be critical for the market to clearly distinguish between the tokenization of offsets from ICROA-endorsed standards like Gold Standard and those emission reductions or removals that have been generated from off-registry projects and/or non-ICROA endorsed standards. In recent years, there has been a proliferation of such "credits" and tokens that support reduction claims based on deficient or inadequate registry requirements. We view the co-mingling of tokenized VERs with other on-chain assets as potentially damaging to market integrity and ask for careful consideration in supporting on-chain credits. At a time when there is increased debate regarding integrity of the VCM, credits outside of the traditional carbon registries must be labeled as such whenever possible and kept in separate carbon pools on-chain. While Gold Standard's proposal and program more generally do not speak to the tokenization of credits outside of the Gold Standard program, we believe it is important for Gold Standard and others in the market to continue to bear this concern in mind to ensure the highest levels of transparency and integrity within the VCM as a whole.

We welcome the opportunity for new and innovative mechanisms to expand the VCM and ask for Gold Standard's careful consideration in maintaining a transparent and high-integrity solution for tokenization.

Many thanks for the opportunity to provide comment. Should you have any questions pertaining to Anew and our statements here, please do not hesitate to reach out.

Sincerely,
Teresa Lang
Senior Director, Advisory Services
tlang@anewclimate.com