

Information Report



Service Area	Infrastructure, Development and Enterprise Services
Date	Friday, October 2, 2020
Subject	Generated Carbon Offsets

Executive Summary

Purpose of Report

The purpose of this report is to advise on the optimal use of the City's generated carbon offsets.

Key Findings

The City will continue the sale of generated carbon offsets and apply the associated revenues to the 100RE Reserve Fund. This will leverage the City's environmental actions and reinvest funds to further mitigate climate change and reduce Guelph's carbon footprint.

Solid Waste Services operates and maintains carbon offset initiatives that are third party quantified and verified. Wastewater Services is exploring further opportunities and is currently in the process of evaluating the eligibility of the digester gas recovery and utilization initiative.

In 2019, the City received a total of \$592,243 in unbudgeted revenue from the sale of generated carbon offsets and were applied to the 100RE Reserve Fund. It has been determined that the optimal use of the City's generated carbon offsets is to continue the sale of generated carbon offsets and to apply the revenues to the 100RE Reserve Fund. This will leverage the City's environmental actions and reinvest funds to further mitigate climate change and reduce Guelph's carbon footprint.

Financial Implications

\$592,243 in unbudgeted revenue was received from the 2019 sale of generated carbon offsets and was applied to the 100RE Reserve Fund.

Moving forward, the City will continue the sale of generated carbon offsets and apply the revenues to the 100RE Reserve Fund.

Report

Background

Carbon Offset Overview

Carbon offsets are verified and quantified units of greenhouse gas emission reductions from environmental projects that can be used to compensate for

greenhouse gas (GHG) emissions by another source. Carbon offsets are typically measured in tonnes of carbon dioxide equivalents (CO₂e) and can be bought and sold.

There are currently no mandatory offset programs within Ontario. Therefore, the production, sale and purchase of carbon offsets is voluntary. Although voluntary, there is market demand for carbon offsets driven by organizations striving to meet their internal environmental sustainability targets.

City of Guelph Generated Carbon Offsets

Solid Waste Services at the City of Guelph operates and maintains carbon offset initiatives that are third party quantified and verified:

- **Landfill gas recovery and utilization** – landfill gas is recovered and used to generate electricity at the closed Eastview Road Landfill site.
- **Organic waste composting** – organic waste is received and processed into compost at the Organic Waste Processing Facility. This reduces GHG emissions by avoiding emissions that would be produced had the organic waste gone to a landfill and decomposed instead.

In 2019, \$592,243 in unbudgeted revenue was received from the sale of generated carbon offsets. It is anticipated that an additional \$300,000 in unbudgeted revenue will result from the sale of carbon credits in 2020. As in 2019, these funds will be applied to the City's 100% Renewable Energy (100RE) Reserve Fund. This reserve fund supports ongoing energy retrofit and GHG reduction projects and initiatives. Through these investments, the City will continue to progress toward the Corporate 100RE target and support the Community Net Zero Carbon target.

Given the success of the generated carbon offsets, Wastewater Services is exploring further opportunities and is currently in the process of evaluating the eligibility of the digester gas recovery and utilization initiative.

Path Forward

It has been determined that the optimal use of the City's generated carbon offsets is to continue the sale of generated carbon offsets and to apply the revenues to the 100RE Reserve Fund. This will leverage the City's environmental actions and reinvest funds to further mitigate climate change and reduce Guelph's carbon footprint.

Financial Implications

\$592,243 in unbudgeted revenue was received from the 2019 sale of generated carbon offsets and was applied to the 100RE Reserve Fund.

Moving forward, the City will continue the sale of generated carbon offsets and apply the revenues to the 100RE Reserve Fund.

Consultations

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Strategic Plan Alignment

There is strong alignment to the Sustaining Our Future priority of the City's Strategic Plan. The initiatives that generate carbon offsets reduce GHG emissions and mitigate climate change impacts. Further, the reinvestment of the generated carbon offset revenues into energy retrofit projects and GHG reduction projects reinforces the City's climate change mitigation approach.

Attachments

None

Departmental Approval

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