

The like-for-like principle in carbon offsets

Introduction

The like-for-like principle of carbon accounting is important for companies to understand as they navigate the Voluntary Carbon Market (VCM). Many types of carbon credits are available on the VCM, including emissions avoidance credits, emissions reduction credits, and carbon removal credits. Each type of credit plays an important role in decarbonization, but carbon removal credits are especially important for companies looking to offset their fossil fuel emissions through the VCM, and the like-for-like principle helps serve as a best practice guide for purchasing removal credits.

To credibly address fossil fuel emissions, companies need to match the timescale of the pollution with the timescale of the solution. Emissions generated from extracting and burning fossil fuels remain in the atmosphere for at least a thousand years, so they should be offset by carbon removal that is equally or more durable. Many carbon offsets, especially forestry and soil carbon credits, don't meet that bar — they store carbon for shorter periods. That means companies looking to offset fossil fuel emissions need to seek out high-quality, durable carbon removal solutions that sequester carbon for a thousand years or more

Why offset emissions using the like-for-like principle

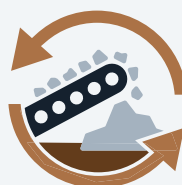
There is growing recognition of the variability in credit quality and type on the voluntary carbon market, with increased scrutiny of companies. If a company's offsets are not appropriately addressing their emissions, they are creating reputational vulnerabilities as well as carbon accounting issues. Companies leveraging carbon credits should begin to use durable carbon removal — if they aren't already — to ensure they have enough supply for future climate targets.

Utilizing the like-for-like principle

For buyers applying the like-for-like principle, the first step is to evaluate the class of the emissions being offset.



If emissions come from the biosphere, such as land-use change or agricultural emissions, they should be removed and returned to the biosphere through methods like reforestation, soil carbon projects or blue carbon initiatives.



If emissions come from the geosphere, such as fossil fuel combustion, they should be removed and returned to the geosphere through approaches like enhanced rock weathering, direct air carbon capture (DAC), marine carbon removal, biomass carbon removal, or any other approach that removes carbon dioxide from the atmosphere for more than 1,000 years.

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