Creating a Carbon Fund
Expanding Options to Fund Climate Action

Webinar – June 21, 2017

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The Monterey Bay Regional Climate Action Compact is an action network of organizations committed to working collaboratively to address climate change.
Agenda

1. What is a Carbon Fund?
2. Benefits of Carbon Funds
3. Keys for Success
4. Carbon Fund Case Studies
5. How to Establish & Manage a Carbon Fund
What is a Carbon Fund?

Revenue Stream

- Impact Fees
- Grants
- EE Savings + Rebates
- GHG/LCFS Credits
- Internal Energy + Fuel Surcharges

Carbon Reduction Projects

- RENEWABLE ENERGY PROJECTS
- ENERGY EFFICIENCY PROJECTS
- OTHER CLIMATE PROJECTS
Benefits of Carbon Funds
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$\rightarrow$ AB 32
California Assembly Bill
Benefits of Carbon Funds

$\rightarrow$ COMMUNITY INVESTMENT + JOBS
Keys for Success

1. Inclusive + transparent
2. Demonstrate carbon + cost savings
3. Minimize administrative burden
4. Engage internal + external stakeholders
5. Sustainable revenue models
6. Policies for fund collection + distribution
City of Watsonville

New Carbon Impact Fee on all Development

Applicant pays fee + receives no refunds

Carbon Impact Fee Directed to Carbon Fund

Implementation of Climate Action Plan Projects

REDUCTIONS IN GREENHOUSE GAS EMISSIONS

Applicant pays fee, installs renewable energy + receives fee refund

Refund reduces Payback on Solar PV System $

Incentive for Clean Energy Buildings
Carbon impact fee on all development, refunded for clean energy buildings

Year established: November, 2015 went into effect

Revenue generation: Annual revenue $80k in first year

Fund distribution: Staff proposals vetted + prioritized by City execs

Administration: Planning + Community Development Dept. administers with Finance Dept. accounting for fees and refunds

Website: www.cityofwatsonville.org/163/Carbon-Fund-Ordinance
Phase 1: Establish account for EE Rebates, Utility credits + Grants
Phase 2: EE savings + Fuel surcharges + GHG Rx/LCFS credit sales

Year established: Phase 1 in late 2016; Phase 2 in 2018

Phase 1 Revenue generation: >$75,000 in first year
Phase 2 Revenue generation: Estimated $ 53,000 annually in year 1

Fund distribution: Proposals vetted + prioritized by Sustainability Team, City Manager + City Council

Administration: City Manager’s Office Climate Action Program w/ Finance Dept. accounting for funds
Student Fee Measure + Voluntary Community Contributions

Year established: 2010

Annual revenue generated: > $120k

Metric tons CO2e avoided to date: 20,000 MT CO2e

Fund distribution: Competitive grants to staff, faculty, students + community

Administration: UCSC Sustainability Office

Website: www.sustainability.ucsc.edu
Monterey Bay Carbon Fund

Voluntary Contributions to Offset Travel, Commuting and Events

Year established: 2012

Revenue generated to date: >$600,000

Metric tons CO2e avoided (30 yr projection): 1,745 MT CO2e

Fund distribution: competitive grants + offset purchases

Administration: Non-profit agency via web portal

Website: www.theoffsetproject.org
Western NC Green Building Council

Your Local Solution to Global Pollution

Support local clean-energy projects while reducing your carbon footprint.

To get started, choose below:

- Individual
- Business

Learn more below.

Website: [www.cutmycarbon.org/](http://www.cutmycarbon.org/)
Voluntary Contributions to Offset Individual + Business emissions

Year established: August 2016

Revenue generated to date: $18,000

Metric tons CO2e avoided to date: 845 MT CO2e

Fund distribution: energy efficiency and solar PV for non-profits

Administration: Non-profit agency via web portal and Stripe payment platform

Website: www.cutmycarbon.org/
Establish Carbon Fund

1. Set priorities + parameters
2. Assess revenue opportunities + $ generation potential
3. Assess political will + process for each
4. Stakeholder engagement
5. Select, design and launch program
   - Craft policy: define rules, process + timeline
   - Conduct outreach + internal training
Manage Carbon Fund

1. Plan for fiscal accounting + project selection
2. Solicit + implement carbon reducing project proposals
3. Evaluate, select + implement projects!
4. Achieve real carbon reductions
1. Prepare for exploratory discussions
2. Initiate discussion w/internal stakeholders + management
3. Conduct opportunity analysis + present fund options
4. Establish fund + gain management approval
5. Rally support of external stakeholders + promote
6. Manage fund + implement carbon reducing projects!
A Call to Action!

1. Prepare for exploratory discussions
2. Initiate discussion w/internal stakeholders + management
3. Conduct opportunity analysis + present fund options
4. Establish fund + gain management approval
5. Rally support of external stakeholders + promote
6. Manage fund + implement carbon reducing projects!

Learn more about carbon funds in the July issue of *Western Cities magazine*
Thank you! Questions?

EcoShift Consulting, LLC

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Sustainability Tools | Climate Change Strategy | Lifecycle Analysis
Energy | Carbon Accounting | Green Tech, Infrastructure + Transportation

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