



Ministry of Environment and Climate Change Strategy
CLIMATE INVESTMENT BRANCH

Request for Offset Units (RFOU)

Greenhouse Gas Offset Units

RFOU #ON-002889

Issue date:

November 23, 2017

**Applications will be accepted on a rolling on-going basis until
2:00 p.m. Pacific Standard Time, **July 19, 2021.****

Send completed Application to:

ClimateInvestmentBranch@gov.bc.ca

Subject Line: RFOU #ON-002889

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1.0 Overview

In 2010 British Columbia (BC) became the first government at the provincial, territorial or state level in North America to take 100% responsibility for the greenhouse gas pollution from its operations by becoming carbon neutral. BC's commitment applies to each of its 131 provincial public sector organizations (PSOs) including ministries, school districts, post-secondary institutions, Crown corporations, health authorities, and agencies. To achieve carbon neutrality, PSOs measure their carbon emissions annually, take action to reduce those emissions as much as possible, offset any remaining emissions, and then publicly report on our achievements.

The Climate Action Secretariat, through the Climate Investment Branch (CIB), is responsible for investing in and managing the Province's portfolio of BC-based offsets on behalf of BC public sector organizations. Through this Request for Offsets Units (RFOU), the Province is seeking to purchase Offset Units from Vendors in order to achieve the Province's annual carbon neutral government commitment in future years.

CIB purchases greenhouse gas Offset Units such that the PSOs are able to achieve carbon neutrality pursuant to the [Greenhouse Gas Reduction Targets Act](#) and the [Carbon Neutral Government Regulation](#). The purchased Offset Units are retired under the [Greenhouse Gas Industrial Reporting and Control Act](#). Investments in BC-based offsets stimulate growth of BC's carbon market and support strategic provincial environmental, economic and social goals through carbon reduction and clean energy.

To qualify to supply Offset Units, proposed Projects must meet the requirements set out in the BC [Greenhouse Gas Industrial Reporting and Control Act](#), the [Greenhouse Gas Emission Control Regulation](#), and be selected by the Province in accordance with the process set out in this RFOU, including without limitation the Desirable Offset Project Criteria as listed in Attachment A.

2.0 Definitions

Throughout this RFOU, the following definitions will be used:

- a) **"Applicant(s)"** means an individual or a company that submits an Application under this RFOU;
- b) **"Application"** means an application under this RFOU submitted by an Applicant;
- c) **"BC Bid"** means the electronic tendering service maintained by the Province and known as BC Bid;
- d) **"BC Bid Website"** means the website maintained to administer BC Bid at www.bcbid.ca, or any replacement website;
- e) **"Climate Investment Branch"** or **"CIB"** means the branch with such name within the British Columbia Ministry of Environment and Climate Change Strategy;
- f) **"Greenhouse Gas"** or **"GHG"** means any or all of carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulphur hexafluoride and any other substance prescribed by regulations under the *Greenhouse Gas Reduction Targets Act*;
- g) **"Greenhouse Gas Reductions"** or **"GHG Reductions"** means (a) a reduction of Greenhouse Gas emissions, or (b) an enhancement of Greenhouse Gas removals;
- h) **"Lowest Price"** means the unit price in \$/tCO₂e that the Province has provided in the Attachment A - Desirable Offset Project Criteria, as amended or replaced from time to time;
- i) **"Offset Purchase Agreement"** or **"OPA"**, means a written offset purchase agreement executed by the Province and Vendor;

- j) “**Offset Units**” has the same meaning as in the [Greenhouse Gas Industrial Reporting and Control Act](#);
- k) “**Project Information Document**” or “**PID**” means the template document (attached to this RFOU as Attachment B);
- l) “**Project Plan**” means, in relation to the proposed Project, a project plan prepared in accordance with the Regulation;
- m) “**Project Report**” means a project report prepared in accordance with the Regulation;
- n) “**Project**” means an emission offset project referred to in section 9 [emission offset projects] of the [Greenhouse Gas Industrial Reporting and Control Act](#);
- o) “**Province**” means Her Majesty the Queen in Right of the Province of British Columbia and includes the Ministry of Environment and Climate Change Strategy, Climate Investment Branch;
- p) “**Regulation**” means the *Greenhouse Gas Emission Control Regulation*, BC Reg. 249/2015 as amended or replaced from time to time;
- q) “**RFOU**” or “**Request for Offset Units**” means the process described in this document;
- r) “**tCO_{2e}**” means metric tonnes in carbon dioxide equivalent, which for a given mass of any Greenhouse Gas means the mass of carbon dioxide gas that would have the equivalent global warming impact as that Greenhouse Gas over a specified time period based on global warming potentials prescribed in the [Carbon Neutral Government Regulation](#) under the [Greenhouse Gas Reduction Targets Act](#) as updated from time to time;
- s) “**Validation Body**” has the meaning ascribed to it under the [Greenhouse Gas Industrial Reporting and Control Act](#);
- t) “**Vendor**” means an Applicant whose Application has been selected by the Province and has entered into an Offset Purchase Agreement with the Province; and
- u) “**Verification Body**” has the meaning ascribed to it under the [Greenhouse Gas Industrial Reporting and Control Act](#);

3.0 Instructions to Applicants

3.1 Anticipated Stages of the RFOU process through to finalization of purchase of Offset Units

The process to purchase Offset Units is multi-staged, involving evaluation against business requirements. Evaluation of Applications will occur on a rolling on-going basis as Applications are received.

The Province invites Applications from Applicants that:

- are carrying out a Project or propose to carry out a Project; or
- have engaged another entity that is carrying out a project or propose to engage another entity to carry out a Project;

Preliminary evaluation against the statutory requirements will be conducted at Stage 3, with Applicant being responsible for a full evaluation of the Project Plan and Project Reports by an appropriate Validation Body and Verification Body pursuant to the [Greenhouse Gas Industrial Reporting and Control Act](#), and the [Greenhouse Gas Emission Control Regulation](#) at Stage 6.

The RFOU process will generally follow the stages laid out in the table below:

RFOU Process:	
Stage	Task
1	<p><u>Submission of Application</u></p> <p>Applications must be received in the same format as Attachment B - Project Information Document (PID), with all fields of the form completed.</p> <p>If a project necessarily contains information gaps, preliminary plans or estimates must be provided.</p> <p>The Applicant must submit an Application prior to 2:00 PM Pacific Standard Time on Monday, July 19, 2021, in accordance with the instructions on the cover page.</p>
2	<p><u>Preliminary Review</u></p> <p>The Province will conduct a high-level preliminary review for completeness of the Application. If required, the Province may seek supplemental information from the Applicant. The Applicant will be provided with a written list of deficiencies based on information sought in the PID, and an opportunity to discuss these deficiencies with the Province in a teleconference.</p> <p>Applicants may rectify deficiencies and re-submit their Application. Applicants are encouraged to review related Provincial guidance materials and/or seek the assistance of a carbon consultant in revising their Applications for re-submission.</p> <p>In the event that the re-submitted Application is still deemed insufficient to proceed to Stage 3, the Applicant will be offered a debriefing by teleconference.</p>
3	<p><u>Application Review and Assessment</u></p> <p><i><u>Mandatory Criteria</u></i></p> <ol style="list-style-type: none"> 1) Proposed projects must pass a preliminary assessment of viability against the requirements of the Regulation conducted by a review committee established by the Province; 2) Proposed projects that have low anticipated offset volumes (< 5,000 tCO₂e/year) must address offset project feasibility; 3) Proposed project volumes must meet the requirements as set out in Attachment A; 4) Proposed projects must be one of the Desirable Project Types as set out in Attachment A; 5) Applications must demonstrate that at least one of the following criteria, as set out in Attachment A, is met: <ol style="list-style-type: none"> a) Project meets one or more of the Desirable Project Attributes; and/or b) The proposed average project price (\$/tCO₂e) meets the Lowest Price Threshold. <p>Applications that meet the above criteria will proceed to stage four and will be contacted during, or at the conclusion of, Stage Four. Applications that do not meet the above criteria will not proceed. Applicants that will not proceed to stage four will be contacted following the Application Review and Assessment and offered a debriefing by teleconference.</p>

RFOU Process:	
Stage	Task
4	<p><u>Commercial Assessment</u></p> <p><u>Portfolio Fit</u></p> <p>Applications will be reviewed based on the:</p> <ol style="list-style-type: none"> 1) scarcity in the Province’s portfolio of the Project Type and Desirable Project Attributes; 2) number and extent of Desirable Project Attributes. <p><u>Commercial Readiness</u></p> <p>Where the project has not yet been accepted by the Director and listed on the BC Carbon Registry, the Province may require the Applicant to demonstrate further commercial readiness.</p> <p>The Province may enter into a non-binding term sheet with the Applicant or provide other indications of commercial interest or support that could be helpful in advancing the commercial readiness of the project.</p> <p><u>Prioritization</u></p> <p>A prioritization of concurrent Applications may occur in the event that the proposed aggregate project volumes exceed the estimated CIB portfolio room. Projects will be prioritized on the basis of the evaluation, portfolio fit and commercial readiness assessments.</p> <p>Applications that are selected will be contacted and proceed to stage five. Applications that are selected but have not demonstrated that they are commercially ready will be contacted to determine next steps and a timeline for advancement.</p> <p>Applications that have not been selected will be contacted and will not proceed to stage five.</p>
5	<p><u>Commercial Negotiations and Execution</u></p> <p>When an Application has passed Stage 4, the Applicant will be invited to negotiate an Offset Purchase Agreement (OPA) with the Province.</p> <p>The Applicant and the Province negotiate the commercial terms that are to appear in Section 2.1 and 2.2 of an Offset Purchase Agreement (OPA). Offset delivery options and the prices, volumes, and delivery dates are the key commercial terms open to negotiation.</p> <p>Other than the negotiated commercial terms in Section 2.1 and 2.2 and selecting from a limited number of contract options identified in the OPA template, the Applicant and the Province will be subject to the terms and conditions of the OPA template provided as Attachment C.</p> <p>If the Applicant and the Province conclude negotiations to the satisfaction of both parties an OPA will be executed during this stage.</p>

RFOU Process:	
Stage	Task
6	<p><u>Contract Performance</u></p> <p>The Vendor and the Province will carry out their obligations under the OPA.</p> <p>Notwithstanding the execution of an OPA, the Province will be under no obligation to purchase Offset Units unless the Vendor fully meets and complies with all of the requirements of the OPA, the Greenhouse Gas Industrial Reporting and Control Act, the Greenhouse Gas Emission Control Regulation, and the process set out in this RFOU.</p>

3.2 Applicants to Review RFOU

Applicants are advised to report any errors, omissions or ambiguities to this RFOU and are encouraged to seek additional information, in writing, by contacting CIB at the email address on the front page of this RFOU document, prior to submitting an Application.

3.3 Enquiries

All enquiries related to this RFOU are to be directed, in writing, to the email address on the front page of this RFOU document. Enquiries and answers may be recorded and posted as addenda to the BC Bid Website at the Province's sole discretion.

3.4 Open Call

This RFOU is an open call that will remain open until the close date noted on the cover. All Applications will be accepted and assessed in the order in which they are received. It is CIB's intention to review and assess Applications and respond in a timely manner; CIB's will endeavour to respond within two to four weeks of the date upon which an Application is received.

3.5 Review Committee

Applications will be reviewed and assessed by a committee formed by the Province and may include employees and contractors of the Province.

3.6 Applications from a Single Legal Entity

Applications must be submitted by a single legal entity that will act as the Applicant and main contact to the Province in respect of the RFOU process and for the purposes of performing the Vendor's obligations under any Offset Purchase Agreement.

3.7 Withdrawal of [or Changes to] Application

By submitting a clear and detailed written notice to the email address on the front page of this document, an Applicant may withdraw its Application at any time throughout the duration of the RFOU process prior to executing an OPA with the Province.

Although Applications may be withdrawn at any time, Applications may only be amended in accordance with the process set out in Stage 2. Once Stage 2 is completed no further amendments will be permitted except where necessitated by changes to the [Greenhouse Gas Industrial Reporting and Control Act](#) or the [Greenhouse Gas Emission Control Regulation](#). Applicants will be notified of the completion of Stage 2.

3.8 Changes to the RFOU

The Province may amend the RFOU at any time by posting amendments to the BC Bid Website. If amendments to the [Greenhouse Gas Industrial Reporting and Control Act](#) or the [Greenhouse Gas Emission Control Regulation](#) are enacted that require changes to the RFOU, an Applicant may be required to amend an Application in order to comply with the updated legislated requirements.

3.9 Working Language of the Province

Applications must be submitted in English.

3.10 Applicant's Expenses

Applicants are solely responsible for their own expenses in preparing an Application and for subsequent negotiations with the Province, if any. The Province will not be liable to any Applicant for any claims, whether for costs or damages incurred by the Applicant in preparing the Application, loss of anticipated profit in connection with any Offset Purchase Agreement, or any other matter whatsoever.

3.11 Acceptance of Applications

This RFOU is not an agreement to purchase Offset Units and is not an agreement to enter an Offset Purchase Agreement to purchase Offset Units. The Province is not bound to enter into an Offset Purchase Agreement with any Applicant. Applications will be assessed in light of the desirable criteria. The Province will be under no obligation to receive further information, whether written or oral, from any Applicant.

3.12 Applications Not Binding

An Applicant may withdraw its Application at any time prior to entering into an Offset Purchase Agreement with the Province by notifying the Province in writing. The Province may terminate negotiations with an Applicant at time for any reason by notifying the Applicant in writing. The submission and receipt of Applications in no way binds either party to proceed with the stages of this RFOU.

3.13 Ownership of Applications

All documents, including Applications, submitted to the Province become the property of the Province. They will be received and held in confidence by the Province, subject to the provisions of the *Freedom of Information and Protection of Privacy Act*.

3.14 Confidentiality of Information

Information pertaining to the Province obtained by the Applicant as a result of participation in this RFOU is confidential and must not be disclosed without written authorization from the Province. Applicants are requested to sign and submit with their Application the Confidentiality Agreement attached as Attachment D. Respondents may request that CIB signs and returns the form prior to submitting a PID by requesting so in writing to the email address on the cover.

3.15 Additional Information on the RFOU

All subsequent information regarding this RFOU, including amendments made to this document, will be posted to the BC Bid Website. It is solely the responsibility of the Applicant to check for amendments and additional information on the BC Bid Website.

4.0 Application Process

TO RESPOND TO THE RFOU APPLICANTS SHOULD USE THE PROJECT INFORMATION DOCUMENT TEMPLATE ATTACHED TO THIS RFOU AS Attachment B – Project Information Document (PID) Template.

In order to ensure Applications are submitted in a manner that best facilitates the Province's assessment process, Applications should be submitted in accordance with the following instructions:

- Submit Application via email to the address on the cover page.

The Application should include:

- One completed Application (Project Information Document – Attachment B) for each proposed Project, in PDF format (*converted document, not scan*).
- One signed Attachment D - Confidentiality Agreement.
- Evidence to support the assertions made in the Application in an appropriate format for evaluation (*e.g. spreadsheets in MS Excel*), appropriately labelled to reference PID section and appended in order.

Electronic file format:

- Each file should be 5mb or smaller;
- Do not submit compressed files (i.e. no ZIP files);
- Name format:
 - Applicantname_projectname_PID_MMDDYYYY
 - Applicantname_projectname_EvidencePID5.2_MMDDYYYY (as appropriate to reference supporting evidence if required)