

# DRAFT POLICY ON VOLUNTARY CARBON OFFSETS

*The following draft policy language is a proposed addition to the UC Sustainable Practices Policy, Climate Protection section. The current policy can be found [here](#).*

## **Policy section**

1. The University will prioritize direct reductions of its covered scope 1, 2, and 3 emissions. In meeting the UC Sustainable Practices Policy climate goals as outlined in section III.C., the University will use offsets as a transitional strategy after implementing all feasible reductions in its scope 1, 2, and 3 emissions.
2. The University will only use high-quality offset credits to meet its climate protection goals, beyond its requirements under California's cap-and-trade program, and will draw on the University's academic capacity to vet the quality of all voluntary offset credits it uses.
3. To align its voluntary offset program with its research, education, and public service mission, the University will choose offset projects that demonstrate or advance scalable climate solutions aligned with a path towards deep de-carbonization; prioritize projects that advance University research and support student education; prioritize projects with health and social justice benefits, and benefits to the UC community and communities surrounding the campuses; and prioritize projects with the potential for climate benefits well beyond the credited reductions, recognizing the urgency of near-term reductions. The University will also consider the health & social impacts of its carbon offset decisions on low-income communities and communities of color.
4. The University will develop and implement its voluntary offset procurement strategy in a way that advances understanding of, and models, how institutions of higher education and in other sectors can use offsets as an effective climate mitigation strategy aligned with their institutional mission.

## **Procedures section**

5. The University will use only high-quality carbon offsets to meet its climate protection goals beyond its requirements under California's cap-and-trade program. High-quality offsets represent real, additional, quantifiable, durable, and enforceable emissions reduction or carbon removal, that has been verified by a third-party verifier.

5(a). The University recognizes that not all offset credits available for purchase from projects registered in the major offset registries represent high-quality emissions reductions.<sup>1</sup>

5(b). The University will evaluate the quality of each offset project it uses, involving a peer review process overseen by the Carbon Abatement Technical Committee (CATC).

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<sup>1</sup> See resources listed on [UCOP's carbon offsets website](#).

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5(c ). Credits are considered to be real if the quantity of credits generated and used by a project, or a project type, does not exceed conservative estimates of the actual effect of the project, or the set of projects of the project type, on emissions. Evaluations will take into account the following factors as detailed in the UC Offset Procurement Guidelines [add link]: project additionality, conservativeness of methods used to estimate emission reductions including the baseline, and effects outside of project boundaries such as through leakage. To increase the quality of procured offset credits, the University can discount offset credits by retiring credits without counting them towards our climate targets.

5(d). The results of these evaluations, including quantitative assessments of credit quality and justifications for the assumptions and determination made, will be released publicly for all offset projects or project types the University uses to meet its climate targets.

6. The CATC will develop and maintain additional criteria, guidelines, and procedures for evaluating offset projects against the University's quality and mission criteria in the UC Offset Procurement Guidelines.

7. The University recognizes the quality and mission benefits of implementing its own offset projects. UC-initiated offset projects give the University greater knowledge about the project with which it can ensure the projects' additionality and have confidence in the emission reduction estimates. UC-initiated offsets can also support the University's mission by researching, testing, and refining climate mitigation solutions and supporting student education which can have climate mitigation benefits far beyond the reduction from the credited offset project.

### ***Definitions section***

**Additionality:** Offset credits are considered additional if the credited reductions would not have occurred were it not for the offset program or the University's climate protection policy. Additionality can be assessed for an individual project or for a project type.

**CATC:** The Carbon Abatement Technical Committee is made up of at least one representative from each UC campus and LBL.

**Conservative:** When there is uncertainty in emissions reduction/removal estimates, estimates are conservative when they are more likely to under-represent than to over-represent actual emissions reductions/removals achieved.

**Durable:** Carbon removals are considered durable if there is a very high likelihood that they will remain out of the atmosphere for 40 years on-site or through commitments to replace credits.

**Enforceable:** The emissions reduced or removed by an offset project are enforceable if the University is able to reasonably ensure that its quality standards are met.

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**High-Quality Offsets:** For the purposes of this policy, high-quality offsets represent real, additional, quantifiable, durable, and enforceable emissions reduction or carbon removal that has been verified by a third-party verifier and has passed the University's evaluation process.

**Leakage:** An offset project results in leakage when it reduces an activity, in turn causing that activity, and the associated emissions, to shift location to somewhere outside of the offset project boundaries. For example, a project that increases forest carbon by reducing timber harvesting can result in increased harvesting on other forestlands to meet timber demand.

**Voluntary Offset Credits:** Offset credits the University chooses to procure to meet its climate commitments beyond that required under California's cap-and-trade program. The requirements under section III.C. of the policy apply to the University's voluntary offset procurement and not to the offsets the University procures to meet its cap-and-trade program obligations.