Frequently Asked Questions

Offset Procurement Review

1. What is the Request for Offset Units?

The Request for Offset Units (RFOU) was government's open, fair and competitive process for purchasing B.C. Offset Units in support of the public sector's <u>legislated commitment to carbon</u> <u>neutrality</u>. The RFOU was published in 2016 and open to prospective offset vendors on BC Bid for nearly five years. From 2016 to July 2021, government accepted applications on an ongoing, rolling basis and established several multi-year offset purchase agreements with successful applicants.

2. Why did the RFOU close?

The RFOU closed on July 19, 2021 at 2:00 pm Pacific Time, consistent with the closing date and time originally established on the solicitation when it was posted to BC Bid in 2016. Like any competitive process for contract opportunities, there is a closing date and time, after which applications are no longer accepted.

3. What happened after the RFOU closed?

Following the close of the RFOU, the Ministry of Environment and Climate Change Strategy (the Ministry) initiated a review of government's approach to procuring carbon offsets. There is a temporary pause in offset procurement while the Ministry conducts this review.

4. Why is government reviewing its approach to offset procurement?

The review is intended to identify opportunities for offset procurement that better align with current government priorities and landscape for climate action. Offset markets have evolved since the RFOU was published in 2016 and so has climate action at the provincial, federal, and international levels. For example, new funding streams are available for some emission reduction projects (e.g. CleanBC Industry Fund) and many governments, including B.C., have introduced net-zero 2050 commitments.

5. How long is the offset procurement review expected to take?

The review is expected to take several months beginning in July 2021. During this time, government will not have an offset procurement process in place to accept proposals from proponents who are interested in selling their offsets to government. Refer to Question 11 below for more information for prospective proponents interested in selling their carbon offsets to government. Questions can be directed to Carbon.Neutral.Investment@gov.bc.ca.

6. Can I contribute to the procurement review?

The Ministry is assessing the need and potential approaches for seeking stakeholder input in a way that mitigates the risk of potential conflicts of interest in developing a new offset procurement approach. Please check back for updates on this.

7. Will the temporary pause in offset procurement affect existing contracts to sell offsets to government?

Existing offset purchase agreements with the Province of B.C., including contracted purchases under those agreements, will not be affected by the temporary pause in procurement.

8. Will the temporary pause in offset procurement affect the public sector's ability to achieve carbon neutrality?

The temporary pause in offset procurement is not expected to impact the public sector's ability to achieve its legislated commitment to carbon neutrality.

9. Will the temporary pause affect the development of offset protocols?

The temporary pause in procurement will not impact work related to the development of B.C. offset protocols, including the Forest Carbon Offset Protocol and Organic Waste Methane Management Protocol. The development of protocols is a separate process that is part of <u>provincial offset regulatory requirements</u>; it is separate and distinct from government's purchasing criteria for carbon offsets. For more information related to protocol development and offset regulatory requirements, contact GHGRegulator@gov.bc.ca.

10. Will the offset market be affected?

Government is one purchaser in the offset market. While government has historically been the largest purchaser of B.C. Offset Units, other entities also purchase offset units where they have an obligation or desire to meet emissions reduction or net-zero targets. There is increasing interest in recent years from voluntary purchasers, in particular. B.C. Offset Units are currently available in the B.C. Carbon Registry for parties that are interested in seeking high-quality carbon offsets to meet their emission reduction goals.

11. I am interested in selling my carbon offsets to government. What are my next steps?
Any new offset procurement process will continue to require projects to <u>meet provincial offset</u> <u>regulatory requirements</u>. Prospective project proponents are, therefore, encouraged to review <u>provincial offset regulatory requirements</u> as a first step in preparation for application under any updated offset solicitation that may be posted in future.