



# Independent Contractors and The Carbon Market

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Offsetters

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# Key Questions

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Can carbon management add value to my existing business?

Can carbon management generate new business for me?

Can I receive carbon funding for my business?

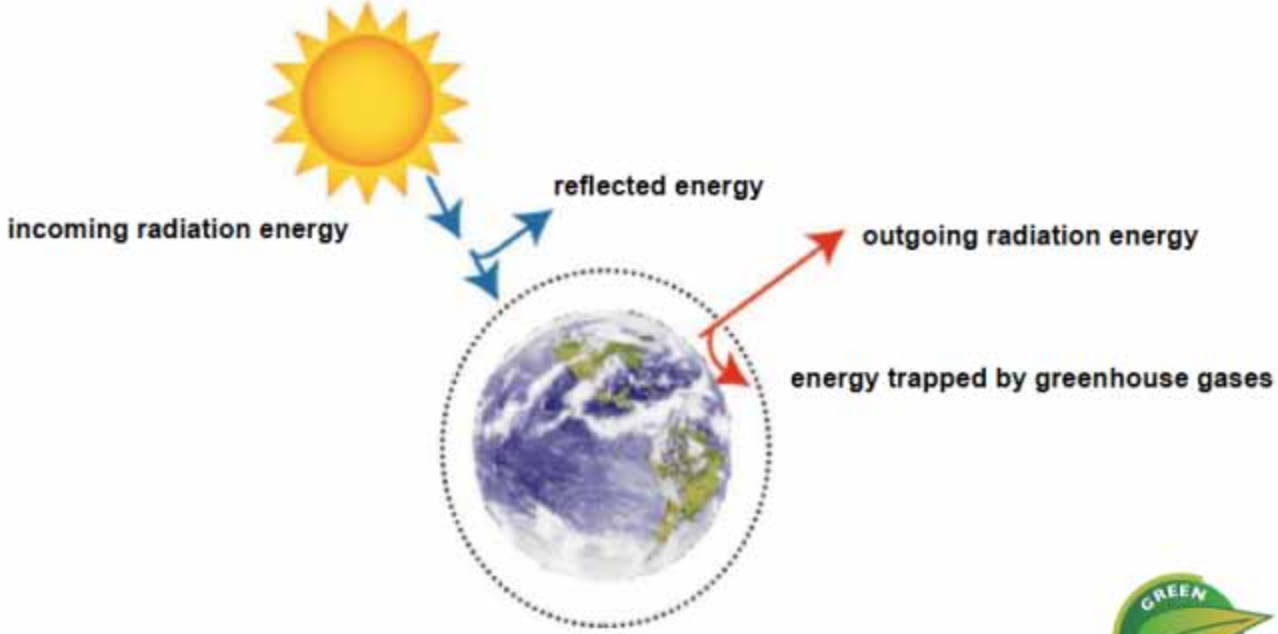
# What we do

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- We help individuals and organizations understand, reduce, track and offset their GHG emissions
- We develop and invest in high-quality offset projects that promote the adoption of clean technology and low carbon fuels
- We partner with organizations to create unique programs that enhance their brand and make a difference

# The Greenhouse Effect



# Global Warming: Too Much of a Good Thing



**Increase in average global surface and near-surface ocean temperatures**



# Global Warming: Too Much of a Good Thing



Meaningful action on climate change could cost up to 1% of total global GDP... But inaction could be more than 20% of total global GDP

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[Sir Nicholas Stern, 2007]



# Offsetters at a Glance



- Founded in 2005 by two UBC professors
- Canada's first and leading carbon management company
- 24 employees and contractors
- First supplier of carbon credits for the Pacific Carbon Trust initiative to make BC government carbon neutral for 2010
- First ever Official Supplier of Carbon Offsets to the Vancouver 2010 Olympic and Paralympic Games
- By the end of 2009, we have prevented approximately 150,000 tonnes of carbon dioxide from entering the atmosphere



# Our clients and partners



We have helped over 80 corporate clients and thousands of individuals understand, reduce & offset their climate impact



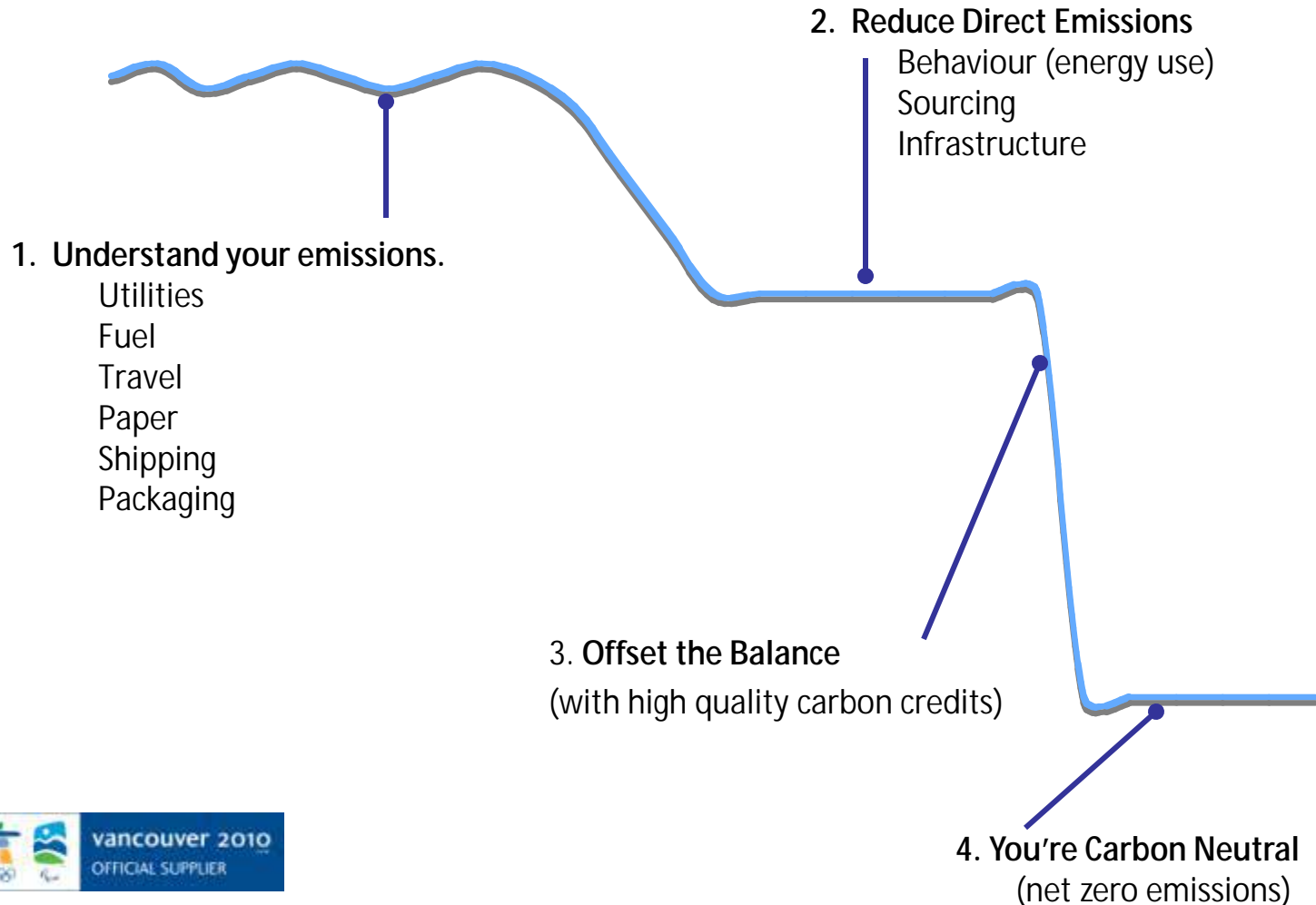
# Our Olympic clients



We are helping over 40 corporate and Government clients understand & offset their 2010 Winter Olympic climate impact



# Becoming carbon neutral



# What are these people thinking!?

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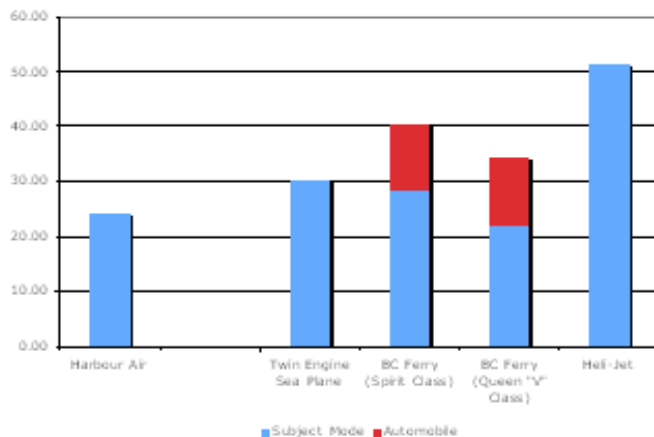
- 74% of companies doing green initiatives **are profiting from it** (Economist Intelligence Unit)
- 73% of meeting planners **would avoid a venue** with poor environmental record (IMEX, 2007)
- 92% of young professionals **want to work** for companies with a strong green stance (Monster Trak)

# A Case Study -



Harbour Air is:

- q The largest all seaplane airline in the world.
- q The only completely carbon neutral airline in the world.



The Business Challenge:

- q communicating their relative sustainability.

# A Case Study -



## Actions:

- q GHG Inventory & Reduction Strategy (InterVISTAS)
- q Establishment of carbon offset "fare levy" (50 cents per leg).
- q Corporate emissions offset directly.

## Outcomes:

- q Very high marketing benefit.
- q Increased employee morale.
- q 12% increase in revenues 2007/08

# What is an offset?

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An offset is an investment in a **project**...

# What is an offset?

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An offset is an investment in a **project** with **real and measurable climate benefit...**



# What is an offset?

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An offset is an investment in a **project** with **real and measurable climate**

**benefit** where the **carbon market**  
made a material  
difference to project  
implementation.

# Once more in carbonjargon:

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A high quality offset:

1. **Real, quantifiable** emissions reductions;
2. **Additional** (to what would happen anyway);
3. **Permanent** emissions reductions; and
1. Generates strong **social and environmental benefits**.

# Cdn Project: SunSelect Produce



**PROFILE:** Sun Select Produce Greenhouse  
**LOCATION:** Aldergrove, BC  
**TYPE:** Fuel Switching / Energy Efficiency  
**CREDITS:** ~7,500 tCO<sub>2</sub>e / per year

**Status quo:** Natural gas boiler

**Innovation:** Biomass (wood waste) boilers and heat curtains

**Result:** Model for energy innovation (sectoral expansion)  
Decreased fuel intensity; increased food security  
Reduced light pollution

**Pricing:** For high quality domestic Canadian clean technology projects such as this  
Offsetters charges \$20 per tonne



# Gold Standard Project: Te Apiti Wind Farm, New Zealand



**PROFILE:** Gold Standard Wind Farm

**LOCATION:** Manawatu, Lower North Island, New Zealand

**TYPE:** Renewable Energy – Wind

**CREDITS:** 190,000 tCO<sub>2</sub>e / per year

**Status quo:** Natural gas and coal thermal power

**Innovation:** Renewable power

**Result:** Model for energy innovation (sectoral expansion)  
Reduced air contamination  
Compatible with New Zealand's hydro generation  
Dual use for land since it can still be used for agriculture

# How can carbon mgt help my business?



Carbon mgt = Understand/Track/Reduce/Offset emissions

## 1. Gain efficiencies

- Reduce energy costs/exposure

## 2. Win/maintain business relationships (product and service)

- Eg. Wal-Mart supply chain initiative <sup>1</sup>
- LEED projects
- Differentiated products
- Low-carbon service provider

<sup>1</sup><http://www.nytimes.com/2010/02/26/business/energy-environment/26walmart.html>

# Can my business get carbon funds?



1. Do I have an emissions reducing project (fuel switch, low carbon product installation, etc.)?
2. Does this project face technical, financial, or other barriers to implement?
3. Is there scale? Can I aggregate with other operators?(min. 1,000 tCO<sub>2</sub>e/year; eg. 370,000 litres of diesel)

**Call Offsetters to discuss: (604) 699.2650**

# Thank you

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# Mitigation Approaches



## 1. Regulation/Compliance market (emissions targets, cap and trade)

Pros:

- If comprehensive and widely adopted, the best potential to control and reduce emissions
- Achieve fundamental market change

Cons:

- Politics, politics, politics
- Vested interests
- Weak policy worse than no policy?

# Mitigation Approaches

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## 2. Voluntary market based approaches (carbon markets, voluntary sustainability standards, etc.)

Pros:

- Sends signal of market preference
- Allows action in political vacuum

Cons:

- Lets politicians off the hook?
- Avoids meaningful action?

# Quality Assurance – Project Rigour



Q: How do I know these credits represent real, additional climate benefit?

A: Third Party Verification & Certification



# Quality Assurance – Mgt. Rigour



Q: How do I know you aren't selling the same credits over and over again?

A: Third party registries.



markit™



# Voluntary Carbon Standard: Biogas Energy



**PROFILE:** VCS Biogas Energy  
**LOCATION:** Kalasin, Thailand  
**TYPE:** Biogas Energy  
**CREDITS:** 24,726 tCO<sub>2</sub>e / per year

**Status quo:** Fuel Oil generated electricity, with methane released to the atmosphere by organic waste decomposition.

**Innovation:** Biogas generated from waste organic matter used to generate electricity

**Result:** Model for energy innovation (sectoral expansion)  
Excess electricity is sold to the grid

**Pricing:** For high quality international Voluntary Carbon Standard projects Offsetters charges \$20 per tonne

# Compliance Market Drivers

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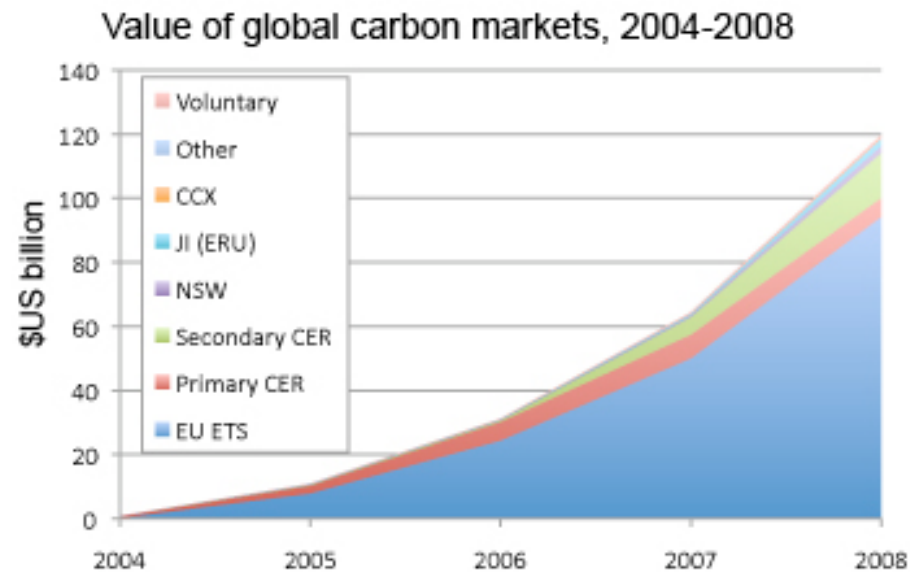
- Carbon Neutral government in BC by 2010
- Cap and Trade Scheme by 2012
- BC to reduce emissions 33% by 2020
- California to reduce emissions 20% by 2020
- Waxman-Markey Bill being debated in US Congress



# Growth of the Carbon Market

Voluntary Market (2008): \$705 Million USD; 123 MtCO<sub>2</sub>e

Compliance Market (2008): \$119,000 Million USD; 4,200 MtCO<sub>2</sub>e



# Who Is Buying Carbon Credits?

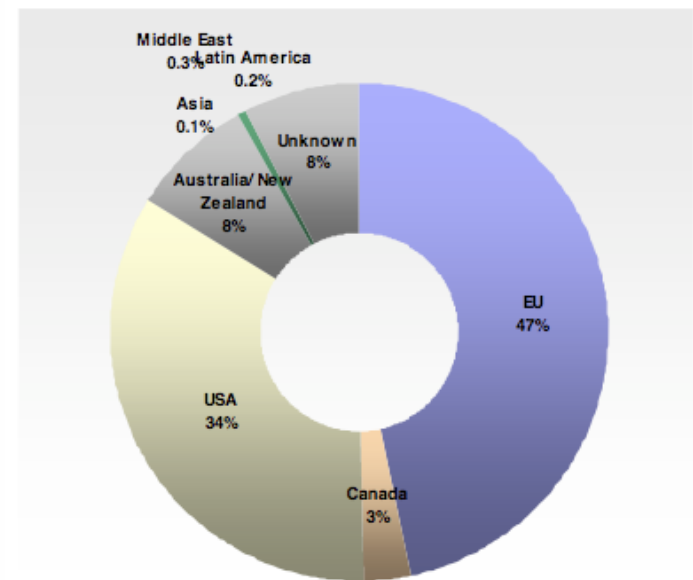


**Transaction Volume by Buyer Type, OTC 2007**



Source: Ecosystem Marketplace, New Carbon Finance

**Transaction Volume by Location, OTC 2007**



Source: Ecosystem Marketplace, New Carbon Finance