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CARBON MARKET SIMPLIFIED GLOSSARY

Texas is home to the fastest guns in the West. These definitions embody that principle and are the fastest way to explain complicated terms. See the International Panel on Climate Change and the U.S. Global Change Research Program for more detailed definitions.

1. **Climate change** – Changes in weather trends over time.
2. **Greenhouse effect** – Process that warms the planet from the sun by trapping heat in the atmosphere.
3. **Greenhouse gases (GHG)** – Molecules in the atmosphere that retain heat, resulting in the greenhouse effect.
4. **Carbon dioxide (CO₂)** – The most important GHG. Industry, electricity and transportation are major sources of this gas.
5. **Carbon dioxide equivalent (CO₂e)** – Amount of any GHG with similar warming to an amount of CO₂.
6. **CO₂ emissions** – Release of CO₂ into the atmosphere.
7. **Carbon cycle** – The way carbon moves through the atmosphere, oceans and land.
8. **Carbon sequestration** – Storage of carbon for a long time.
9. **Carbon flux** – The fluctuations of CO₂ in the atmosphere, oceans and land.
10. **Carbon sink** – A source that removes CO₂ from the atmosphere.
11. **Carbon source** – A source that places CO₂ into the atmosphere.
12. **Carbon footprint** – The total amount of GHGs caused by a person or organization.
13. **Adaptation** – Preparing for new environmental conditions.
14. **Mitigation** – Reducing sources of greenhouse gases (GHG) or increasing storage of GHGs.
15. **Carbon market** – A system to reduce GHGs by putting a price on carbon and trading carbon credits.
16. **Carbon credit** – Standardized unit that equals one metric ton of CO₂e from a carbon offset project.
17. **Carbon offset** – Reducing sources of GHGs, or increasing storage of GHGs, to compensate for other GHG emissions.
18. **Permanence** – A project must demonstrate that carbon is retained for a long time.
19. **Additionality** – A project must demonstrate that more carbon than normal is retained.
20. **Leakage** – A project must demonstrate that carbon is not being released somewhere else.
21. **Carbon registry** – Independent authority that approves, lists, and tracks a carbon credit's ownership.
22. **Cap-and-Trade** – A government regulated carbon market that places a limit on GHG emissions.
23. **Carbon tax** – A fee for GHG emissions.
24. **Ecosystem services** – Benefits from nature such as forest products, clean air and water, carbon storage and recreation opportunities.
25. **Environmental, Social, and Corporate Governance (ESG)** – Business and investment behaviors that promote environmental sustainability and social equity.