



District of Columbia Carbon Fund Design

Preliminary Results

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District's Goals

- Reduce district's GHG emissions
- Create carbon-reduction funding opportunities for individuals, organizations, and companies
- Receive voluntary carbon funds to finance district projects



Offsets

Represent the reduction, removal, or avoidance of GHG emissions from a specific project that is used to compensate for emission reductions occurring elsewhere.

Criteria

- Clear ownership
- Additional
- Monitored and verified



Common Domestic Project Activities

- Landfill gas-to-energy
- Farm biogas
- Coal mine methane
- Forestry



Potential Domestic Urban Offset Project Activities

| Project Activity | Charisma | Large Volume of Tons | Reasonable Cost per Ton | Many DC Project Opportunities | Likely to be Capped | Easy Certification | Climate Action Reserve Projects |
|------------------------------------|----------|----------------------|-------------------------|-------------------------------|---------------------|--------------------|---------------------------------|
| Transportation fuels reduction | Yes | No | Unlikely | Possibly | Yes | No | 0 |
| Wastewater treatment plant methane | No | Unlikely | Yes | Unlikely | No | Yes | 0 |
| Landfill gas-to-energy | No | Yes | Yes | No | No | Yes | 129 |
| Postconsumer composting | Yes | Unlikely | Unlikely | Possibly | No | Yes | 0 |
| Boiler efficiency | Maybe | Yes | Yes | Possibly | Yes | No | 0 |
| Urban forestry | Yes | No | No | No | No | Yes | 0 |
| Ozone depleting substances | No | Yes | Yes | Unlikely | No | Yes | 5 |

Climate Benefits

Represent the reduction, removal, or avoidance of GHG emissions from a specific project. Climate Benefit projects are generally highly visible and produce significant social and/or environmental benefits.

Criteria

- Reduce, sequester, or avoid GHG emissions
- Some monitoring and verification

Common Project Activities

- Small-scale projects
- Energy efficiency
 - Low-income housing
 - Schools



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Climate Benefit vs. Regional Hybrid

| Program Type | Pros | Cons |
|-----------------|--|---|
| Regional Hybrid | <ul style="list-style-type: none"> • Higher quality perception • High level of charisma • Large quantity of charismatic climate benefit projects • Real emission reductions | <ul style="list-style-type: none"> • Less funding will go to local climate benefit projects • May be challenging to find regional offset projects • Higher transaction costs to develop or purchase offsets • Potential long lead time to acquire offsets • Offset emission reductions likely occur outside of district |

| | | |
|-----------------|--|--|
| Climate Benefit | <ul style="list-style-type: none"> • More of the funding will go to local climate benefit projects • Emission reductions stay in district • High level of charisma • Large quantity of charismatic project types • Real emission reductions | <ul style="list-style-type: none"> • Lower perception of quality |
|-----------------|--|--|

Program Structure Options

| | Pros | Cons |
|-------------------------|---|---|
| Government Agency | <ul style="list-style-type: none">•Tightest control•Ease of coordination with parallel efforts | <ul style="list-style-type: none">•Fund management rigidity•Greatest budgeting restrictions / scrutiny |
| Nonprofit Administrator | <ul style="list-style-type: none">•Fund management flexibility•Tax deductible donations | <ul style="list-style-type: none">•Selection of qualified partners with the right expertise |
| Regional Partnership | <ul style="list-style-type: none">•Greater resources•Broader reach | <ul style="list-style-type: none">•Coordination risk |

Start-up Activities (≥ 6 Months)

| | Responsibilities |
|---------------------|--|
| Administration | <ul style="list-style-type: none">•Design the fund•Manage fund development•Recruit and select staff and vendors |
| Marketing | <ul style="list-style-type: none">•Develop branding•Write a marketing plan•Design and launch a website•Develop marketing materials |
| Funds Management | <ul style="list-style-type: none">•Set up accounting•Design donation collection system |
| Project Acquisition | <ul style="list-style-type: none">•Recommend project types•Design project recruitment process•Design application forms•Develop a scoring matrix |
| Governance | <ul style="list-style-type: none">•Establish bylaws•Recruit members•Make strategic decisions |

Ongoing Activities

| | Responsibilities |
|---------------------|--|
| Administration | <ul style="list-style-type: none">•Manage consultants, staff, and vendors•Respond to inquiries•Manage fund |
| Marketing | <ul style="list-style-type: none">•Perform donor and educational outreach•Maintain website•Develop promotional materials•Select advertising |
| Funds Management | <ul style="list-style-type: none">•Manage relationship with donation outlets•Review bank statements•Prepare reports for decision makers |
| Project Acquisition | <ul style="list-style-type: none">•Carry out project recruitment process•Evaluate and recommend projects |
| Governance | <ul style="list-style-type: none">•Attend and prepare for quarterly meetings•Determine which projects receive funding•Make strategic decisions |





Thank you

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Additional Slides

Climate Action Reserve Domestic Projects

- **Total domestic CAR projects: 217**
- **Landfill: 129**
- **Coalmine methane: 2**
- **Forestry: 31**
- **Livestock methane: 46**
- **Urban forestry: 0**
- **Organic waste: 3**
- **Ozone depleting substances: 5**

Regional CAR Projects

- DC: 0
- West Virginia: 3
- Virginia: 4
- Maryland: 4
- Delaware: 0
- New Jersey: 1
- Pennsylvania: 5
- New York: 15

Carbon Reduction Program Summary

| Program | Target Market | Target Market Geography | Project Area | Retain Ownership | Program Type | Price |
|---------------------------|--|-------------------------|--------------|--------------------------------------|----------------------------|-------------|
| Smart Energy | Utility customers | State | Region | No | Offset | \$18/ton |
| ClimateSmart | Utility customers | State | State | No | Offset | \$12/ton |
| Cleveland Carbon Fund | Local residents and organizations | City | Metro area | Yes | Climate Benefit | \$20/ton |
| Aspen Canary Initiative | Local residents and organizations | City and visitors | Metro area | Yes | Climate Benefit | \$20/ton |
| Colorado Carbon Fund | Local residents and organizations | State | State | Offsets – no; Climate Benefits – TBD | Offset and Climate Benefit | \$20/ton |
| San Francisco Carbon Fund | Airport customers, local residents and organizations | City and visitors | State / City | Offsets – no; Climate Benefits - TBD | Offset and Climate Benefit | \$13.50/ton |