SUBJECT: DAWSON CREEK OFFSET PURCHASING POLICY

1. BACKGROUND

The B.C. Climate Action Charter was developed to encourage local governments to make their operations carbon neutral by 2012, to measure and report on their community's emissions and to work toward creating more compact, complete, energy efficient communities. The City of Dawson Creek is amongst the signatories of the Charter and is committed to being carbon neutral in its municipal operations by 2012. In 2009, Dawson Creek completed its plan, *On the Path to Carbon Neutral*, which lays out a plan to achieve this commitment. The plan recommended the creation of an offset purchasing policy that would guide offset purchasing decisions.

2. RATIONALE

- In order to comply with the commitments under the Climate Action Charter, Dawson Creek will have to purchase offsets starting in 2012 (and every year thereafter). This policy will guide the City while making these offset purchases to ensure that the offsets result in actual emission reductions.
- There is a wide variety of offset providers selling offsets. This policy will enable Dawson Creek to evaluate the providers, and to select the most appropriate offset provider for Dawson Creek.
- There is a great deal of variability in the quality of offsets available for purchase by Dawson Creek. This policy will aid in evaluating the options to ensure the offsets purchased are as high quality as possible.

3. POLICY OBJECTIVES

- To minimize Dawson Creek's future offset liability.
- To ensure that Dawson Creek is purchasing high quality offsets that result in real reductions in GHG emissions, at an appropriate price.
- To set a high standard for offset purchases in B.C. local governments.

4. GUIDELINES

- Dawson Creek prefers to invest in projects that minimize emissions from the City's corporate operations. Every effort will be made to implement all feasible emission reduction projects before relying on offset purchases to achieve carbon neutrality.

- Dawson Creek will incorporate the projected cost of future offset purchases into the financial assessment of any new municipal projects that may increase Dawson Creek's annual greenhouse gas inventory and future offset liability. New projects in the following categories should consider the cost of future offset purchases: municipal buildings; infrastructure; fleet, equipment and machinery.

5. PURCHASING OFFSETS

5.1. CARBON FUND

Offset purchases will not be financed through Dawson Creek's Carbon Fund. For more details, please see Dawson Creek's Carbon Fund Policy.

5.2. OFFSET PROVIDER CONSIDERATIONS

Dawson Creek will re-evaluate the offset provider selection every year, with the first re-evaluation happening in 2013. This will ensure that the offset provider is meeting Dawson Creek's standards and objectives.

5.2.1 OFFSET STANDARD
Offsets provided by the vendor meet the highest possible offset criteria.

5.2.2 CARBON OFFSET PROJECT LOCATION
Dawson Creek may decide to specify the geographic location of offsets purchased.

5.2.3 PRICE
Dawson Creek should favour quality over quantity, instead of purchasing cheaper offsets that may not have any real climate benefit.

5.2.4 VENDOR TRANSPARENCY
Vendors should be highly transparent about their offsets and their operations, including the proportion of offset price going to overhead.

5.3. OFFSET PROJECT CRITERIA

Dawson Creek will only purchase high-quality offsets. Dawson Creek will evaluate the offsets purchased annually to ensure they are meeting the highest possible criteria. The specific offset criteria are as follows:

5.3.1. ADDITIONALITY
Offset projects must be additional. The offset vendor will be asked to provide verification that the project would not have happened without the offset investment.

5.3.2. ACCURATE QUANTIFICATION
The emissions reductions must be quantified using an internationally-recognized methodology.

5.3.3. AUDITING (VALIDATION AND VERIFICATION)
The offset project must be validated and verified by certified evaluators. The validator must be a separate entity than the verifier.

5.3.4. UNIQUE OWNERSHIP
Offsets purchased must be uniquely owned by Dawson Creek. The purchased offsets must be retired on an approved, certified registry.

5.3.5. PERMANENCE
The offset reductions achieved by the offset project must be permanent. Dawson Creek will only consider energy efficiency and renewable energy projects to meet this criteria.

5.3.6 LEAKAGE
The offset projects should not cause an increase in emissions in another region.

5.3.7 SUSTAINABILITY (SOCIAL AND ENVIRONMENTAL) CONSIDERATIONS
At a minimum, carbon offset projects should comply with all relevant social and environmental regulations. Better yet, offset projects should be designed so that they have positive environmental or social impacts.

5.3.8 STAKEHOLDER CONSULTATION
Offset projects should undergo a process of stakeholder consultation when appropriate.

5.3.9 TIMING
Dawson Creek will purchase offsets only for projects which where reductions have ready been achieved.

6. SELLING OFFSETS

6.1. Dawson Creek will continue to identify and implement emissions reduction projects at both the corporate and the community scale. Reductions to corporate emissions will directly reduce Dawson Creek's corporate-scale emissions and will help to limit Dawson Creek's offset liability each year.

6.2. If a community-scale project is implemented by Dawson Creek, Dawson Creek will count these reduction towards carbon neutrality IF:

- The project meets the offset criteria outlined in Section 5.3.
- The project is verified and validated by certified verifiers and validators.
- Dawson Creek will not double-count these reductions from their community-scale GHG inventory.

7. POLICY EVALUATION

This policy should undergo regular evaluation every 3-5 years to ensure that it is in line with Dawson Creek's overall climate and sustainability objectives. This policy should be evaluated regularly to ensure that it is enabling Dawson Creek to move towards its goals.

APPROVED BY COUNCIL:
DATE: June 28, 2011
REAFFIRMED BY COUNCIL:
DATE: November 5, 2012
and May 11, 2015