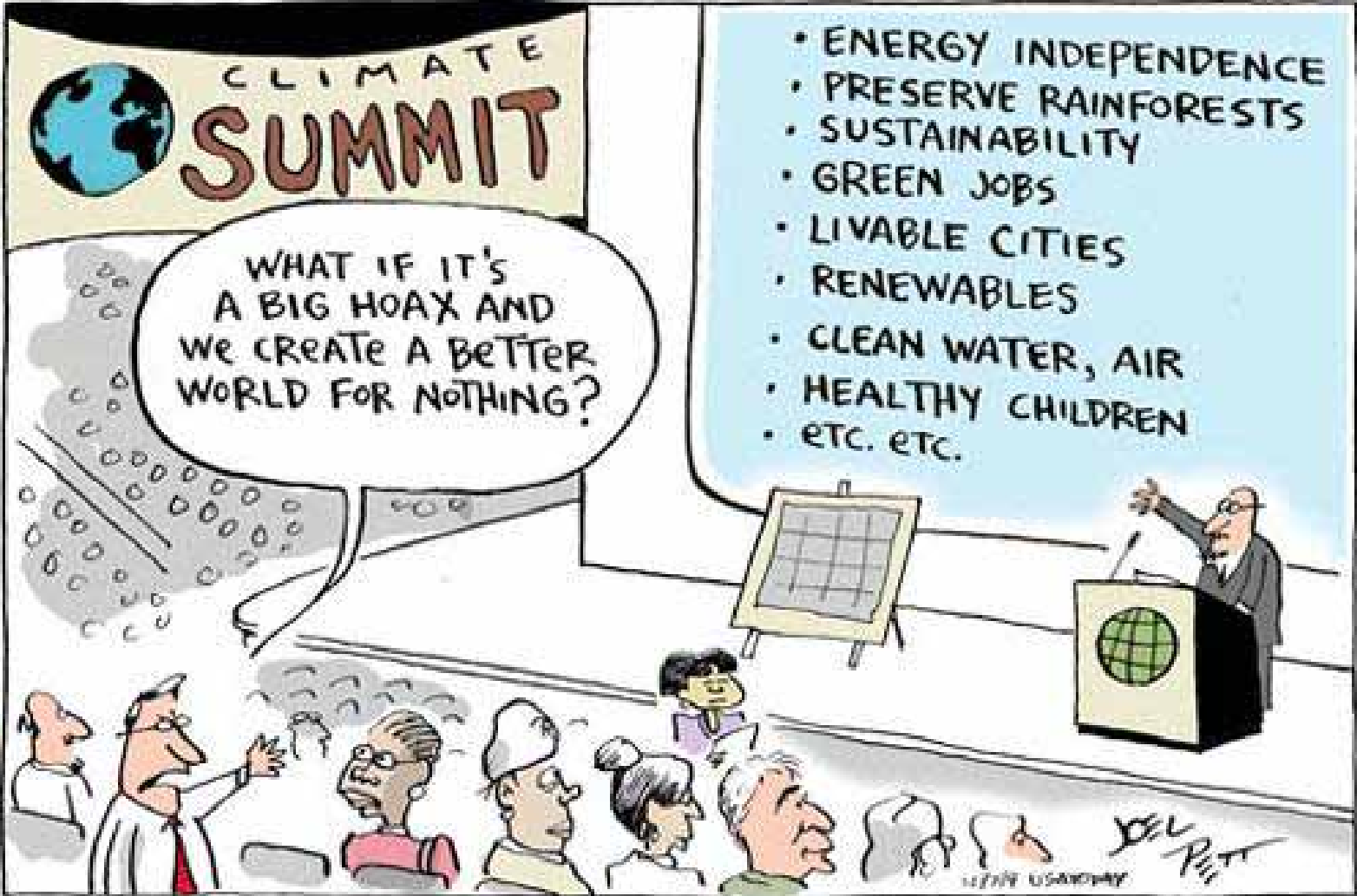


Growing BC's Green Economy

Presented by D. Scott MacDonald
30 April 2010



Pacific
Carbon
Trust



1

Introduction

Introduce Pacific Carbon Trust and its mandate within the provincial climate change framework.

2

Buying Offsets

Status of current purchases of offsets to meet public sector demand.

3

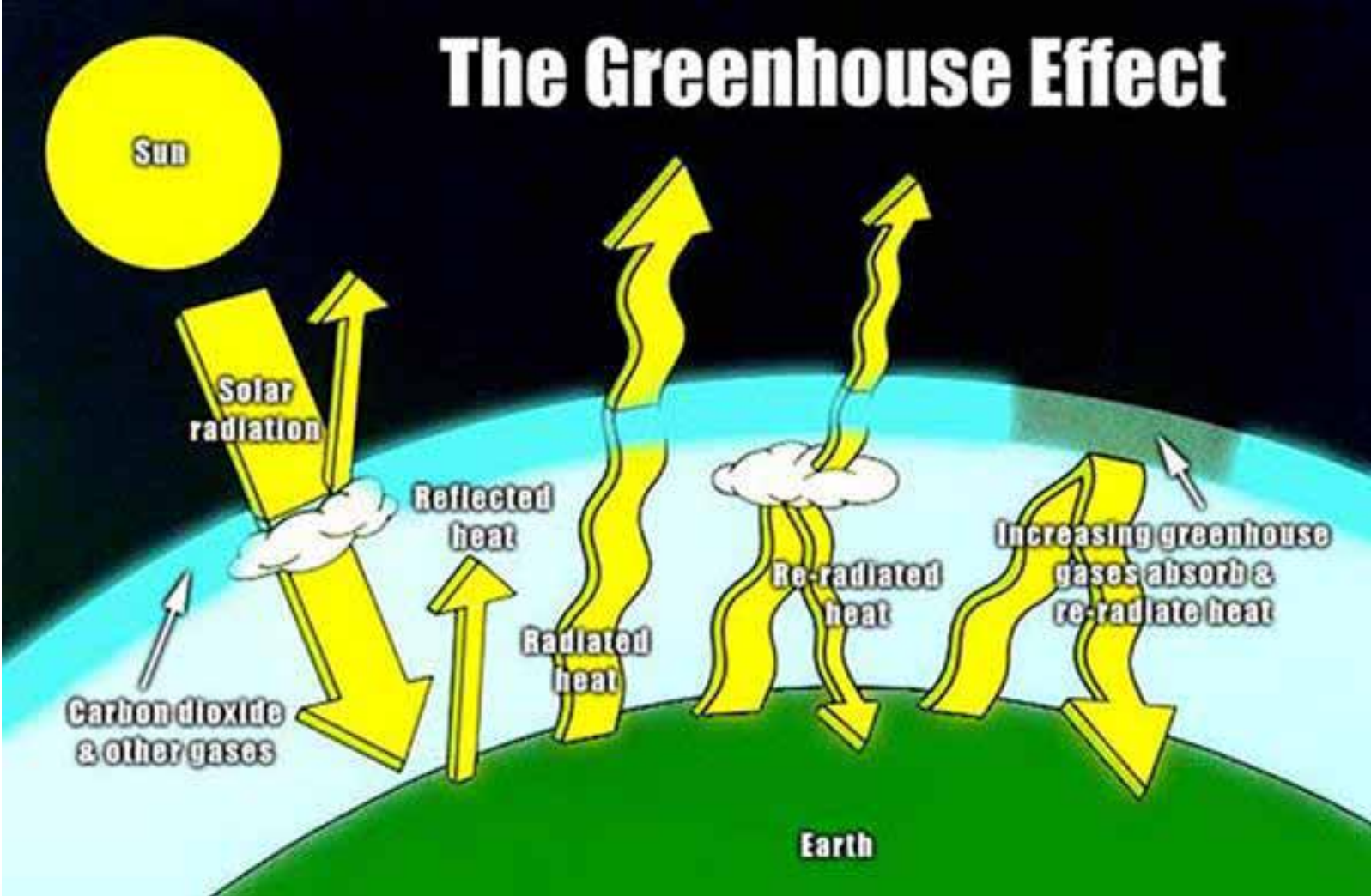
Selling Offsets

Anticipated demand for offsets by voluntary customers.

4

Carbon Markets

Evolution of the carbon market and the opportunity to expand the carbon economy in BC.



Carbon Emissions

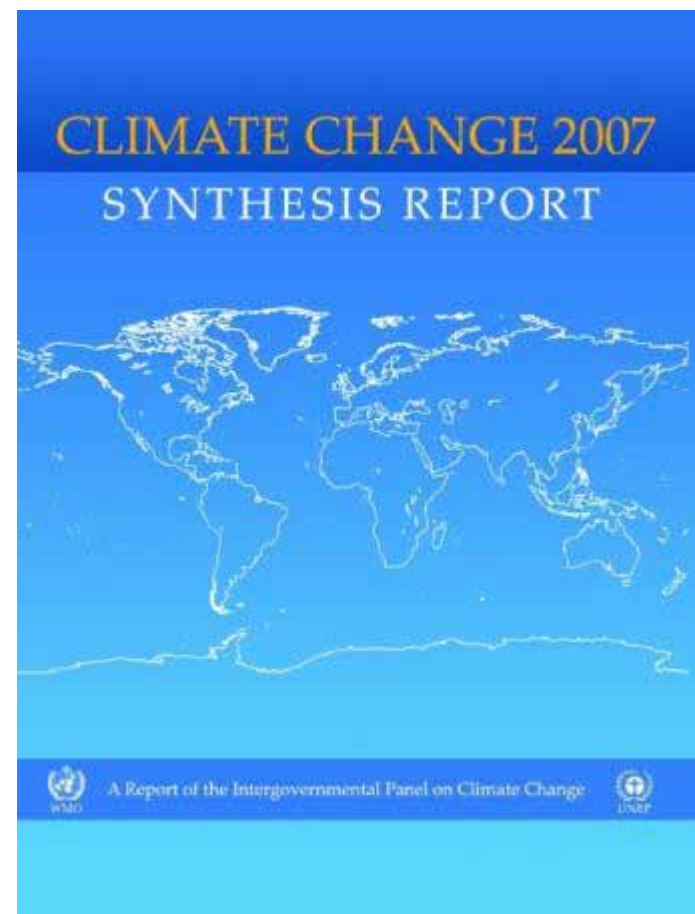


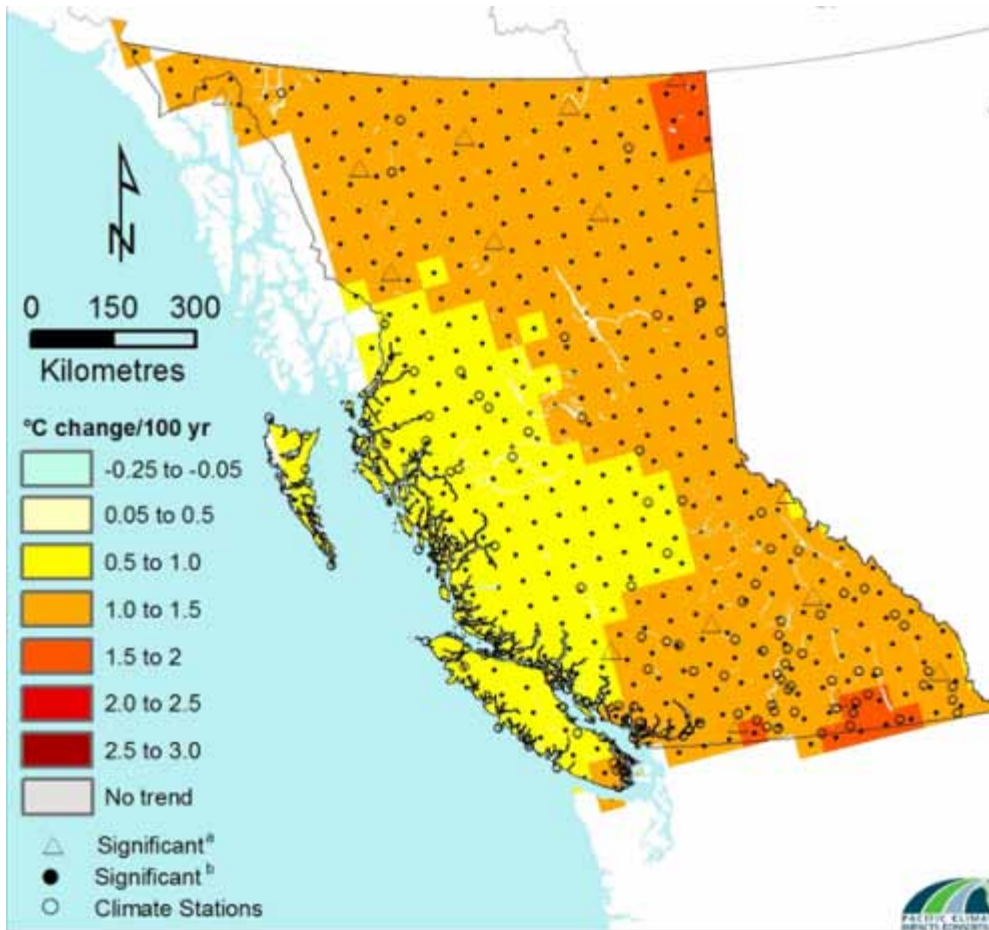
Intergovernmental Panel on Climate Change

Warming of the climate system is unequivocal.

Most of observed increase in global temperatures since ~1950 is *very likely* due to observed increase in **human-caused greenhouse gas emissions**.

90 - 99% probability.



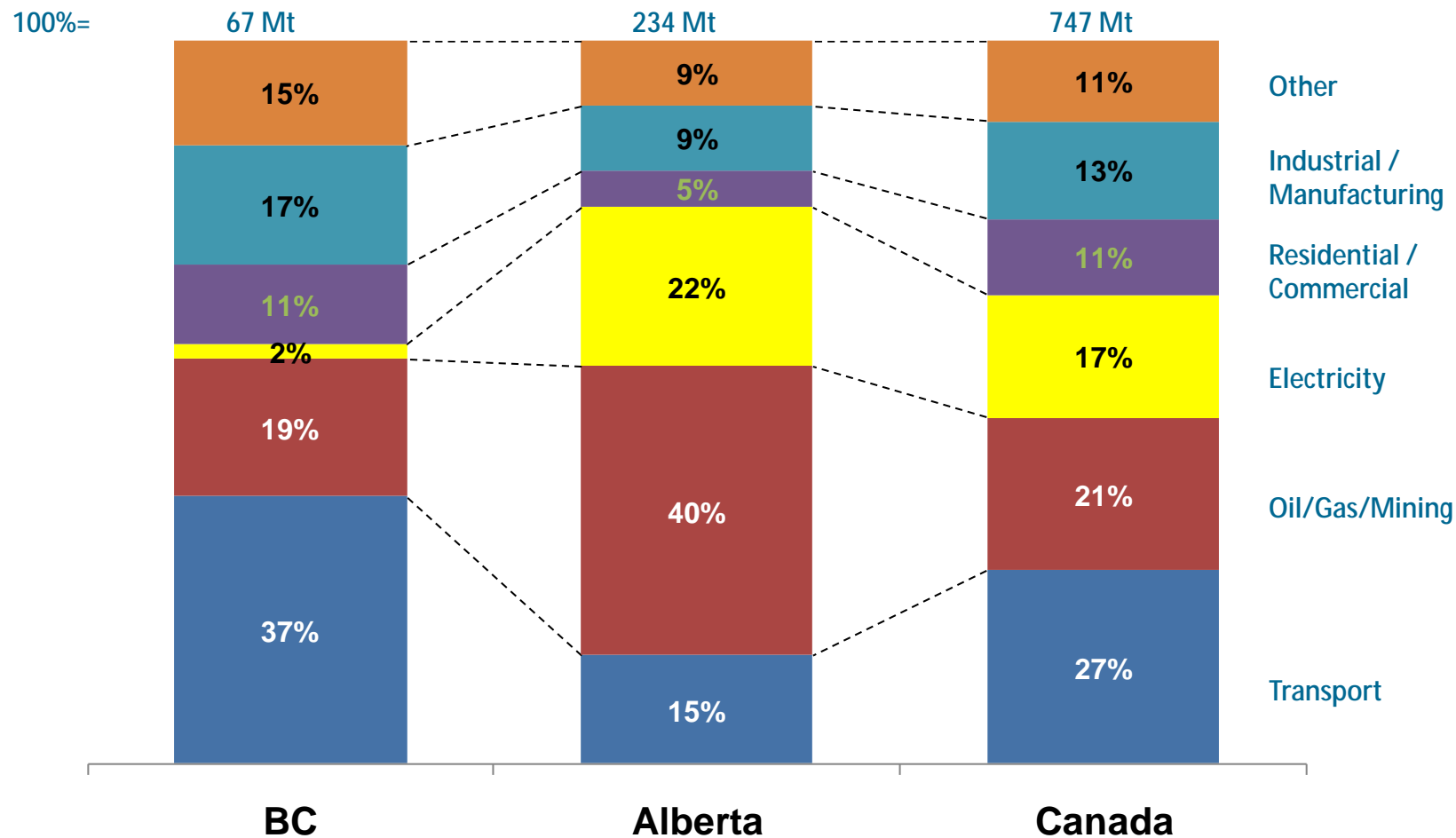


B.C. is exceeding global trends

1900 to 2003

- Interior: 1 to 1.5°C
- Coast: 0.5 to 1.0 °C

BC's unique emissions profile



Source: Environment Canada
2007 GHG Emissions by Sector

Climate Action Plan

Standards

Regulation

Greenhouse Gas Reduction Act
Vehicle Emissions Standards
Regulate Landfill Gas

Investments

Programs

Anti-idling policies, LiveSmart
Innovative Clean Energy (ICE) Fund
Pacific Institute for Climate Solutions

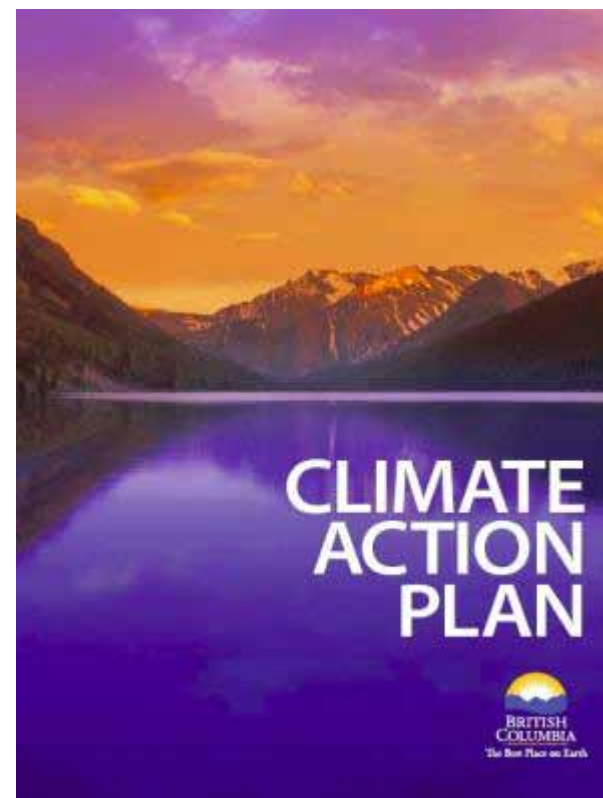
Price on Carbon

Fiscal Measures

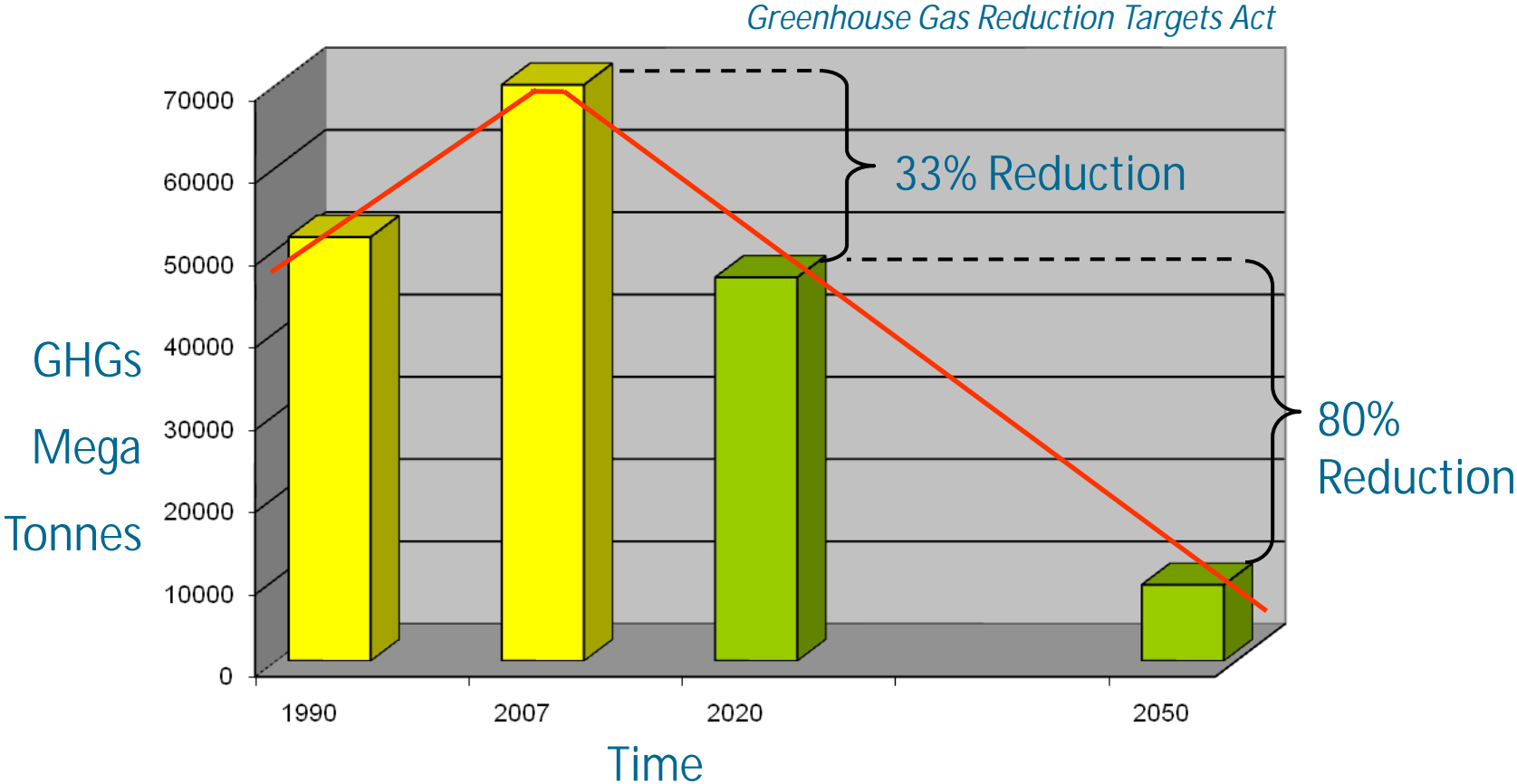
Carbon Tax Act
Hybrid Car Sales Tax Exemption

Market Mechanisms

North American Carbon Trading
Pacific Carbon Trust

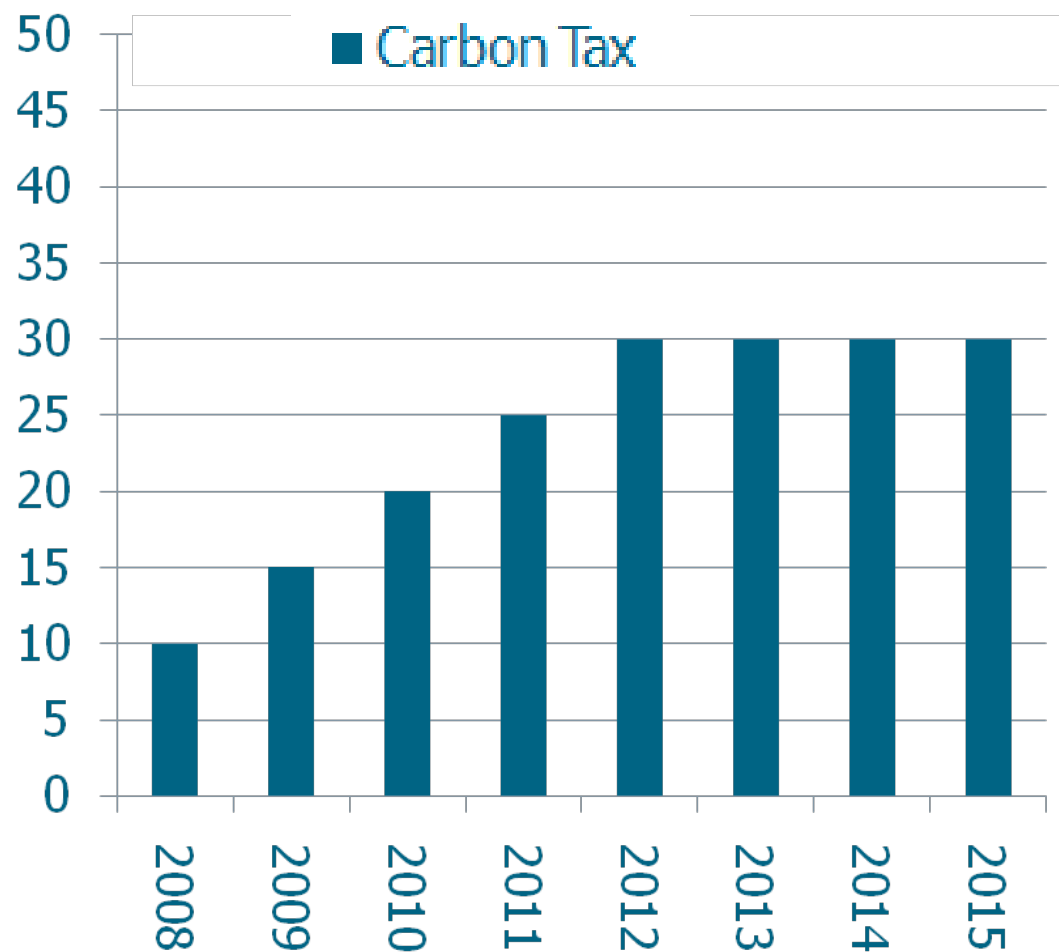


Legislated Targets



BC's Carbon Tax

BC is the only jurisdiction in North America with a substantial Carbon tax.



Lead by Example

Carbon Neutral Public Sector

Core Government

Crown Corporations

Boards of Education

Universities & Colleges

Health Authorities

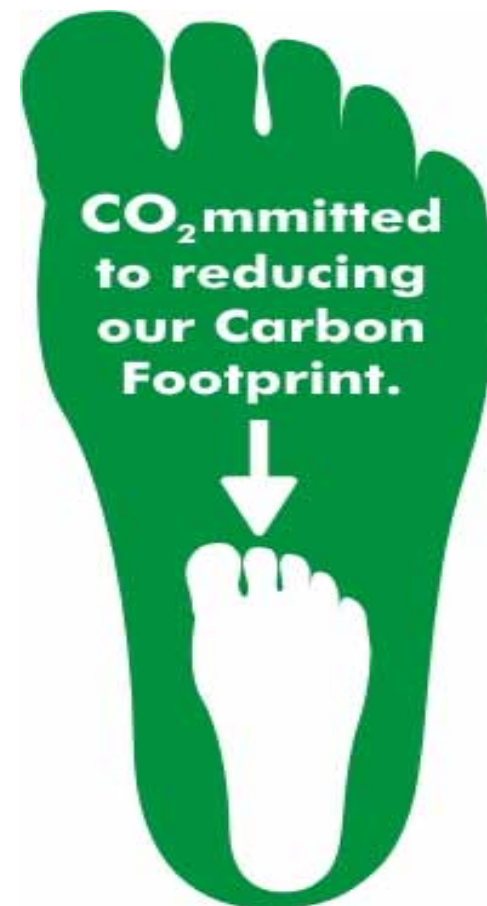


Price on Carbon

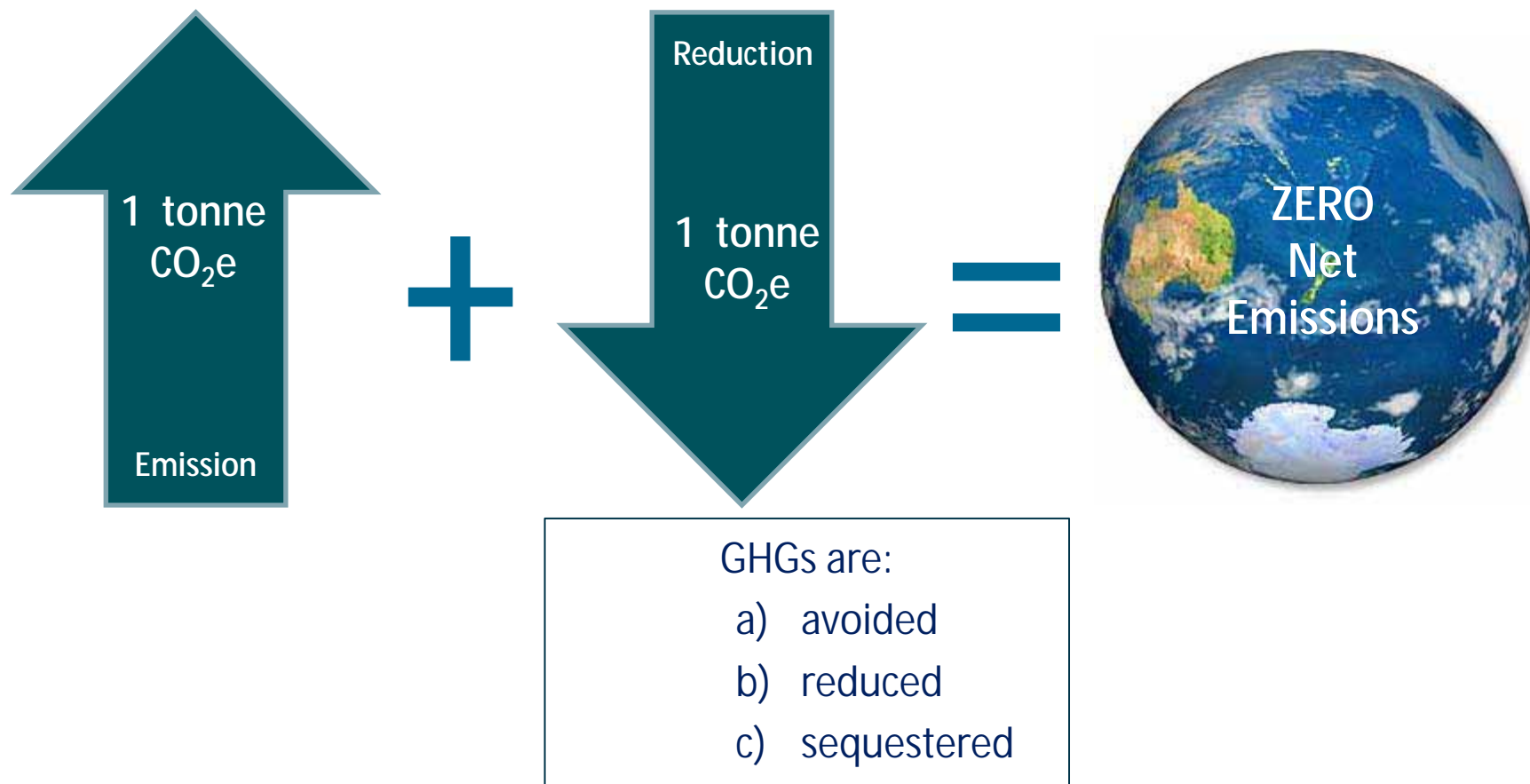
\$ 25

What is Carbon Neutral?

1. Measuring emissions
2. Reducing emissions
3. Offsetting remaining emissions



Carbon Offset: reduction of one tonne of CO₂e



Fine Print: A reduction, avoidance or sequestration of emissions from a *specific activity or project* (external to your organization).

Two Part Mandate

1 Deliver quality, BC based offsets, to help clients meet their CO₂ reduction goals

AND

2 Support the growth of BC's low carbon economy

1

Building a **portfolio** of credible, BC based offsets across sectors, in excess of 1M tonnes / year

2

Making **targeted investments** in technologies and capacity building to accelerate the growth of the industry

3

Pursuing **programmatic** approaches to GHG and energy intensity reductions.

Buy & Sell



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Strategic Acquisitions Group

- Develop and acquire made-in-BC GHG reduction projects across a broad range of sectors.
- Stimulate the growth of BC's low carbon economy by making selective investments in novel projects / technologies.

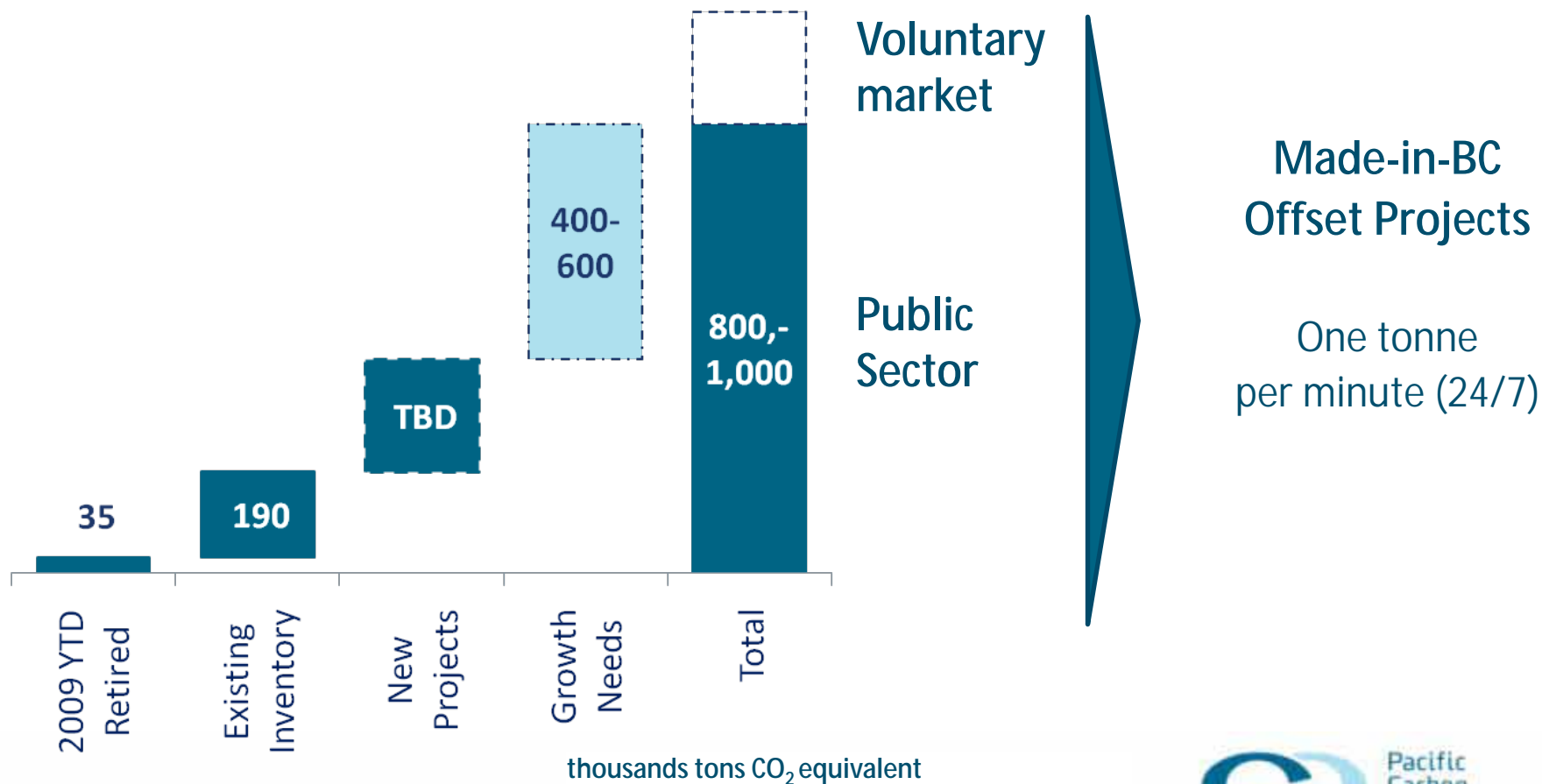


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Trust

Carbon Neutrality Services

- Provide BC based companies with a made-in-BC carbon neutral solutions.
- Help BC companies market themselves as carbon neutral.

PCT Annual Offset Requirements



Three Types of Offset Projects

Type	Description	Sample projects
Fuel Switching	§ Switch to a fuel source with lower CO ₂ emissions (e.g., From coal to natural gas)	§ Switch from natural gas to biomass
Energy Efficiency	§ Reducing amount of energy required to achieve similar output § Minimizing waste energy lost from a process (e.g., methane loss)	§ Elimination of waste methane from landfills § Coal mine methane destruction § Co-Gen / CHP
Sequestration	§ Increased storage of CO ₂ in sinks, such as forests § Capture and sequestration of CO ₂ from industrial emissions	§ Forestry projects § Carbon Capture and Storage (CCS)

Made-in-BC Offsets

Fuel Switching

- Switch coal to biomass
- Switch natural gas to hydrogen

Energy Efficiency

- Building envelope
- Energy curtains in greenhouses

Methane Capture

- Landfill gas capture projects
- Pipeline efficiencies that eliminate venting

Hydro

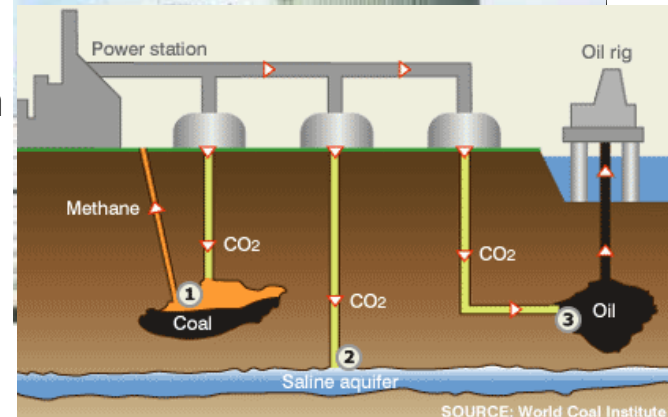
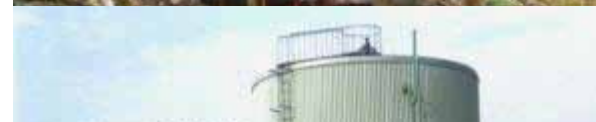
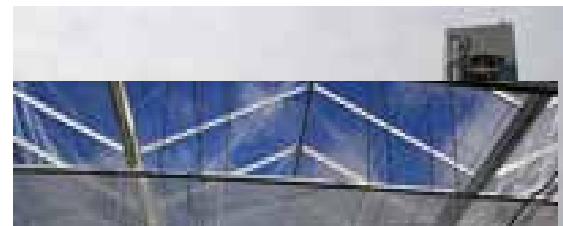
- Transition a small community off diesel to run of river clean hydro power.

Anaerobic Digestion

- Aerobic digestion and fertilizer production

Sequestration

- Carbon capture and storage from natural gas processing.



Buy & Sell



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Carbon Neutrality Services



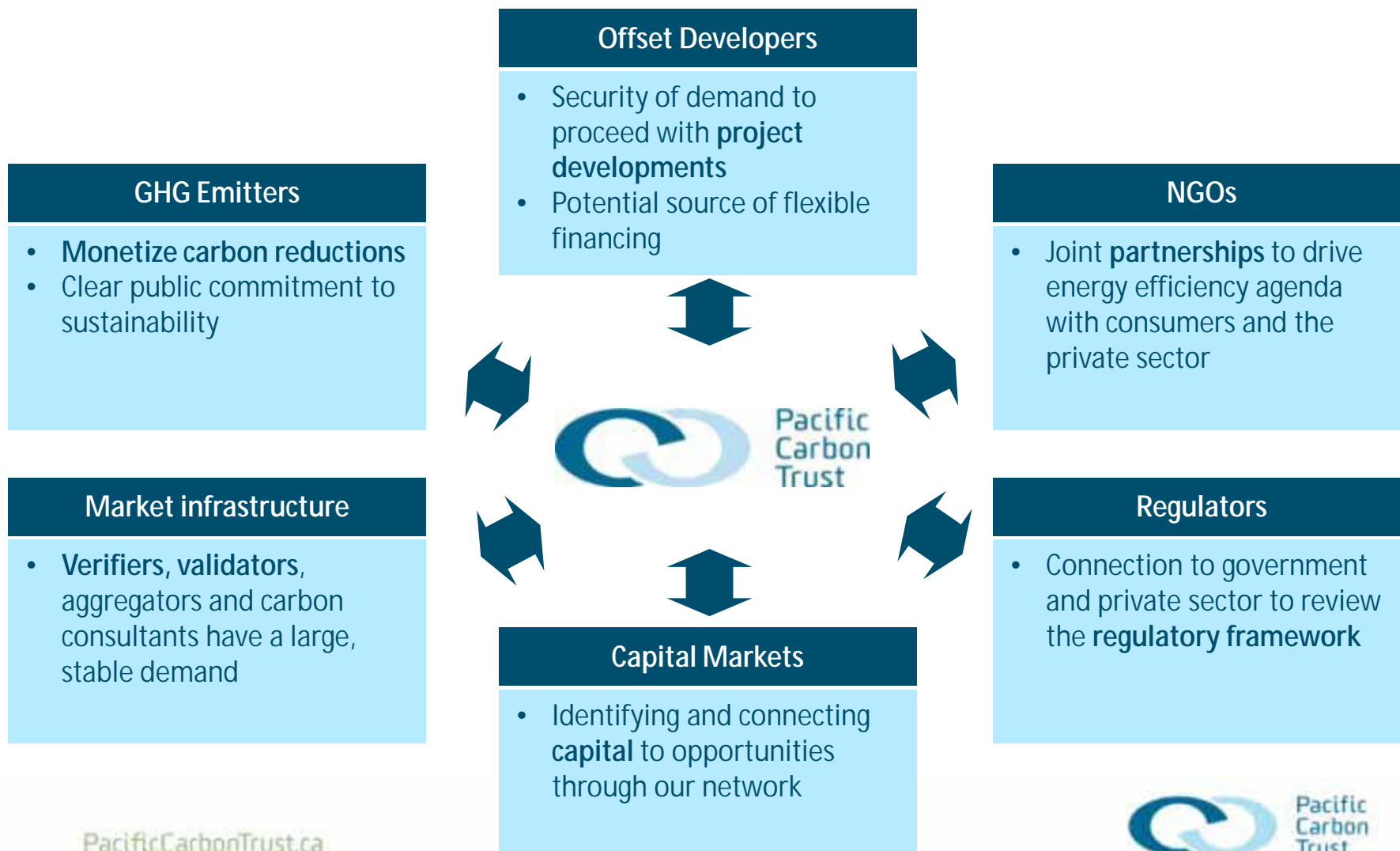
- Provide BC based companies with a made-in-BC carbon neutral solutions.
- Help BC companies market themselves as carbon neutral.

Voluntary Clients



- Pacific Carbon Trust provides BC based companies with a made-in-BC carbon neutrality solution
- Offsets are of the highest quality – conforming to BC's Offset regulations
- Same price as public sector - \$25
- Significant co-marketing / co-branding opportunities (announcements / brand launches / PCT certified)

Catalyze the growth of BC's green economy



Our Basic Beliefs

- 1 Climate change requires **significant action** across a number of sectors, using a combination of common sense and cutting edge technology.
- 2 There will be an agreement on climate change that extends beyond BC's borders, and supported by a **market based instrument** to drive emissions reductions.
- 3 BC as a province can demonstrate that it is possible to set a strong **price for carbon** and enable the transition of industries to a low carbon pathway.
- 4 Climate change is an **investment issue**, with emission reductions directly linked to the pace of capital turnover – our aspiration is to bridge the market failures that are slowing this cycle.
- 5 PCT will make **strategic investments** and aggressively seek out ways to economically de-risk GHG reduction projects to support long-term growth.

Pacific Carbon Trust is
open for business,
willing to engage,
and putting a premium price
on carbon today.



Pacific Carbon Trust

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