



IPOG's Fast Track Protocol Development  
Process

*October 1, 2008*

2<sup>e</sup> Colloque Air et Changements climatiques

Montreal

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# Industry Provincial Offset Group

IPOG, a group of over 60 representatives from provincial governments and industry was formed in June 2006.

The objective of the group is to develop useful, constructive recommendations on policy options that reflect the needs of those who will be engaged in reducing GHG emissions across Canada.

The IPOG process has been and continues to be an open and inclusive process. We welcome representatives from NGOs, service providers, project developers, corporations, firms and government.

[www.offsetgroup.ca](http://www.offsetgroup.ca)

# IPOG Organizational Structure

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graph TD; A[IPOG Organizational Structure] --- B[Secretariat]; B --- C[Other Executive Membership]; C --- D[General Membership]; A --- E[Tony Irwin, Co-Chair Spectra Energy tony@irmc.net]; A --- F[Andy Ridge, Co-Chair Alberta Environment andy.ridge@gov.ab.ca];
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Andy Ridge, Co-Chair  
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Secretariat  
Brian Rawson  
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Other Executive Membership

General Membership

# IPOG Executive Committee 2008

Alberta Environment  
Bruce Power  
Canadian Bioenergy Corporation  
Canadian Cattlemen's Association  
Canadian Energy Pipeline Association  
Carbon Capital Management  
Climate Change Central  
Direct Energy  
Element Markets  
EPCOR  
ICF International  
JD Irving  
New Brunswick Power  
Ontario Environment Commissioner  
Ontario Ministry of the Environment  
Ontario Power Generation  
Petro-Canada  
Soil Conservation Council of Canada  
Spectra Energy  
TransAlta  
TransCanada Corporation  
Toronto Stock Exchange (TSX)  
Viterra

# IPOG Work to Date

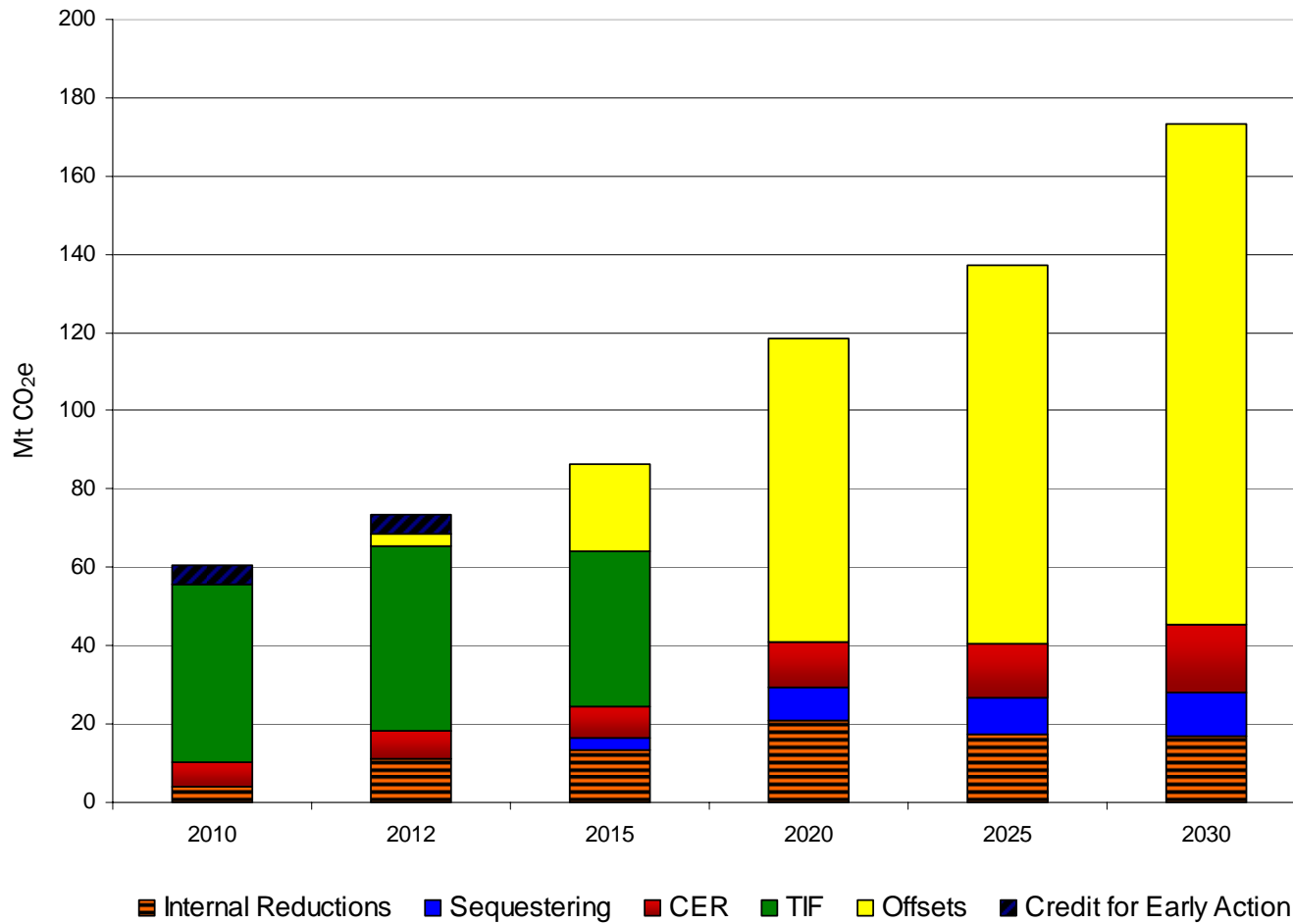
## General Reports Submitted to Environment Canada

- IPOG Workshop Summary Report (July 2006)
- Report on Design Elements (February 2007)
- Submission on Cross-Cutting Elements (July 2007)
- IPOG Protocol Level of Interest Survey (May 2008)

## IPOG Working Group Deliverables

- **Biosequestration & Forest Carbon Management Working Group**
  - Options for Approaching Bio-Sequestration in a National Offset System (Nov 2007)
  - Biosequestration in Canada's Offset System (June 2008)
- **Validation & Verification Working Group**
  - Main Differences between Validation & Verification (Oct 2007)
- **Offset Rules & Eligibility Working Group**
  - Options & Recommendations on Offset Rules & Eligibility (Oct 2007)
- **Registry & Exchange Working Group**
  - Considerations & Recommendations for a Domestic Offset Market (Dec 2007)
  - Considerations & Recommendations on a National Registry (Dec 2007)
- **Quantification Working Group**
  - Fed into Protocol Technical Working Group (Workshop held in Nov 2007)
- **Industry Protocol Working Group**
  - Conducted Industry, Market & Technical Expert Survey on Level of Interest in Offset Project Types (June 2008)

# Compliance Mechanisms



# Key Driver for the Offset System

## The Offset System is designed to:

- Help industry meet its GHG regulatory targets; and
- Provide non-regulated sectors with a mechanism to contribute to Canada's goal of a 20% reduction in GHG emissions from 2006 levels by 2020

## The Offset System will:

- Provide a compliance mechanism for industry by allowing capped emitters to use offset credits towards meeting their compliance obligations
- Provide an incentive for voluntary emission reductions outside of regulated activities by issuing credits for GHG emission reduction/removals that meet system requirements
- Establish a price for carbon

# Principles for the GHG Offset System

## Design Principles

- **Environmental Benefits** – offset projects must achieve GHG reductions/removals and net environmental benefits
- **Maximum Scope** – to the extent practical, the system will promote projects in all sectors and all project types
- **Administratively Simple** – to the extent possible, the system will be simple and cost-effective to administer and the burden for participants should be minimized
- **Build on Experience** - from other jurisdictions and Canadian pilots

# Key Message

IPOG is using a coordinated approach to support the rapid adaptation of protocols under the ***Fast Track*** mechanism for adoption and approval by Environment Canada. Protocols are urgently needed to ensure an adequate supply of credits.

# Background

- Guidance on protocol development provided in the draft *Guide for Protocol Developers* released on August 8<sup>th</sup>, 2008
  - Subject to 60 day consultation period
- Confirmation of direction provided in Canada Gazette, Part I on August 9<sup>th</sup>, 2008
- Includes a ***Fast Track*** list of 40 external protocols - Criteria:
  - Approved by identified systems (CDM, SGER, NSW, CCAR, etc)
  - Multiple protocols on the list – (a) Closest to ISO 14064-2 or (b) most easily adapted to COS
  - Protocol's activities occur in Canada (de facto if on the list)
  - Protocol's activities no regulated under the Ind'l GHG Regs
- Environment Canada is seeking industry leadership for the completion of the required adjustments to the protocols

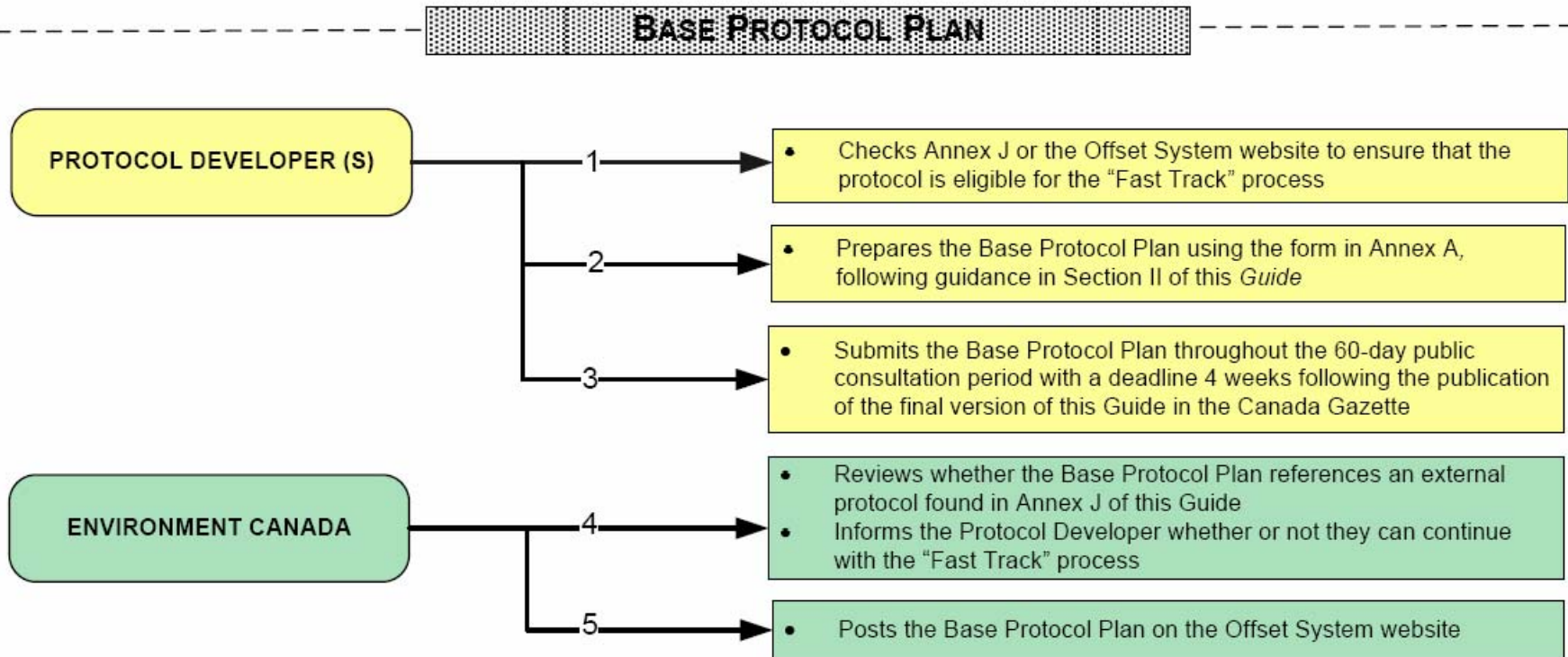
# Background

- All protocols require some degree of modification:
  - Regional concerns;
  - Content or scope requirements
  - Format constraints
- Environment Canada approval of **Fast Track** protocols includes an iterative approach over short timelines
  - Specific encouragement for early submission of required documents
  - 6 months from submission through approval (May 2009 at latest)
  - Two Stages – submission of (a) a Base Protocol Plan (BPP) and (b) a Complete Application
- Environment Canada is resource constrained but has promised quick turnarounds for submissions meeting criteria
  - Multiple submissions for individual project types and / or lack of consensus among industry will slow process
- Proactive input from industry will minimize and defer the review burden as government builds capacity

# Eligible Project Types

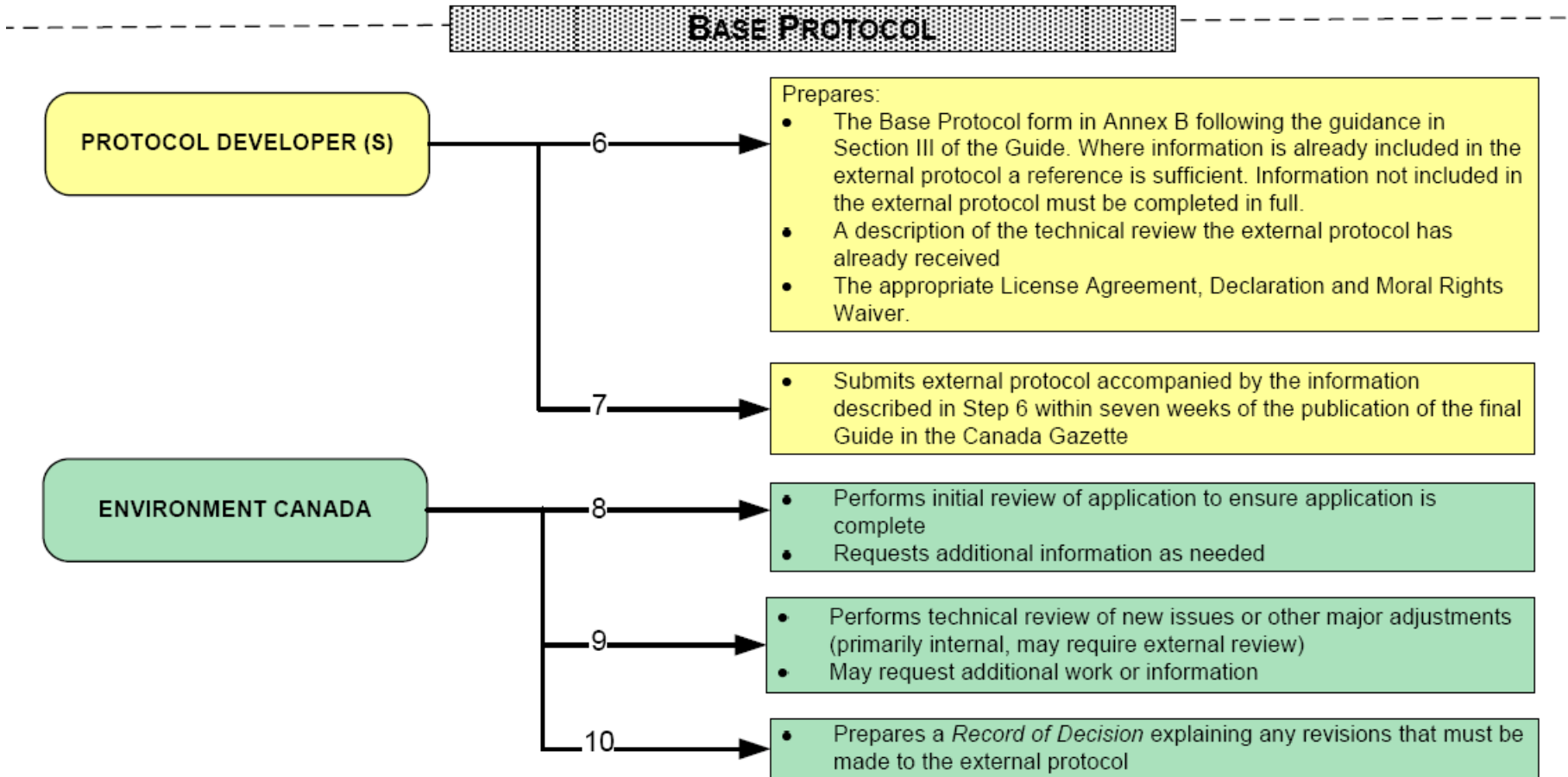
- Agricultural
  - Beef Feeding – Edible Oils
  - Beef – Days on Feed
  - Beef – Age at Slaughter
  - Anaerobic Digestors
  - Pork – Manure and Feeding
  - Tillage
- Energy Efficiency
  - Energy Efficiency
  - Waste Heat Recovery
  - Buildings (Residential and Industrial/Commercial)
- Forestry
  - Afforestation
  - Forest Management (CCAR)
- Fossil Fuel Based Energy
  - Fuel Switching
- Geological Sequestration
  - Acid Gas Injection
  - Enhanced Oil Recovery
- Methane Management
  - Landfill Gas
  - Coal Bed/Mine/Ventilation Methane
  - Composting
  - Aerobic Landfill Bioreactor
  - Wastewater Treatment
- Renewable Energy
  - Wind, Solar, Small Hydro
  - Biomass to Energy
  - District Heating
- Transportation
  - Road Rehabilitation
  - Modal Shifting
- Waste Management
  - Reusing flared well gas
  - Non-incineration thermal waste management
- Other
  - N<sub>2</sub>O abatement
  - Biofuels

# Fast Track Mechanism



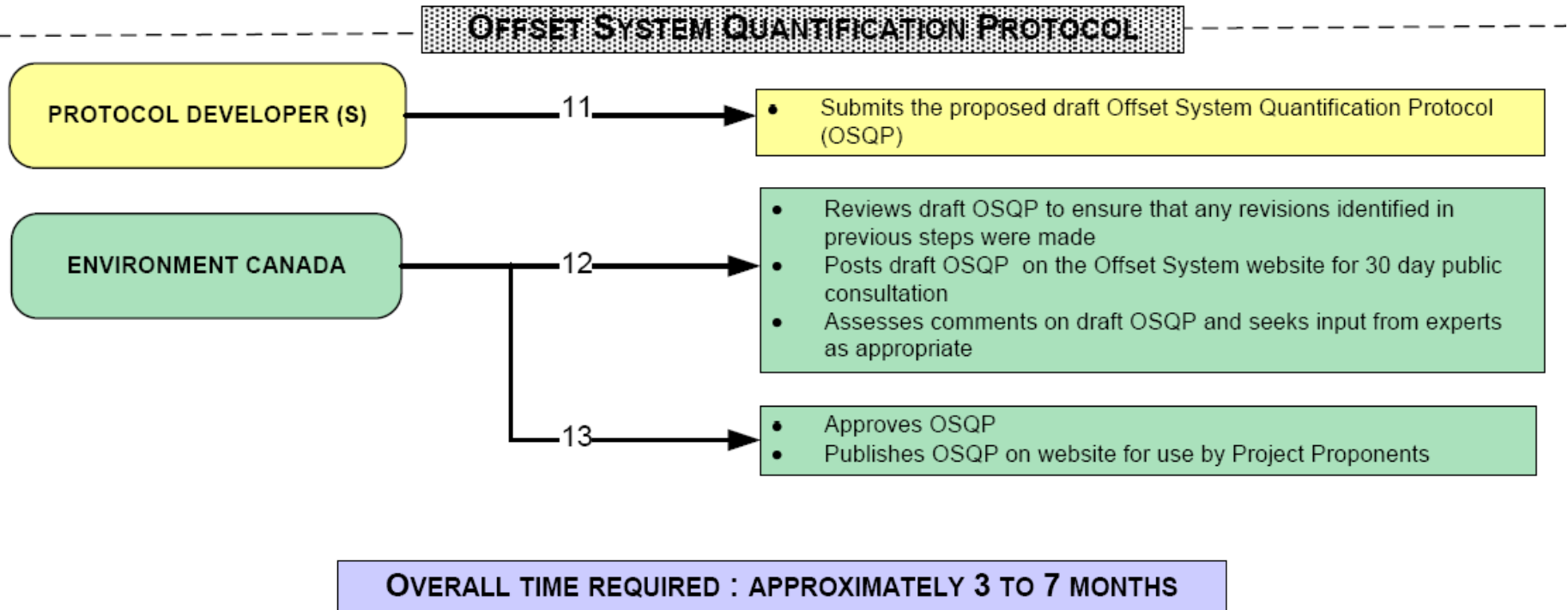
- Focus at this stage appears to be on coordination on protocols and timely submission of required documentation
  - Title of protocol must indicate which protocols

# Fast Track Mechanism



- Initial requirement for consensus on approach and understanding of adaptation requirements

# Fast Track Mechanism



- All adaptation work to be completed including development of required data tables and tools
  - Regional concerns
  - Content or scope requirements
  - Format constraints

# IPOG's Fast Track Process

- IPOG created a protocol technical working group to prioritize and develop protocols
- IPOG's protocol working group has 11 subgroups that are developing protocols in:
  - Renewable energy
  - Biomass
  - Geo-sequestration
  - Energy efficiency
  - Forestry Landfills
  - Biogas
  - Tillage
  - Biofuels
- Several other groups are still working to coordinate funding

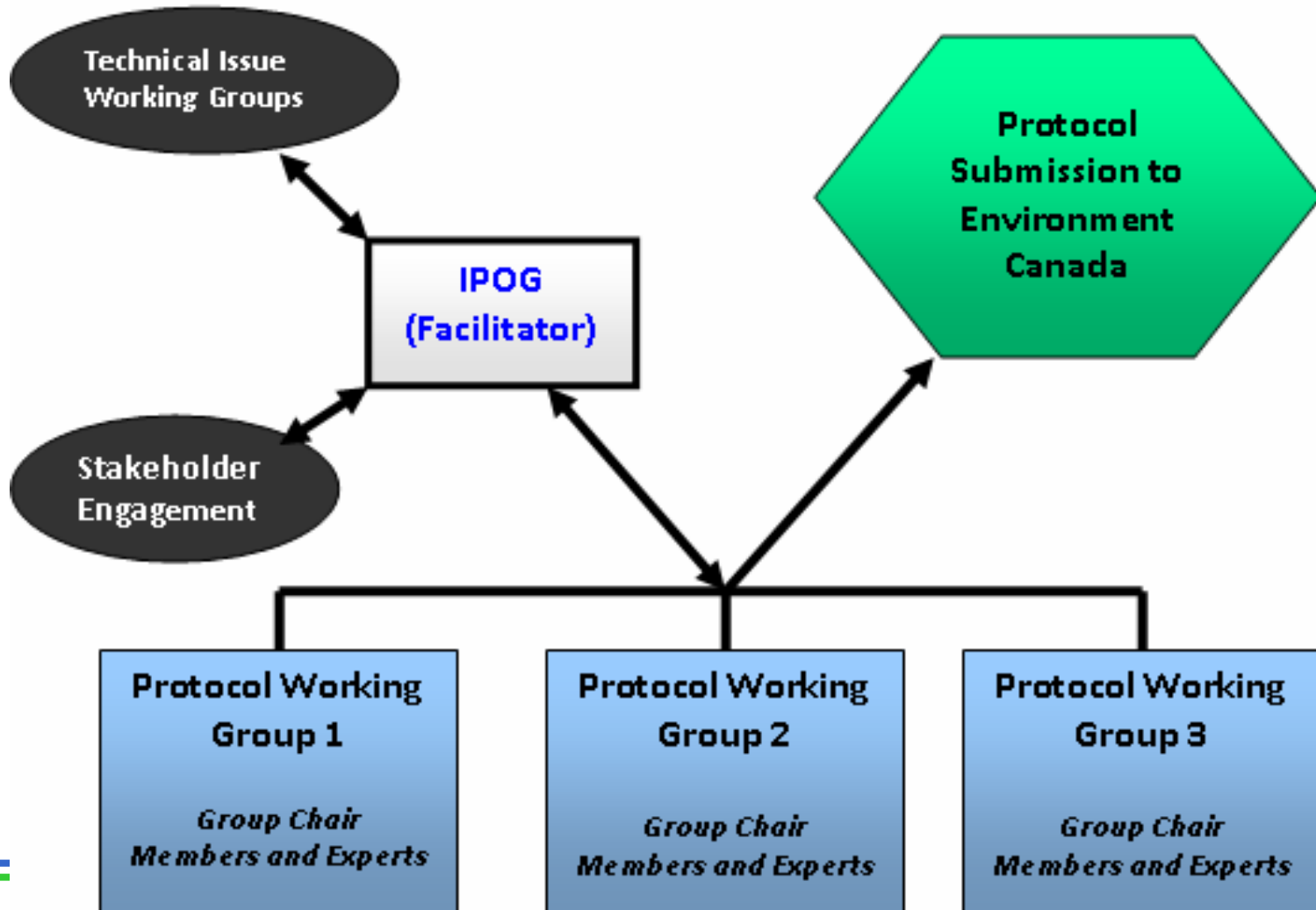
# Industry Provincial Offsets Group

## *Facilitator & Coordinator*



- IPOG is single point of coordination between working groups to maximize resources and efficiency
- Consistency in base plan and protocol submissions from IPOG Working Groups
  - Demonstrates industry cohesiveness
  - Efficient and transparent process
  - Maximizing expertise and resources (i.e. consultants/technical expertise)

# Industry Provincial Offsets Group *Working Group Concept*



# IPOG's Open Consultation Process

- A public process coordinated by Climate Change Central using online tools to ensure broad stakeholder involvement
- IPOG invites your comments on protocols as they are developed (see [www.offsetsgroup.ca](http://www.offsetsgroup.ca))
- Many protocol working groups remain open to new members

# Subsequent Development of Protocols

After the six-month Fast Track period has passed, the Protocol Submission Workplan will be updated with a list of additional project-types that are not included in the Fast Track process for which Protocol Developers will be invited to submit Base Protocol Plans.

- Parallel opportunity to seed next round of protocol development
  - Quarterly revisions to protocol development timelines
- Opportunity to continue coordination on project types
  - Protocols from ***Fast Track*** that are not taken forward
  - Additional project types that will yield offsets
- Considerable additional guidance provided in draft *Guide for Protocol Developers*

# Questions?

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