

# Taking the credit

*Before buying carbon offsets, businesses should improve business practices to reduce emissions*

by Richard Chu

Most people would avoid paying a tax if they could.

Carbon credits are like paying a fine for greenhouse gas emissions. The problem is, when it comes to helping the environment, many companies and individuals seem happy to pay the fine, but don't appear to be doing much else.

"There seems to be some thinking out there that everyone is running to do carbon offsetting, when the focus should really be on reducing their own emissions," said sustainability consultant **Coro Strandberg**. "I think as a good business model, first you reduce your emissions and then you pay [for offsets]. Why would you just pay?"

Carbon credits and carbon offsets have been touted as a key international solution to climate change, because they inflict a financial cost for pumping emissions of climate-altering greenhouse gases into the atmosphere.

They were originally a commodity created from the Kyoto Protocol to be traded by carbon emitters. But with the United States refusing to ratify the treaty, many voluntary carbon offsetting and regional carbon credit market exchanges have sprouted in North America.

Many local businesses have made contributions to carbon offsetting programs that have popped up in Vancouver and across Canada. Among them, those offered by Vancouver-based **Offsetters.ca**, **Uniglobe's** Green Flight Program and credits from the **Vancouver Renewable Energy Cooperative**.

The goal for some who buy offsets is to make their businesses carbon neutral, by either eliminating GHGs from their business operations, or by purchasing carbon credits to offset unavoidable emissions. But, say sustainability advocates, an inconvenient truth is that local businesses intent on reducing their environmental impact first need to make their enterprises more sustainable before buying their way out of the CO<sub>2</sub> they produce.

A vital first step is to find out how much GHG your business produces and then create a plan to reduce them over time, Strandberg said. Some GHG sources to look at include the emissions from energy usage in buildings and equipment, as well as emissions from business-related transportation, since energy



PHOTO: DOMINIC SCHAEFER

**"There is a brand and reputational risk if companies don't move, and all their competitors do"**

-Coro Strandberg,  
sustainability consultant,  
Strandberg Consulting

and transportation make up the bulk of emissions in Canada.

Resources to guide businesses are available from the **World Resources Institute** ([www.wri.org](http://www.wri.org)) and at the **World Business Council for Sustainable Development** ([www.ghgprotocol.org](http://www.ghgprotocol.org)). Once companies figure out how much GHGs they are producing, they can adopt a comprehensive plan to reduce emissions, many of which can be found at the **David Suzuki Foundation** and the **Pembina Institute**.

A menu of programs are being developed to help businesses reduce their environmental footprint. **BC Hydro**, for example, offers green power certificates which ensure businesses that the power they purchase with the certificates come from EcoLogo certified green power. Another B.C.-made program is the **Fraser Basin Council's** E3 Fleet Program, which can aid vehicle fleet managers with auditing

#### **What's the difference between carbon credits and carbon offsets?**

A carbon credit is essentially a permit to emit one metric tonne of CO<sub>2</sub> into the atmosphere. Carbon credits become carbon offsets, when the value of the credit is invested in projects that reduce emissions compared to common CO<sub>2</sub> emitting equipment. For example: installing a solar water heater to replace a gas furnace.

#### **How can businesses benefit from the carbon market?**

The carbon market can spur innovation and the creation of new markets for a businesses' products or services. Businesses can increase productivity and reduce costs making them more competitive than those that do not reduce their emissions.

#### **What does it mean to be carbon neutral?**

Being carbon neutral has two meanings. It can mean completely eliminating GHG emissions from one's business operations or household activities. But it can also mean purchasing carbon credits from carbon credit organizations to offset the emissions generated from one's activities. From both an economical and environmental standpoint, to be carbon neutral means there is a net reduction in GHG emissions from your activities.

everything from vehicle fuel efficiency, utilization and idling rates, and fleet management in addition to GHG emissions.

About 17 fleets in B.C and Ontario have joined the program, including the **Township of Langley**. Township fleet manager **John McQueen** said going through the fleet review helped the township increase the fuel efficiency of its fleet by 15% and reduce its GHG emissions by 14%, providing thousands of dollars in savings a year in fuel and maintenance costs.

**Hadi Dowlatabadi**, co-founder of Offsetters.ca, notes that there are various investments businesses can make to reduce emissions. Purchasing video conference equipment to cut down on unnecessary air travel, using LED lighting instead of conventional lamps, or even using laptops instead of desktop computers are ways companies can reduce their office emissions.

Dowlatabadi, a UBC professor, noted that not all offsets are created equal, and it's important to examine carbon offsetting programs before

making an investment. People need to know how much of the credit they are purchasing actually goes towards an offsetting project, and how substantial and verifiable an emissions offset a project creates.

“There are projects which are not economically viable as they are, but become viable because of the offsets. I'd look at all of those things before deciding who I give my money to.” ■

[rchu@biv.com](mailto:rchu@biv.com)

---