

## **ICET Community Carbon Marketplace Project**

### ***Final Report - Project Ending on May 31<sup>st</sup>, 2015***

#### **1.0 Overview**

This final report, as requested by ICET and, part of the contribution agreement provides the summary of project objectives, the status, updates and highlights of the ICET component of the project which ended May 31, 2015.

The Community Carbon Marketplace model is a new approach to support the shift towards, and growth of, local low-carbon economies. To achieve this, the CCM works with local governments, businesses and community groups to support sustainable initiative that reduce GHG emissions and grow the local low-carbon economy. It does this by working with local organizations and businesses to better understand where how their activities create carbon emissions and identify opportunities to reduce them in a way that will generate new revenues that reward them for their investment. This is done by conducting carbon Footprint Assessments and quantifying eligible GHG reductions (Collectively termed CFAs) as Community Carbon Credits, and selling them to buyers such as local governments and private businesses that need them to achieve carbon neutrality in their own operations and are willing to invest in local sustainability to do so. This helps our community lower GHGs while growing the local, green economy, and offers a positive good news opportunity for buyers and sellers. This benefits businesses, local governments, not-for-profits, our community and our planet.

Following the commencement of the CCM ICET Project, it became clear that the carbon market mechanism and benefits of this new cutting edge approach, while better understood at a large enterprise and Provincial government level, was poorly understood at a community and local government level. This was particularly true in non-urban areas which make up much of the ICET Region and required a much greater outreach and marketing component to engage both potential buyers and sellers, essentially to develop this new market from scratch.

That considered, the CCM program activities was forced to adjust it's approach to focus on outreach and marketing activities to local governments and small businesses, and updating our communications and outreach plan. As mentioned in the last report and as a result of the lessons learned from the past, particular focus was placed on developing our CCM informational video; this has become an essential outreach tool to simplify the CCM value proposition message to potential GHGRP proponents and clients, and to make our team outreach efforts much more efficient. (Before this video an enormous amount of one on one time was needed with each business to explain how the market worked and could benefit them.) The CCM video was completed on time and on budget as planned. We also created a new streamlined landing webpage to further clarify information and accessibility to the online marketplace.

The video can be found at: <https://www.youtube.com/watch?v=brr9XAQP9fM>

An important part of our outreach strategy is also forming new partnerships with local governments. With elections in November, outreach efforts to local governments were delayed until after January 2015. We re-engaged local governments and used the finished marketing video to bring on new GHG reduction projects, ramping up into the spring “buying season” for local governments meeting their carbon neutral commitments. The first and early part of the second quarter of every year is the most important “Sales” season for the Community Carbon Marketplace. Conversely, fall and winter is an important time to engage businesses and assess GHG reduction projects for listing Community Carbon Credits for that Spring sales season which we did.

During 2015, the emphasis was switched to reach out to all local governments, organizations and businesses (potential buyers) that are either mandated or voluntarily are committed to becoming carbon neutral. We worked with each party to source Community Carbon Credits that can be used to reduce their corporate emissions, are local, and meet their OCPs and energy/climate action plans.

As a result of the outreach we made 7 additional organizations carbon neutral from locally sourced community carbon credits in 2015. 5 of them were local governments and 2 private businesses. We also renewed all of last year’s carbon footprint assessment for our clients as they take a step in the positive direction to reduce their organization’s carbon footprint. As a result, we confirmed business with all returning clients, giving us a 100% return rate.

In addition, in the final stages of the ICET CCM program, for the first time our activities we generated more community carbon credits than what we could retire (over 10,000 tonnes of CO<sub>2</sub>e). This is the reverse of the challenge we had before when there was consistently more demand than supply, proving the success of our new outreach strategy and video for potential sellers. It is also aligned with the growth projections and efforts of last year to secure new GHG emission reduction projects that are reducing emissions locally.

We also completed the first phase of establishing a local community carbon marketplace in the Comox Valley Regional District. We did significant outreach to local businesses in the area to become part of the initiative and conducted 4 full carbon footprint assessments for the potential for local businesses to reduce emissions and contribute to the growing local low carbon economy in the area.

Skills and training also continue on an ongoing basis for the team to keep up with the changes and updates in the new field of carbon assessments and accounting. Three (3) team members were certified from CSA for GHG Protocol Corporate Accounting and Reporting Standard in April of 2015. As we transition into the second half of 2015, we are shifting our focus again to project development, staff training and outreach to local governments in need of local offsets or for the development of a local low carbon economy in their communities. This shift of focus from external sales and marketing to internal project development will

likely continue to happen each year to account for the seasonal slowdown in local government activities through late summer period.

CEA continued to address the repercussions of the death of Miles Phillips throughout 2014 as CCM project lead, Brian Roberts, was forced to step in to fill the management void in partner company Greasecycle Inc., in order to stabilise the company. This was accomplished by the end of 2014 and therefore, a project extension was granted till May 31<sup>st</sup>, 2015 to complete the project and ICET deliverables. However, a precipitous decline in energy markets at the end of 2014 and ongoing training of a new General Manager required further attention from Brian preventing him from focusing his full attention on the CCM project in 2015. During this time the CCM project experience moderate growth based on the successful reputation of the project to date but was not able to achieve all the ICET project deliverables. In May of 2015, we informed ICET of this and confirmed our intent to continue with the project into the 2015/16 year in order to meet our ICET CCM project deliverables. A further request for an 18 month extension was made to complete the CCM project was however, rejected bringing an end to the ICET CCM Program.

In the final analysis, CEA faced several unforeseen challenges and consequently was unable to achieve all the objectives of the ICET project. However, although more early market development was required than we had anticipated, I believe the project has been successful as demonstrated by the continued growth and uptake of the CCM model.

## **2.0 Background and Context of the Project**

This report will provide information on the methodology and work done in relation to the CCM.

### **2.1 Project Implementation**

The CCM ICET Program followed four general implementation steps to meet project deliverables:

1. Project Start-up
2. Outreach
3. Carbon Footprint Assessment
4. Project Completion and Final Reporting

### **2.2 Background (What and How)**

Cowichan Energy Alternatives Society (CEA) is a not-for-profit organization currently focused on the delivery of the ICET CCM project. CEA operates using a project-based fundraising model; as such, CEA depends on grant and proposal writing to receive funds to deliver specific project work and currently has no permanent staff. As new projects are brought online, CEA hires and/or contracts additional staff as required to deliver the incremental

work. In-between projects, CEA operates in a reduced “care and maintenance” capacity with basic roles to keep CEA functions conducted primarily by volunteer labour. Through the development of the CCM Project, CEA plans to transition from a project-to-project-based funding model to a social enterprise business model generating ongoing revenues through the delivery of Carbon Footprint and other GHG Reduction Assessment services.

### **3.0 Summary of Project Progress in Relation to Objectives and Timelines**

#### **3.1 Summary of Activities**

During the final stages of the CCM Program, our approach continued to focus on Step 2, Outreach, for the reasons discussed above in the overview. As a result of this outreach, significant work was accomplished under Step 3, Carbon Footprint Assessment. This included the following main activities and accomplishments:

- The project was recognized by many social and community organizations for its benefits to the local economy and our video won, by popular vote, the BC Hydro Community Champions Contest and was awarded \$10,000.
- Ongoing staff/contractor training. Three (3) team members got certified from CSA for GHG Protocol Corporate Accounting and Reporting Standard in April of 2015
- Streamlining CFA and GHG Project Assessment Process. We further streamlined our templates and process time to be more efficient. We estimate the new template to reduce staff time by 20% to complete the assessments.
- Streamlining our core team of staff/contractors. We hired two summer students in May 2015 to help out with project outreach and project research.
- As a result of the outreach in 2014, we brought Comox Valley Regional District on board to establish local chapters of the CCM and identify CFA and GHG reduction project opportunities in their communities. We did significant outreach to local businesses in the area to become part of the initiative and conducted 4 full CFA assessments for the potential for local businesses in the Comox Valley Region.
- To save on the considerable time it takes to repeatedly explain how the CCM works in person, we developed an animated educational short video for all potential clients and local government partners.
- Pioneered and worked with BCSEA’s Climate Change Showdown project to develop a methodology to assess and quantify the emissions reduced as a result of behavioral change activities.
- As a result of the outreach in 2014, we confirmed business with all returning clients, giving us a 100% return rate in 2015.
- The newly rebranded website and online carbon credit purchase/sales software has been tested and applauded by users for the ease of access and professionalism. We now have the online web infrastructure and systems to greatly expand our sales since now we have the supply of community carbon credits available to meet the demand.

- Alternative energy and GHG emissions reduction education programs by CEA have also provided long-term benefits to the community that supports organizations and small businesses, resulting in the growth of the low-carbon economy and community resilience. Consulting, planning and education in the community continue to be provided to reduce community's dependence on fossil fuels and reduce community emissions by instilling positive behavioral change actions through our educational efforts and programs. This has been a huge part of our outreach strategy and has also brought us new clients and funding.
- **Total tonnes Co2e reduced to date in 2015: 11,647 tonnes CO2e**
- **Number of local GHG reduction projects receiving additional revenues from community carbon credit since project start: 7**
- **Number of organizations receiving carbon footprint &/or GHG reduction project assessments to better understand relation between their energy use and emissions to date: 15**
- **Number of carbon footprint &/or GHG reduction project assessments conducted to date: 28**
- **Number of communities made carbon neutral in 2015: 5 (4 within the ICET Region including Ladysmith, Duncan, Islands Trust, and Ucluelet.)**
- **Number of new private sector buyers of community carbon credits in 2015: 2**
- **21 total confirmed clients in 2015:**

**Progress to date towards achieving key project deliverable “Complete 50 subsidized carbon footprint/greenhouse gas assessments for community organizations and small businesses throughout the North Island-Coast Area”: 28 assessments**

CCM ICET Project Businesses/Clients	CFAs			GHGRPs			Total Orgs	Total Assessments to Date
	2014	2015	Total CFAs	2014	2015	Total GHGRPs		
Eatmore Sprouts		1	1				1	1
Seiffert Farm		1	1				1	1
Tree Island Yogurt		1	1		1	1	1	2
Vancouver Island Salt Company	1		1	1			1	2
Cowichan BioD Coop	1	1	2	1	1	2	1	4
Cowichan Energy Alternatives	1	1	2				1	2
Greasecycle Inc.	1	1	2	1	1	2	1	4
Camp Barnard	1		1				1	1
Integral Ecology	1	1	2				1	2
One Cowichan	1		1				1	1
Sooke Community Association	1		1				1	1
Sooke Family Resource Society	1		1				1	1
Harmonious Enterprises	1		1	1		1	1	2
T'Souke First Nations	1		1	1		1	1	2
Island Bio-Diesel Coop				1	1	2	1	2
<b>Total</b>	<b>11</b>	<b>7</b>	<b>18</b>	<b>6</b>	<b>4</b>	<b>10</b>	<b>15</b>	<b>28</b>

A few highlighted media coverage of our work with local governments:

Cowichan Valley Citizen

<http://www.cowichanvalleycitizen.com/news/duncan-goes-carbon-neutral-1.1988543>

Comox Valley Regional District

[Call for Projects: CV Community Carbon Marketplace](#)

The Village of Cumberland

[Comox Valley Community Carbon Marketplace](#)

Transition Town Comox Valley

[Earth Week Celebrations and CCM](#)

Comox Valley Echo

[Comox Valley looks to Cowichan for Carbon marketplace Inspiration](#)

### **3.2 Period Objectives**

The objectives of the period between September 1<sup>st</sup>, 2014 through June 30<sup>th</sup>, 2015 were to:

1. Continue to execute our Outreach Plan (Step 2) to access newer CFA and GHG Reduction Project clients (using new outreach video) and then transition to CFAs/GHGRPs (Step 3)

**Completed**

2. Continue to build, train and streamline our core CCM team

**Completed**

3. Rebrand the CCM website and develop a short education animation for CC

**Completed**

4. Significant outreach to local governments mandated to become carbon neutral

**Completed**

5. Hire and train new summer student staff to assist with project development, outreach and research

**Completed**

6. Completing the first phase of establishing a local low-carbon economy through a local CCM marketplace for the Comox Valley Regional District

**Completed**

7. *Transition focus to conducting CFAs/GHGRPs (Step 3) within the ICET Region to meet CCM ICET project deliverables.*

**Incomplete**

### **3.3 Project Objectives:**

1. Complete 50 subsidized carbon footprint/greenhouse gas assessments for community organizations and small businesses throughout the North Island-Coast Area.

**Incomplete**

2. Create a listing of eligible projects that local governments and businesses could immediately begin to purchase carbon credits from in order to become current carbon neutral commitments (Option 3 of GCC BCN Guidebook).

**Complete**

3. Create a listing of eligible projects that local governments and businesses could invest in at the front end to receive carbon credits at the back end in order to meet future demand for carbon credits (Option 2 of GCC BCN Guidebook).

**Complete**

4. Develop a database of organizations and projects which generate carbon credit to monitor progress and cumulative greenhouse gas reductions year to year.

**Complete**

5. Complete outreach to share lessons learned from other developing models of existing community-based carbon markets such as those in Portland, Toronto and New Zealand.

**Ongoing**

6. Expand and continue to develop a robust online carbon trading platform to serve a growing number of government, business and environmental partners throughout the region.

**Complete**

7. Development of marketing materials and campaigns to increase awareness, build relationships and continue to partner with local governments, community groups and small businesses

**Complete**

8. Document lessons learned, update and improve CCM

**Complete**

9. Development of the model which can be reproduced throughout BC.

**Complete and under ongoing review so that we may continue to apply lessons learned in order to adapt and improve the CCM model and approach.**

### **3.4 Long Term Key Objectives:**

1. Create a Community Carbon Marketplace where local governments, businesses and individuals can purchase carbon credits from organizations and green initiatives that benefit communities.

#### **Complete and ongoing.**

2. Encourage smaller, community-based organizations and initiatives to generate and sell carbon credits by reducing barriers to accessing the carbon market.

#### **Complete and ongoing.**

3. Provide a means for investing carbon offsetting dollars within the community.

#### **Complete and under ongoing review so that we may continue to apply lessons learned in order to adapt and improve the CCM model and approach.**

4. Provide revenue streams for local organizations and initiatives, providing “green economy” jobs.

#### **Ongoing**

5. Develop financial support for strategies and actions that reduce community GHG emissions, create local energy resiliency, and support development of a sustainable, low-carbon economy.

#### **Complete and under ongoing review so that we may continue to apply lessons learned in order to adapt and improve the CCM model and approach.**

### **3.5 Summary of Contractor and Staff Resources Utilized to Meet Quarter Objectives**

A summary of ICET CCM project activities performed by CEA contractors and staff are provided below. Detailed outlines are provided separately for key team members for all activities carried out and paid for in each quarter upon request

All staff and contractors are passionate about the project and believe that true sustainability is about local solutions to our global problem of climate change. The passion and energy really drills down to the daily efforts and over-time put in by the staff. The level of commitment and team work between the employees has been the primary reason for the ongoing achievements and success of the CCM model.

<b>Contractor/Staff</b>	<b>Description of Activities</b>
Deborah Fawcett, Fawcett Administrative Services, full-time contractor	<ul style="list-style-type: none"> <li>• Project bookkeeping</li> <li>• Help establish accounting and financial protocols</li> <li>• Financial management and reporting</li> </ul>
FreeRange Consulting, project based contractor	<ul style="list-style-type: none"> <li>• Orientation and training for outreach, including general working knowledge on CFA and CCM processes for communication to local gov. councillors and business/potential clients</li> <li>• Prepared outreach communications for organizations and businesses</li> </ul>
Alvaro Diaz, part-time contractor	<ul style="list-style-type: none"> <li>• A Production Engineer by trade. Came on board to help with CFAs and project research.</li> </ul>
Muhammad Hassaan Rahim, full-time staff	<ul style="list-style-type: none"> <li>• Orientation and training for outreach, including general working knowledge on CFA and CCM processes for communication to local gov. councillors and business/potential clients</li> <li>• Web development/back-end work to prepare CCM online market and CCM portal for communities and clients</li> <li>• Regular updates and maintenance of webpage and social media</li> <li>• Orientation and training for conducting CFAs, including detailed working knowledge on CFA and CCM processes for higher level communication to local gov. tech staff and conducting CFAs for business/potential clients</li> <li>• Updated report template and methodologies for CFAs to ensure compliance with international protocols</li> <li>• Senior Review of CFAs and GHGRP assessments</li> <li>• Staff training for conducting CFA and GHGRP assessments</li> <li>• Report writing and grant writing support</li> </ul>
Brian Roberts, full-time staff	<ul style="list-style-type: none"> <li>• CCM lead and project development, including essential project administration and reporting</li> <li>• Primarily focused on project outreach. This included direct outreach, travel to meet with and present to local governments and businesses in ICET communities, and to coordinate with partners and engage new potential partners and clients.</li> </ul>

	<ul style="list-style-type: none"> <li>• Focused on bringing in new CFAs/GHGRPs, and overseeing conducting assessments</li> <li>• CFA/GHGRP services, template and standards work, and report review</li> <li>• Lead core CCM team together in meetings and to plan and coordinate approach, ensure standards, provide guidance on roles and responsibilities.</li> </ul>
Micah Lang, part-time contractor	<ul style="list-style-type: none"> <li>• Technical advisor and reviewer for CFAs/GHGRPs</li> <li>• Research, review and advice regarding protocols and standards</li> <li>• Left in the last quarter of 2014</li> </ul>
MNP	<ul style="list-style-type: none"> <li>• Accounting</li> </ul>
Alannah McNish, full-time Contractor	<ul style="list-style-type: none"> <li>• Carbon Accountant</li> <li>• Conduct CFAs and GHGRPs</li> <li>• Research and support</li> <li>• Lead the CFA team</li> <li>• Update template and assessment process</li> <li>• General outreach to potential CFA and GHGRP clients</li> <li>• Project administration</li> <li>• Client Services</li> </ul>
Dylan Smith, Summer Student Staff	<ul style="list-style-type: none"> <li>• Project outreach assistant</li> <li>• Support with the development of an outreach strategy</li> <li>• Contact potential clients</li> <li>• Develop and maintain media contact list</li> <li>• Develop and maintain client database</li> </ul>
Michelle York, Summer Student Staff	<ul style="list-style-type: none"> <li>• Project research assistant</li> <li>• Help with CFA and GHGRP assessment research</li> <li>• Researching GHG assessment methodologies and protocols</li> <li>• Supporting project administration and office coverage</li> </ul>

### 3.5 Project Timeline

The project timeline was adjusted to match the actual start date of the project following confirmation of ICET funding. Consequently, the project start and end dates were shifted from May 2013 to May 2014, to Aug 16 2013 to November 22, 2014. Due to the special

circumstances following the death of Miles Phillips, ICET agreed to extend the project end date to May 31, 2015. In late May Brian contacted Denis Regnier to provide an update by phone, to confirm our commitment to complete our deliverables and clarify that to do so, we would need to extend our project completion timeline beyond May 31, 2015 for 18 months which was rejected by the ICET board bring an end to the CCM ICET program prior to the completion of its deliverables.

#### **4.0 Explanations of any delays or change in methodology, scope or project staff**

##### **4.1 Project Delays**

Several significant setbacks were experienced in the first and second quarters of 2014. Following the death of Miles Phillips and the loss of key team members in the first quarter, it was necessary to invest the time required to find and rebuild a skilled team. This involved hiring and training new people, not an easy task in the small carbon professional community.

Outreach to potential clients was also much more challenging than anticipated due to the time required to effectively communicate the benefits of the services offered to too many potential clients, as well as fall-out from the PCT controversy in BC. Also, the planned partnership with Climate Smart did not materialise as planned and so any additional CFAs that were already being completed by them within the ICET region could not be counted against our deliverables as planned. This required re-examining our outreach plan and adapting it to meet the challenges. To save on the considerable time it takes to repeatedly explain this in person requires the right tools: a new outreach strategy that includes completely revamping our CCM webpage from the pilot version, and production of an animated educational short video for businesses/community. This required taking a step back to develop these new tools required.

CEA continue to address the repercussions of the death of Miles Phillips throughout the remainder of 2014 as CCM project lead, Brian Roberts, was forced to step in to fill the management void in partner company Greasecycle Inc. in order to stabilise the company. This was accomplished by the end of 2014, however, a precipitous decline in energy markets at the end of 2014 and ongoing training of a new General Manager required further attention from Brian and preventing him from focusing his full attention on the CCM project. During this time the CCM project experience moderate growth based on the successful reputation of the project to date but was not able to achieve all the ICET project deliverables. In May of 2015, we informed ICET of this and confirmed our intent to continue with the project into the 2015/16 year in order to meet our ICET CCM project deliverables. A further request for an 18 month extension was made to complete the CCM project. The request was not accepted by the board in their October and November meetings and it was decided to consider the project closed as of the previously provided May 31<sup>st</sup>, 2015 deadline.

##### **4.2 Changes to Project Staff**

Deborah Fawcett joined the team as the Administrative Manager, but soon also held the responsibility of bookkeeping as well as financial management and reporting

Muhammad Hassaan Rahim became a full-time employee assisting with project management, media strategy, rebranding, staff training, outreach and report writing.

Alvaro Diaz joined the team as a part-time contractor to help with the CFAs and GHGRPs and any additional technical research.

Alannah Klopper joined us a part-time contractor but now has assumed full responsibility of conducting CFAs and GHGRP assessments. She is also helping train new staff and any outreach to potential clients. She also leads the CFA and Research team.

Dylan Smith was hired as a summer student staff to help with the project outreach and marketing.

Michelle York was also hired as a summer student staff to help with the project research for CFAs/GHGRP assessments and administration support.

Micah Lang left the team in the last quarter of 2014.