

Offsetting Glossary

EAUC developed this glossary to clarify key terms associated with carbon markets and for the Universities and Colleges land for carbon project.

Glossary	Definition
Afforestation	The process of planting of new forest on lands.
Cap and trade system	A system that sets an overall emissions limit, allocates emissions allowances to participants, and allows them to trade emissions credits with each other.
Carbon Credit	<p>A carbon offset is a credit that a person or organisation can purchase to reduce their carbon footprint. When you offset your carbon footprint, you are purchasing carbon credits.</p> <p><i>1 carbon credit equals 1 tonne of CO₂e removed from the atmosphere or prevented from entering it.</i></p>
Carbon Emission Reductions	<p>Offsetting by preventing CO₂e from entering the atmosphere.</p> <p><i>Examples include forest protection, avoided deforestation, renewable energy, and energy efficiency.</i></p>
Carbon Emission Removals	<p>Offsetting by removing CO₂e from the atmosphere.</p> <p><i>Examples include peatland restoration, reforestation, direct air capture with carbon storage and carbon capture storage.</i></p>
Carbon Market	The market for obtaining and trading carbon credits/certificates in order to prevent or reduce greenhouse gas emissions (GHG).
Carbon Neutral	GHG emissions are balanced by 'offsetting,' or removing an equivalent amount of carbon from the atmosphere.
Carbon Offsetting	A process of compensating for greenhouse gas emissions by making an equivalent carbon dioxide saving elsewhere. Offsetting is the purchase and retirement of a carbon credit.

Carbon Pool	A system that can store and/or accumulate carbon.
Carbon Sequestration	<p>The process of capturing and storing carbon through the direct removal of carbon dioxide from the atmosphere.</p> <p><i>Examples include land-use change, afforestation, reforestation and/or increases in soil carbon.</i></p>
Decarbonisation	Decarbonisation is the removal or reduction of all human-made carbon emissions into the atmosphere. Decarbonisation is achieved through cross-cutting measures to reduce or eliminate carbon emissions from an organisation's or individual's activities.
EU Emissions Trading System (ETS)	EU emissions trading system is a market mechanism that allows companies which emit GHG emissions to trade (to buy and sell) emission allowance (permits or allowances).
GHG Removal	Absorption or sequestration of GHGs from the atmosphere.
GHG source	Any physical unit or process which releases GHG into the atmosphere.
GHG trades	All purchases or sales of GHG emission allowances, offsets, and credits
Net zero	The balance between all GHG emissions produced and removed from the atmosphere.
Pending Issuance Unit (PIU)	PIUs are future carbon credits. These units are based on predicted carbon storage and cannot be used to report against UK-based emissions until verified.
Reforestation	Planting of forests on lands that have previously contained forests but that have been converted to some other use.
Retire	Retiring a carbon credit means the carbon offset is permanently removed from market. The carbon credit has been claimed by the entity that purchased it and cannot be sold or traded again.
Risk Assessment	The evaluation of risks associated with the project.

UK Emissions Trading Scheme (ETS)	A carbon emission trading scheme of the United Kingdom. It is cap and trade system following the UK's departure from the European Union.
UK Land Carbon Registry	The official record of the location of projects, the predicted and actual carbon sequestration, and the owners and retirement of carbon units. Verifies the carbon credit, which can be retired, used, or sold
Validation	The initial evaluation of a project to check that the predicted carbon sequestration is materially correct undertaken by a certification body accredited by the UK Accreditation Service.
Verification	The ongoing evaluation of a project against the standards of the woodland carbon code. Undertaken by a verification body accredited by the UK Accreditation Service.
Voluntary market	The voluntary market is a platform organisation can voluntarily purchase carbon credits to take proactive steps in reducing their carbon footprint.
Woodland Carbon Unit (WCU)	1 WCU is a tonne of CO ₂ e which has been sequestered in a carbon credit standard (e.g., WCU, Gold standards). Once a project is verified, PUIs which have been confirmed as sequestered will be converted to WCUs and can be retired and used/reported.