

Briefing on the Proposed Voluntary Offsets Policy Addition to the UC Sustainable Practices Policy, Climate Protection Section

Introduction

The draft voluntary offsets policy comes out of work performed over the last two years under a UC Global Climate Leadership Council-funded project: *UC's Offset Strategy Development*. The work involved (1) research on the quality of offsets available on the voluntary offset market, resulting in practical guidance on how UC can ensure offset purchases represent real additional emissions reductions, and (2) piloting our own offset projects originating from UC research and operations. The results of this work can be found on [UC's offsets overview page](#).

The quality of offset credits available on the voluntary market varies considerably. Establishing UC-specific standards for offsets will help ensure that our offset investments result in emission reductions that meet our climate goals, reflect our commitments to environmental and social justice, and are compliant with the California Environmental Quality Act (CEQA). A critical goal of the offset policy is to define criteria and processes that ensure the quality of UC's offset investments. The proposed UC offset policy aims to address these needs, and aligns the University's offset program and offset procurement with its research, education, and public service mission.

The proposed policy applies to the University's voluntary offset purchases and not to offsets purchased for compliance with California's cap-and-trade program.

What are offsets and why would the UC use them?

- Offsets allow institutions and individuals to meet their emissions reduction targets, in part, by paying for emissions to be reduced elsewhere. Each offset credit represents one metric ton of CO₂-equivalent reduced. Some common offset project types include forest conservation, renewable energy, and landfill gas methane capture.
- UC's Sustainable Practices Policy commits all ten University of California campuses to reduce their greenhouse gas emissions (GHGs) to:
 - 1990 levels by 2020;
 - Net zero for operational emissions by 2025; and
 - Net zero for commuting and business air travel emissions by 2050.
- To meet these commitments, the campuses are investing in: 100% carbon-free electricity by 2025, building efficiency improvements, building and fleet electrification, biogas procurement, and other actions articulated in each campus' climate action plan.
- The main challenge to achieving carbon neutrality by 2025 is the University's natural gas infrastructure, including cogeneration plants of varying ages on several UC campuses. UC expects to procure offsets to help the campuses meet carbon neutrality as they transition away from on-site natural gas use.

What are the offset policy goals?

- Prioritize direct action to reduce emissions; and acknowledge offsets as a transitional strategy
- Address concerns regarding offsets as a strategy

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- Define the criteria and processes the University will apply to ensure all offset credits it uses represent real, additional emissions reductions to address challenges with the quality of offset credits available
- Align our offset procurement with the mission of the University (teaching, research, and service)

Opportunities, benefits and leadership:

- By developing and demonstrating methods for identifying high quality offsets, including through research on the quality of major categories of offsets available on the offset market, and through initiating our own offset projects, UC is establishing itself as a leader in offset research and innovation.
- UC-initiated offsets can reinvest in the University system, hedge against potential increases in market offset prices, and have climate mitigation benefits well beyond the credited reductions because of their research and educational benefits. UC-initiated offset projects could also increase external partner and donor opportunities for UC campuses.
- Development and adoption of this policy deepens engagement with faculty, students, and staff in the Carbon Neutrality Initiative.

Process for policy review and outreach:

- Each campus representative of the Carbon Abatement Technical Committee (CATC) will be responsible for broad campus stakeholder engagement and collecting feedback on the draft policy to share with the full CATC and the UC Climate Change Working Group (CCWG) for the purpose of finalizing policy to take to the UC Systemwide Sustainability Steering Committee.
 - Initial policy feedback is due by November 19, 2020.
 - All campus feedback is due on December 7, 2020 in order to give the CATC & CCWG enough time to incorporate suggestions into the final policy draft before sharing with the Systemwide Sustainability Steering Committee in advance of the January 2021 meeting.
 - At the end of this document, the name and email address of each campus and laboratory CATC representative is listed.
 - The draft policy can be accessed here: <https://ucdavis.box.com/v/offsetspolicy>.
- Stakeholders and reviewers are requested to consider and incorporate diversity, equity, inclusion, and environmental and climate justice.
- To assist in the review process, the following financial background on potential costs is provided:
 - The UC system estimates that it will need around 400,000 offset credits annually to achieve operational carbon neutrality in 2025.
 - Quality offsets on the voluntary offset market range from \$3.50 to over \$12 per offset credit; prices are expected to rise over time.
 - In second-round responses to our call for proposals for UC-initiated offset projects, we received projects that expect to generate offsets at prices ranging from cost-savings for the university (for several on-site projects) to \$50 per credit. An averaged price per credit is estimated at \$9 for the UC-initiated offset projects. UC-initiated offsets also offer opportunities to reinvest in UC research through the projects.

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Campus and Laboratory Primary CATC Representatives:

To facilitate feedback on the draft offsets policy, the following list provides the primary CATC representative from each campus and laboratory. UC stakeholders are encouraged to reach out to their representative and share their input.

- Berkeley: Kira Stoll, stoll@berkeley.edu
- Davis: Camille Kirk, cmkirk@ucdavis.edu
- Irvine: Matthew Deines, mdeines@uci.edu
- Los Angeles: Nurit Katz, nkatz@facnet.ucla.edu
- Merced: Mark Maxwell, mmaxwell@ucmerced.edu
- Riverside: Fortino Morales, fortino.morales@ucr.edu
- San Diego: Michelle Perez, mcperez@ucsd.edu
- San Francisco: Gail Lee, Gail.Lee@ucsf.edu
- Santa Barbara: Jewel Persad, jewel.persad@ucsb.edu
- Santa Cruz: Ellen Vaughan, elvaugha@ucsc.edu
- Lawrence Berkeley National Laboratory: John Elliott, jdelliott@LBL.GOV
- Office of the President and UCANR: Ryan Bell, Ryan.Bell@ucop.edu