

From: Comox Valley Regional District [<mailto:no-reply@cverdwebsite.ca>]

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Subject: Form submission from: Request to Appear as a Delegation

Submitted on Wednesday, October 23, 2019 - 12:32

Submitted values are:

Name(s) of person(s) speaking: Brian Roberts, Chantelle Carden
Phil Kent

Organization Information

Organization you are representing: Cowichan Energy Alternatives Society

Primary purpose of the organization: Working with the District of Comox in offsetting their emissions via local

Number of members: 3

Contact name: Chantelle Carden

Meeting Details

Subject matter:

Cowichan Energy Alternatives Society (CEA) is seeking to work with the Comox Valley Regional District in offsetting their corporate emissions via local BC products on the Community Carbon Marketplace, a program developed by CEA. The presentation will look into the various options, the community benefits and the projects that the CVRD can support by offsetting their emissions via the CCM.

Specific request of the regional district, if any (i.e. letter of support, funding): N/A

Requested meeting date: November 14

Audio-visual equipment needed: Projector (CEA will be presenting a powerpoint).



communitycarbon marketplace

What are Community Carbon Credits?

How the Community Carbon Marketplace can help reduce your community's carbon footprint

Climate change is considered one of the most important environmental issues affecting all humans and natural systems on a global scale. According to the International Panel on Climate Change (IPCC) [report from 2014](#), human-caused emissions contribute significantly to the increase of greenhouse gas (GHG) emissions; this is why much of government policy is framed focusing on human-caused emissions, but what role can individuals and communities take part in to combat this issue? Here at Cowichan Energy Alternatives (CEA) we have created a process that enables local governments to play a vital role in tackling climate change while simultaneously supporting its local economy via the Community Carbon Marketplace (CCM).

How CCM Works

In short, the CCM is a community-based carbon exchange that enables local governments, businesses and individuals to meet their sustainability targets of becoming carbon neutral by either purchasing Community Carbon Credits (C3s) from local projects or creating the projects and selling the credits via CCM. This process enables organizations to purchase C3s through CCM while simultaneously financing local carbon reducing projects. You can imagine CCM as your virtual farmers' market whose mission is to provide new revenue to reward sustainable business practices that reduce carbon emissions.

Community Carbon Credits (C3s)

One Community Carbon Credit is equivalent to one tonne of CO₂e reduced through a local low carbon project. What makes each C3 significant is the unique tracking number applied to each one that ensures no double-counting of credits occurs and that only one C3 can be created, bought and sold once on CCM. The monetary value of each C3 per project varies based on the quality and verifiability of the data and methods used, in addition to the project's supply and demand. Each purchase of a Community Carbon Credit that a local government, business or individual makes is an investment towards supporting local economy and the creation of community resilience all while simultaneously combating the issue of climate change at a community level.

For more information on Community Carbon Credits and reducing your organization's carbon footprint please visit <http://communitycarbonmarketplace.com/>.





Understanding the BC Carbon Market: Voluntary and Compliance Carbon Market Standards

Introduction

Pertinent to the Community Carbon Market (CCM), understanding where mandated public-sector organizations (PSOs) under the Greenhouse Gas Reduction Targets Act and voluntary committed organizations, such as local governments, fit within the scope of the BC carbon market standards is a difficult task; however, it is vital to achieve in order for CCM’s marketing plan to move forward. This brief white paper aims to illustrate this scope by demonstrating the following:

- 1) Explicate the BC market so as to clearly establish where exactly the line between compliance and voluntary markets is drawn
- 2) Determine exactly what local governments are in fact mandated to do and what is voluntary with regards to purchasing carbon credits from projects

In order to establish the line between compliance and voluntary carbon markets in BC, it is vital for CCM to comprehend which organizations are mandated within the scope of the Greenhouse Reduction Targets Act described below.

Greenhouse Gas Reduction Targets Act (GGRTA)

In November 2007, as part of an initiative to combat climate change, the government of British Columbia passed the Greenhouse Gas Reduction Targets Act ([GGRTA](#)). Enforced on January 1 2008, the goal of the GGRTA was to reduce provincial greenhouse gas (GHG) emissions by at least 33% below 2007 levels and at least 80% below 2007 levels by 2050. In order to reach these levels, the BC government **mandated in the GGRTA that each public sector organization be carbon neutral for the 2010 calendar year and for each subsequent calendar year** ([GGRTA, s.2](#)). Alongside the GGRTA, the Ministry of Environment established an Emissions Offset Regulation (EOR) that sets out mandated requirements for GHG reductions and removals from projects or actions of PSOs to be recognized as GGRTA offsets ([GGRTA-EOR](#)).

Identifying which PSO falls under the GGRTA is important in order to understand what organizations are and are not mandated by the GGRTA standards, this scope is exemplified in Tables 1 & 2 below:

Table 1: Scope – Geographic Boundaries

In-Scope	Out-Of Scope
Public Sector Organization (PSO) operations located: <ul style="list-style-type: none"> • In British Columbia; and • Elsewhere in the world 	n/a

Table 2: Scope – Organizational Boundaries

In-Scope	Out-Of Scope
a) All PSOs within the “government reporting entity” (GRE) b) Any organization considered controlled by a PSO under Generally Accepted Accounting Principles (e.g. the PSO owns more than 50% of voting shares; controls the organization’s board)	<ul style="list-style-type: none"> • BC Ferry Corporation • Canadian Blood Services • Municipalities • Contractors supplying services to or on behalf of PSOs



*Table information from the [2014 Scope Summary for B.C. Public Sector Greenhouse Gas Emissions](#)

British Columbia Climate Action Charter

In conjunction with the mandating regulation of the GGRTA/EOR, the [British Columbia Climate Action Charter](#) was signed by 182 BC Local Governments as a *voluntary initiative* to combating climate change, committing local governments to become carbon neutral by 2012 in respect to their operations.¹ Unlike the GGRTA, the Charter is a voluntary initiative and therefore does not legally bind its signatories (i.e. local governments) as stated in s.9 of the Charter²:

(9) This Charter is not intended to be legally binding or impose legal obligations on any Party and will have no legal effect.

While local governments do not fall under the scope of the GGRTA, under committing to the BC Climate Action Charter, they are voluntarily committing to this initiative and therefore fall under voluntary carbon market standards; however, the *Becoming Carbon Neutral Guidebook for Local Governments* complicates the understanding of whether local governments are required to follow GGRTA/EOR standards or voluntary carbon market standards as examined in the following section.

Takeaway for CCM: Voluntary vs. Compliance Markets in BC

- PSOs that fit within the scope of the GGRTA are the only organizations mandated to have emission offsets recognized as GGRTA-EOR standards, and are therefore required to purchase offset credits from projects that meet the GGRTA-EOR standard.
- Voluntary committed organizations, such as local governments, have a non-mandated standard (voluntary standard) to carbon neutrality as they fit outside the scope of the GGRTA.
- In addition, these organizations fall under the scope of voluntary standards of purchasing credits from offset projects, and therefore are not required by law to meet GGRTA-EOR standards.

Compliance GGRTA/EOR market standards & Local Governments

The [Becoming Carbon Neutral Guidebook for Local Governments](#), defines the *voluntary carbon market* “as participants who have chosen to make commitments in a voluntary market may choose from a range of standards and offsets available, and the *compliance carbon market* is defined as “the participation, compliance and adherence to prescribed standards is required as defined by government regulation and legislation”.³ The pertaining government regulation in BC being the [GGRTA s.2](#), illustrates that PSOs that fall within scope of the GGRTA are the only listed mandated parties to the Regulation and are required to meet set targets & standards established within the GGRTA; therefore, organizations that fall outside the mandated GGRTA scope, including local governments, fall within voluntary carbon market standards.

¹ B.C. Climate Action Charter. Government of British Columbia: Local Government Department, 2013. Retrieved from: http://www.cscd.gov.bc.ca/lgd/greencommunities/climate_action_charter.htm

² Ibid.

³ Green Communities Committee. *Becoming Carbon Neutral: Guidebook for Local Governments, Version 3*. Province of British Columbia: July 2014. Retrieved from <http://www.toolkit.bc.ca/sites/default/files/BecomingCarbonNeutralGuideV3.pdf>



Understanding BC Carbon Market: Purchasing of Credits from BC Projects

The same rationale and understanding of what PSOs pertain to the GGRTA-EOR standards can be applied to BC carbon reduction projects who wish to have their carbon credits purchased in a BC carbon market. Regulated PSOs under the GGRTA are required to purchase carbon offsets from only verified GGRTA-EOR standards projects; however, voluntary organizations such as local governments, do not fall under the mandates of the GGRTA and are therefore able to purchase credits from projects that fall under voluntary carbon market standards. In other words, **only when a mandated PSO under the GGRTA purchases carbon credits from a project is when that project is required to meet the GGRTA-EOR standards.** A summary for the GGRTA-EOR standards is detailed in the following section.

Summary of GGRTA-EOR Standards for Projects Plans

In order for a project's carbon credits to be purchased by a Regulated PSO⁴ the GGRTA-EOR mandates (in **s.3 Project Plan**) that:

- (1) A proponent must
 - a) Prepare a project plan, and
 - b) Submit the project plan to a validation body for review under section 4

Furthermore, under **s.4 Validation of project plan** states that:

- (4) A *validation body* may only validate a project plan in a manner consistent with ISO 14064-3

"Validation Body" defined by the GGRTA-EOR in respect of a project plan means

- a) a person accredited to conduct validations of project plans within the sectoral scope of the project
 - i. by a member of the International Accreditation Forum
 - ii. in accordance with ISO 14065, and
 - iii. through a program developed under ISO 17011 or
- b) subject to 10.1 a person enrolled in a program for project plans within the sectoral scope of the project, but only for one year after the date on which the person or an authorized individual on behalf of the person first signs a state of assurance under section 4(5) in respect of a project within that sectoral scope

As illustrated, if a Regulated PSO⁵ wishes to purchase credits from a project, that project must meet the regulated GGRTA-EOR standards; moreover, in order for a project meet GGRTA-EOR standards it must be validated within standards that are consistent with ISO 1406-3 by a validation body as defined in GGRTA-EOR.⁶

Understanding *Becoming Carbon Neutral: A Guidebook for Local Governments in British Columbia*

Becoming Carbon Neutral: Guidebook for Local Governments in British Columbia notes additional considerations in **s.2.5.5** when requiring offset providers; it recommends that offset providers should adhere to certain standards and encourages

⁴ Regulation only accounts for PSOs that fall within the scope of the GGRTA, as stated in s.2 of the GGRTA. Retrieved from https://www.leg.bc.ca/pages/bclass-legacy.aspx#/content/legacy/web/38th3rd/3rd_read/gov44-3.htm

⁵ Ibid.

⁶ Greenhouse Gas Reduction Targets Act, s.3. *Government of British Columbia*. S.B.C. 2007. Retrieved from https://www.leg.bc.ca/pages/bclass-legacy.aspx#/content/legacy/web/38th3rd/3rd_read/gov44-3.htm



local governments to follow best practices and investment strategies to meet the needs and interests of their local communities. Furthermore, **s. 2.5.5** of the guidebook states:

“At *this time*⁷ local governments wanting to purchase offsets based in BC would be limited to projects that are developed to the GGRTA/EOR Standard and available through the Pacific Carbon Trust⁸ and Offsetters”.⁹

Unlike the GGRTA, the BC Climate Action Charter is a non-binding agreement for local governments and in accordance to the GGRTA, PSOs that fall within the scope of the GGRTA are the only organizations mandated under the Regulation to purchase offsets from projects that satisfy the GGRTA-EOR standards. Furthermore, it is important to recognize that while the *Becoming Carbon Neutral Guidebook* in addition to the “Guide to *the B.C. Emission Offsets Regulation*” outline options and designs for local governments, these technical guides do not have the force of law, and do not establish new mandatory requirements for offset verification, and in no way supplants, replaces, or amends any of the legal requirements in the GGRTA/EOR¹⁰. Additionally, if a project is to have its offset credits purchased from a recognized PSO under the GGRTA *than that project* is required to meet the regulated GGRTA-EOR standards.

Take-Away Conclusion for CCM

In conclusion, this white paper brief has met the following two objectives:

Objective 1: Explicate the BC market so as to clearly establish where exactly the line between compliance and voluntary markets is drawn

- The compliance market standards in BC are established by the GGRTA (GGRTA standards), which **mandates Regulated PSOs¹¹ to become carbon neutral** for the 2010 calendar year and for each subsequent calendar year. In addition, the GGRTA only mandates PSOs that fall within the scope established in the GGRTA as described in the *Scope Summary for Reporting B.C. Public Sector GHG Emissions*¹² (summarized in tables 1 & 2 of this brief’s section of the “Greenhouse Reduction Targets Act”).
- In addition, the GGRTA-EOR limits the projects in which mandated PSOs can purchase credits from; therefore, these **projects are required by the Regulation¹³ to meet the GGRTA-EOR standards in order to be purchased by a Regulated PSO¹⁴.**

⁷ July 2011. s. 2.5.2 of the *Becoming Carbon Neutral Guidebook*(v.3).

⁸ Pacific Carbon Trust (PCT) folded in 2013 and the new Climate Investment Branch in the Ministry of Environment’s Climate Action Secretariat is now in place of PCT’s operations. Retrieved from: <http://www.pacificcarbontrust.com/>

⁹ s. 2.5.2 of the *Becoming Carbon Neutral Guidebook*(v.3).

¹⁰ Guide to the B.C. Emission Offsets Regulation, p. 2. Province of British Columbia: Ministry of Environment, Climate Investment Branch, September 2014. Retrieved from http://www2.gov.bc.ca/assets/gov/environment/climate-change/stakeholder-support/guidance-documents/guide_bcemissionoffsetsregulation.pdf

¹¹ Regulation only accounts for PSOs that fall within the scope of the GGRTA, as stated in S.2 of the GGRTA.

¹² 2014 Scope Summary for B.C. Public Sector Greenhouse Gas Emissions. Province of British Columbia: Ministry of Environment, 2014. Retrieved from http://www2.gov.bc.ca/assets/gov/environment/climate-change/policy-legislation-and-responses/carbon-neutral-government/measure-page/2014_scope_summary_for_bc_public_sector_greenhouse_gas_emissions.pdf

¹³ Regulation only accounts for PSOs that fall within the scope of the GGRTA, as stated in S.2 of the GGRTA.

¹⁴ Ibid.



- Any organization that falls outside of the scope established in the GGRTA falls under voluntary market standards and is therefore not required to purchase credits from projects that meet GGRTA-EOR standards.

Objective 2: Determine exactly what local governments are in fact mandated to do and what is voluntary

- The **GGRTA/EOR does not regulate local governments**, it only regulates PSOs that fit within the scope of the GGRTA on which projects they can purchase offsets from.
- The *Becoming Neutral Guidebook* recommends local governments to purchase credits from projects that meet the GGRTA/EOR in order to enable transparency as much as possible that these credits are verified; however, this is not a legally binding document, it is simply a recommendation.
- In addition to not being mandated under the GGRTA, **local governments are voluntary signatories of the BC Climate Action Charter, and therefore fall under voluntary market standards** and not GGRTA/EOR standards.

Moving Forward with CCM's Marketing Plan

Moving forward within its marketing plan, the Community Carbon Market can self-establish its own voluntary standards for its clients; however if CCM wishes to take on Regulated PSOs that fit within the scope of the GGRTA (compliance standards), all project carbon credits those PSOs purchase from must meet the Regulated GGRTA-EOR standards. In accordance to the *Becoming Carbon Neutral Guidebook*, CCM needs to develop the highest possible quality of voluntary standards for projects to take on, as this is necessary to build the greatest amount of transparency for its future clients.

Bibliography

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November 14, 2019

Summary of past work with the Community Carbon Marketplace and current offsetting potential on a local scale

As per the [Agenda Minutes](#) of September 5, 2019 at the Comox Strathcona Waste Management meeting, the Chief Administrator Officer recommended that the Comox Strathcona Waste Management Board support the planned closure of the Campbell River Waste Management Centre *in addition to purchasing carbon offsets*. This one-page document is a summary establishing the steps already taken to offsetting and reducing emissions in the Comox/Strathcona regions with Cowichan Energy Alternatives Society (CEA) and the options moving forward to accomplishing staff's recommendation of offsetting emissions.

Background: 2014 work completed with Comox & Strathcona

- In 2014, *The Strathcona Regional District* passed a unanimous decision that the Regional District support in principle working with the Community Carbon Marketplace, and that staff be directed to report on a proposal from the team at the Community Carbon Marketplace with the Strathcona Regional District to that end.
- In 2014, CEA worked with the *Comox Valley Regional District (CVRD)* to determine a number of Greenhouse Gas Reduction Projects (GHGRP) to offset the regions greenhouse gas emissions with. CEA shortlisted the following businesses for the District to offset with from Phase 1 for Preliminary Feasibility in Phase 2:

1) Eatmore Sprouts & Greens

- **Outcome:** Business illustrated good potential to reduce emissions from their operations by switching its diesel fuel to biodiesel, enhancing its on-site heat recovery water pump.

2) Sieffert Farms: Lazo Tye Farm and Sieffert Market

- **Outcome:** Report found options Sieffert could take in reducing emissions such as implementing Straight Vegetable Oil (SVO) as a fuel source alternative to heating oil. In addition, switching farm equipment diesel fuel emissions to biodiesel.

3) Tree Island Farm

- **Outcome:** The Tree Island Farm illustrated good potential to reducing greenhouse gas emissions using biodiesel from regular diesel in its farming equipment.

Options to offset CVRD's emissions with the Community Carbon Marketplace

1) Cumberland Community Forest

- After discussion with the Executive Director at Cumberland Community Forest, the 2016 land purchase illustrated a potential for a GHGRP feasibility; however, because the forest is not owned by a local government, an assessment will take a more rigorous protocol. To be quantified under the BC FCOP, forest inventory, growth and yield data would be required.

2) Offset with currently listed Community Carbon Credits (C3s)

- After preliminary discussion with the CVRD staff, in order to stimulate BC's local, low carbon economy, CEA can offer the CVRD a number of credits available on the marketplace, with all projects located in British Columbia.

3) Pre-feasibility for update on local GHGRP potential

- As the 2014 report prepared by CEA illustrated the potential for greenhouse gas reduction projects within the region. It is recommended that if the goal of the CVRD is to offset locally and that a pre-feasibility assessment of the region be completed to find additional, current and potential GHGRPs.

4) Green & Go™ Implementation

- As reported in CEA's 2016 summary with Comox – there was the potential to implement a station. CEA proposes the potential to locate a Green & Go™ station – including biodiesel, ethanol, and EV charging stations. None of these renewable fuel options are controversial, yet there are currently no examples in the province where they have all been combined in one location.