



**2013 COMMUNITY EXCELLENCE AWARDS
Category Worksheet**

**LEADERSHIP & INNOVATION
Climate Action**

Name of Local Government:

Project/Program Title:

Community Carbon Marketplace – City of Duncan Pilot Project

Project Summary Paragraph

Please provide a summary of your project/program in 150 words or less.

The City of Duncan achieved corporate carbon neutral status in 2012 due, in significant part, to the municipality's participation in an innovative pilot project involving a new, locally driven carbon credit program with tremendous potential for replication in communities throughout British Columbia.

The Community Carbon Marketplace (www.communitycarbonmarketplace.org) is an initiative of the Cowichan Energy Alternatives Society, a non-profit organization based in Duncan. What makes the program unique in the carbon marketplace is that it functions as a "micro-exchange" - offsetting dollars are directed to local carbon reduction projects. Council was particularly pleased to be able to achieve carbon neutral operations knowing that the municipality's carbon credits were directly supporting community-based projects spearheaded by local organizations.

The City is honoured to have been the first municipality to have participated in the Community Carbon Marketplace, and is eager to share this innovative and truly community-minded alternative for carbon offset spending.

Project Analysis

Please answer the question in 300 words or less in 11 pt Arial font (our judges value directness and brevity). If you experience difficulty answering a particular question, consider the aspects of your program that may relate to the question and show us how they are linked.

Remember to include measurable results whenever possible.

1. CLIMATE

Please describe how the program/project contributes to the achievement of one or more of your [Climate Action Charter](#) goals:

- i. Corporate carbon neutrality:

As a result of the Community Carbon Marketplace (CCM) Pilot Project, the City of Duncan successfully achieved corporate carbon neutral status for 2012. In doing so, it also became the first municipality to become carbon neutral using the new, innovative and community-focused CCM model.

The City's total carbon footprint for 2012 was 294 tonnes of CO₂e, 156 tonnes of which was offset through curbside collection of organic waste. The remaining (138 tonnes) was offset through the purchase of carbon credits through the Community Marketplace. The total amount spent on carbon credits was \$3,450, which was allocated to the following projects:

- Cowichan BioDiesel Co-Op (69 units)
- Vancouver Island Salt Company (59 units)
- Cowichan Recyclists (6 units)
- Cowichan Land Trust Eel Grass Transplanting Project (2 units)
- GreaseCycle Inc (2 units)

As the pilot community, the City of Duncan was directly involved in developing the application and selection process for the carbon credit projects. Several local organizations responded to a call for proposals by the City, and the Cowichan Energy Alternatives Society, acting as qualified third party, then developed a shortlist of eligible projects from which the City made its selections.

Since the completion of the pilot project, the CCM has been officially launched; the Islands Trust and Town of Ladysmith have become carbon neutral through the Community Carbon Marketplace, which was possible due to the remaining carbon credits accumulated during the City's call for proposals. The focus for CCM is now on attracting and assessing carbon offset projects to build the marketplace and expand into other jurisdictions. This will be supported, in part, by an additional \$5500 in funding through the City of Duncan, and a \$147,000 grant through the Island Coastal Economic Trust announced on July 23rd.

- ii. Using your community energy and emissions inventory: N/A
- iii. Creating complete, compact, energy efficient rural and urban communities: N/A

2. PROCESS

Please provide a brief outline of the steps involved in the program/project and the status of each step.

In early 2012 the City of Duncan teamed up with the Cowichan Energy Alternatives Society, a local non-profit organization, on the development of the Community Carbon Marketplace. As a signatory municipality to BC's Climate Action Charter, the City was committed to becoming carbon neutral in its corporate operations by 2012.

When presented with the idea of being a pilot project municipality for Cowichan's home-grown Community Carbon Marketplace, Council was eager to support the community-based alternative to carbon offsetting. In a media release to announce the partnership, Mayor Phil Kent noted: "It is exactly what we were hoping to be able to do with our Carbon Neutral Commitment; support local carbon reduction initiatives, instead of potentially having those monies spent elsewhere in BC when using the Pacific Carbon Trust, or abroad when using other offset providers."

Once the partnership was formed, the first step was to identify qualifying projects that the City could invest in to purchase carbon credits and offset corporate emissions. A call for

proposals was issued, and the Cowichan Energy Alternatives Society assessed the submissions, calculated carbon credits and developed a shortlist of projects from which the City was able to make selections for investment.

The City of Duncan purchased a total of \$3,450 of carbon credits to offset 138 tonnes of CO₂e, which fulfilled the municipality's commitment to achieve carbon neutral status by 2012 and directly supported five local carbon reduction initiatives. The model has now been officially launched and is North America's first online community carbon marketplace; two other local governments (Islands Trust and Town of Ladysmith) as well as a local Duncan-based business (Lush Eco Lawns) have since come on board and achieved carbon neutral status; and the BC Climate Action Secretariat has reviewed and confirmed its support for the program.

3. RESULTS

Tell us how your submission addresses climate change issues in terms of reduced GHG emissions and /or supports your community to prepare for the impacts of climate change.

The pilot project was completed successfully - the City of Duncan fulfilled its commitment to achieve carbon neutral status by 2012 using an innovative, community-based alternative to carbon credit spending, which in turn, directly supported five local carbon reduction initiatives.

The City's carbon footprint for 2012 was 294 tonnes of CO₂e, 156 tonnes of which was offset through curbside collection of organic waste. The remaining (138 tonnes) was offset through the purchase of carbon credits through the CCM. The total amount spent on carbon credits was \$3,450, which was allocated as follows:

1. Cowichan BioDiesel Co-Op: this organization produces B100 bio-diesel and straight vegetable oil for its many members in the Cowichan Valley and beyond. For approximately every 350L of bio-diesel sold, one tonne of GHGs is prevented from entering the atmosphere. (69 units)
2. Vancouver Island Salt Company: this Cobble Hill based business converted its salt boiler from running on fossil diesel to running on straight vegetable oil, reducing GHG emissions by more than 10 tonnes per week. (59 units)
3. Cowichan Recyclists: this innovative team is dedicated to providing accessible recycling solutions while using the least amount of energy. By avoiding the industry standard of fossil fuelled trucks, and instead relying on emission-free bicycles, the Cowichan Recyclists have successfully prevented GHG emissions from entering the atmosphere. (6 units)
4. Cowichan Land Trust Eel Grass Transplanting Project: this blue carbon project has transplanted over 1700 square metres of eelgrass in the Cowichan Bay Estuary. It is capable of sequestering approximately 4 tonnes of carbon/acre of transplant per year. (2 units)
5. GreaseCycle Inc: this initiative involves recycling of waste cooking oil through a collection organization that has some of its operations in Duncan. Greasecycle has converted their entire fleet to run on either B100 bio-diesel or straight vegetable oil. (2 units)

4. LEADERSHIP

How does the project reflect leadership and excellence in the advancement of climate action?

Pilot projects, particularly those done in collaboration with other agencies, inherently include an element of uncertainty and risk - it takes vision, courage and strong leadership to be innovative. In government, the fear of a less-than-successful outcome in the highly visible and often critical public realm can impact the willingness of elected officials to participate in such initiatives.

City of Duncan Council and staff demonstrated a tremendous amount of leadership in participating in the pre-launch pilot project of the Community Carbon Marketplace. As signatory to the Climate Action Charter, the City had committed to becoming carbon neutral by 2012. Investing time, energy and resources in the hands-on development of a brand new model for community-based carbon trading required strong leadership, commitment and dedication by both parties.

Clear communication between the agencies and a willingness to have 'all hands on deck' was key to the initiative's success. City staff directly supported and were involved in the call for proposals for carbon reduction projects, while the CEA took the lead in assessing the proposals and calculating carbon offsets/credits. In addition to the \$3,450 invested by the City to purchase carbon credits, the municipality also approved a \$2,000 grant to help the CCM pursue official public launch, and a further \$3,550 was committed to help support ongoing carbon footprint assessments of non-profit organizations.

The City also continues to support the program by actively seeking opportunities to promote it to other communities. In April, 2013 Mayor Phil Kent, Chief Administrative Officer Peter de Verteuil and Cowichan Energy Alternative's Executive Director Brian Roberts gave a presentation about the program at the Association of Vancouver Island and Coast Communities (AVICC) conference. The City is hopeful that the program can gain valuable exposure through reputable, high profile awards programs, such as the UBCM Best Practices Awards.

5. ECONOMICS

a. How was the project a good use of budget and resources?

The pilot project was an excellent use of budget and resources in that the City was able to achieve carbon neutrality in their operations in a manner that resonated with Council and is likely appeal just as strongly to other local governments – by spending carbon offset dollars on local projects with direct benefits to the community. Council and staff believe very strongly in the potential of the Community Carbon Marketplace, and were pleased to be able to allocate both financial and human resources (i.e. staff time and expertise) to help the organization establish operations and gain experience in the local government sector.

b. How does the project encourage economic sustainability? (*e.g. life cycle analysis, internalizing costs and alternative financing, economic instruments*)

A 2012 economic analysis by PricewaterhouseCoopers of British Columbia's carbon offset projects concluded that "...to the extent that project proponents spent money on goods and services produced in British Columbia there was a positive impact on the Province's GDP,

employment and tax.” Detailed findings and calculations of the direct, indirect and induced impacts are available at: <http://www.pacificcarbontrust.com/assets/Uploads/Carbon-Industry-Intel/PwC-Economic-analysis-of-BC-carbon-offset-projects.pdf>.

Although the CCM model functions as a community based micro-exchange, it is reasonable to believe that many similar benefits would accrue at a local level in terms of project-related spending and job creation and/or volunteer sector opportunities. Under the CCM model, carbon credit spending by local governments helps to stimulate and sustain local projects, generating spending and creating opportunities for skills training, employment and/or volunteerism at the community level. The multiplier effect on jobs and the local economy of directing these offsetting dollars to communities can be substantial at 3-4 times the initial investment.

A micro-exchange model facilitates support for smaller innovations that may never have otherwise occurred, yet we see each and every day how grassroots green initiatives can be tremendously successful in reducing emissions. Innovative ideas are brimming in communities in every corner of this province - CCM provides a tool to encourage, facilitate and directly support those, while at the same time achieving carbon neutrality in corporate operations.

6. ENGAGEMENT

How does the project encourage engagement? (e.g. stakeholder engagement, public participation, equity and diversity, knowledge sharing, capacity building, community identity and marketing)

The CCM alternative enables local governments to demonstrate leadership and directly engage their communities to a much greater extent than if carbon credits were purchased elsewhere. Projects are proposed by local organizations working on community-based initiatives to sequester carbon or reduce carbon emissions. These ideas are submitted online and assessed by the Cowichan Energy Alternatives Society to determine the GHG reduction potential and calculate carbon offset using provincially and internationally accepted protocols and reporting methods.

Proponents then list the carbon offsets in the online marketplace in the form of community credits for sale. When local governments, businesses and individuals seek to balance their carbon emissions by investing in community carbon credits from the project on the CCM website, the organization undertaking the project receives the majority of the funds – a small fee is deducted to sustain operations of the non-profit Community Carbon Marketplace. Local governments can also be the direct driver of projects that meet Official Community Plan and/or Climate Action Plan objectives by putting out a call from projects that are funded at the front end, and receive carbon credits generated once the project is underway.

The projects are visible to residents, the impact is felt locally and the results are much more apparent and tangible to the community – this helps to engage residents in the process of becoming and sustaining carbon neutrality in local government operations, improve public trust, government transparency and accountability.

The CCM also encourages local businesses, individuals and organizations to complete their own carbon footprint assessments using a calculator available on the CCM web site, then take action to reduce or offset those emissions. Valuable information, resources and tips are communicated through an email newsletter, the web site and social media.

7. INNOVATION

What makes your program/project innovative?

With the successful completion of the pilot project with the City of Duncan, the focus for the Community Carbon Marketplace is now shifting to promotion of the model and attracting/assessing new carbon offset projects to build the marketplace and expand into other jurisdictions. This exciting, made-in-BC innovation has now been officially launched, making it North America's first online community carbon marketplace.

As discussed earlier, what makes the program so unique and innovative in the carbon marketplace is that it functions as a "micro-exchange" - offsetting dollars are directed to local carbon reduction projects. It is of particular interest to local governments because it enables Boards & Councils to achieve carbon neutral operations by purchasing carbon credits that support and facilitate community-based projects spearheaded by local organizations. Smaller community-based organizations and businesses can which previously faced barriers to accessing the BC and international carbon market now have a mechanism to do so that will create a new source of revenue for initiatives that reduce greenhouse gases.

The Community Carbon Marketplace ensures that the environmental, economic and social impact of carbon offset spending by local governments, businesses and individuals can be leveraged and accrue locally. The community can be engaged to a much greater extent than if credits were purchased elsewhere - projects are initiated by local organizations and are highly visible in the local community, which helps to improve public trust as well as local government transparency and accountability.

8. TRANSFERABILITY

How is this program/project transferable to other local governments?

With the pilot project now complete, the Community Carbon Marketplace is a proven model that is officially supported by the BC Climate Action Secretariat. A \$147,000 funding contribution to support expansion of the CCM was announced by the Island Coastal Economic Trust on July 23rd. The CCM is now funded and prepared to expand into other jurisdictions – what is required now is promotion and exposure throughout BC in order to fill the marketplace with carbon reducing community-based projects and attract more local governments looking to offset corporate emissions in a manner that supports community-based projects and organizations, improves the local environment and ensures that the spending impact associated with carbon credit purchases accrues locally.

9. KNOWLEDGE SHARING

What helpful advice would you share with other communities looking to embark on a similar project?

From the City of Duncan's perspective, the pilot project was a very simple process and the team at Cowichan Energy Alternatives was exceptionally professional and easy to work with – both Council and Staff would strongly recommend the CCM to any communities considering the program. Communities may want to anticipate a slightly more detailed level of involvement in the project review stage - due to the Society's familiarity with the

Cowichan Valley, the level of involvement required by the municipality to review/assess the projects may have been less than would be the case for communities elsewhere.

10. TELL US MORE

Please share any other information you think may help us better understand your submission.

An announcement regarding a \$147,000 funding contribution through the Island Coastal Economic Trust to support the expansion of the Community Credit Marketplace and growth of the regional green economy was issued on July 23, 2013. With secured funding for expansion of the online marketplace comes the need to market and promote the initiative to other communities. A UBCM Best Practices award would provide invaluable exposure and credibility for this highly promising, BC-born carbon market alternative.

Excellence in climate action may include, but is not limited to the following types of actions:

Corporate Operations (Mitigation)

- Energy efficient retrofits
- Fuel switching
- District energy for civic buildings
- Employee awareness building
- Corporate energy plans

Community Wide Action (Mitigation)

- Density zoning
- Developing trail networks
- Improving/expanding transit options
- Community energy plans
- Rebate programs for energy efficient home appliances

Adaptation

- Adaptation scenarios or visualizations
- RGS or OCP adaptation policies
- Vulnerability and risk analysis
- Tree master plan or tree protection bylaws
- Storm water management bylaw referencing water balance model

