

From: [Sheila Purdy](#)
To: [D.Scott.MacDonald](#); [Mack, James ENV:EX](#); [Lesiuk, Tim ENV:EX](#);
[Abbott, Rob ENV:EX](#); [Raymond Chan](#); [David Moffat](#);
Subject: Add'l documentation - CAS/PCT meeting Thursday
Date: Wednesday, September 11, 2013 2:00:08 PM
Attachments: [Offset Procurement - Banks Aug 30 2013.xlsx](#)

From: David Muter
Sent: Wednesday, September 11, 2013 1:48 PM
To: Sheila Purdy
Subject: Offset Procurement - Banks Aug 30 2013.xlsx

Sheila,

Could you please share this with all for the meeting with CAS tomorrow.

Thks

D

Pages 2 through 3 redacted for the following reasons:

s.12, s.17, s.21

From: [David Muter](#)
To: [Shoemaker, Wes ENV:EX; Mack, James ENV:EX; Przada, Jennifer ENV:EX;](#)
cc: [Bell, Jordan CSCD:EX; Sheila Purdy;](#)
Subject: Background material for Minister
Date: Wednesday, October 2, 2013 6:50:02 PM
Attachments: [Input to Min Env Oct 3, 2013.pdf](#)

Wes,

Our Board and I look forward to meeting with the Minister tomorrow. Please find attached summary background material for yourself and Minister Polak. We will not go through this deck slide by slide tomorrow. I suggest that a conversation on the issues would be constructive for tomorrow.

Best regards

David Muter
A/ Chief Executive Officer
Pacific Carbon Trust

Direct: 250.217.5385 | Reception: 250.952.6793
976 Meares Street, Victoria BC V8V 3J4
Email: david.muter@pacificcarbontrust.com
www.pacificcarbontrust.com

“Building a low-carbon future for BC.”

Pacific Carbon Trust Input to Minister of Environment

October 2013



Page 6 redacted for the following reason:

s.12, s.17

Why be a Carbon Neutral Government?

Leadership

- BC has received recognition for its leadership in addressing climate change

It's the right thing to do

- Demonstrates commitment to legislated climate targets of 33% reduction by 2020
- Save \$400M+ in annual energy costs

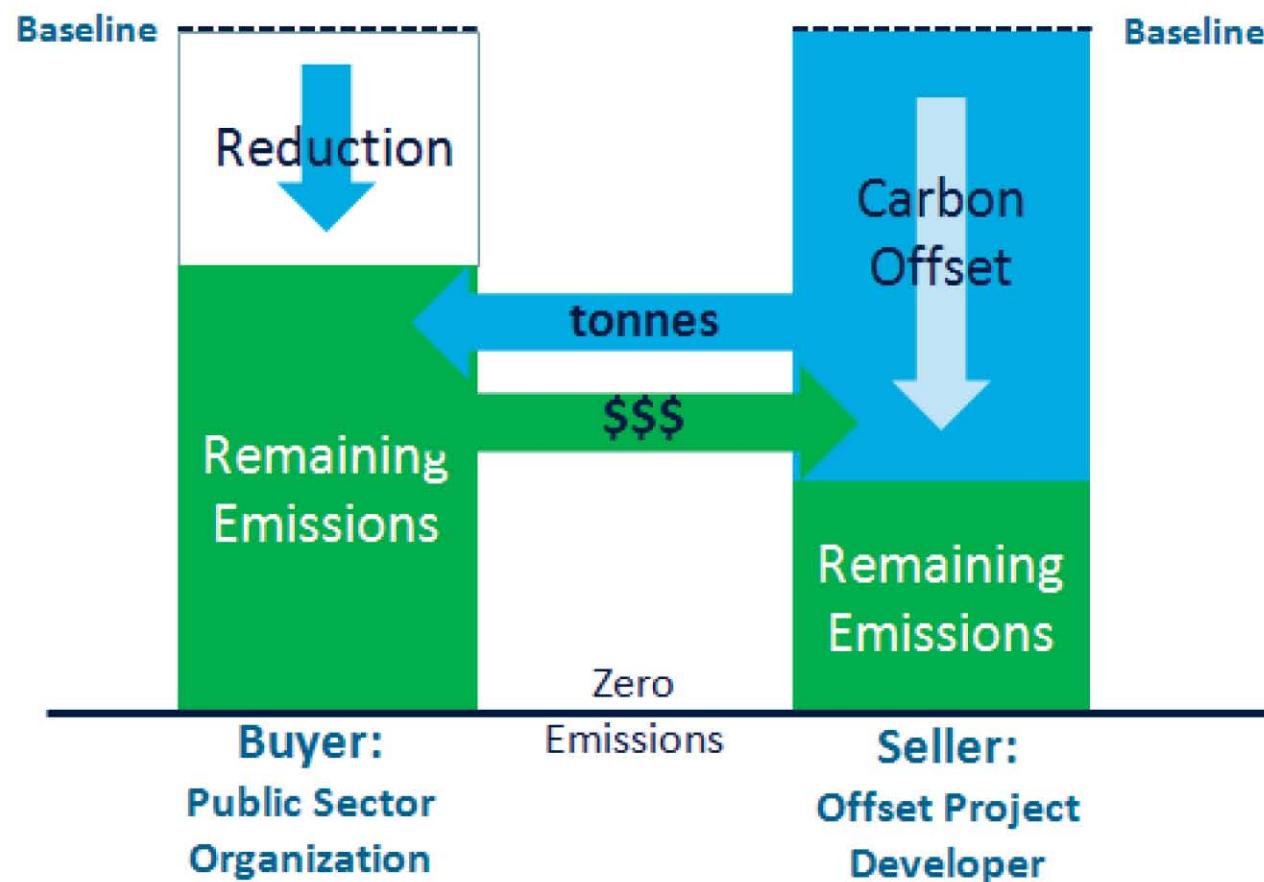
Build the low carbon economy

- An offset market is an incentive for new carbon management techniques and technology innovation

Who else is Carbon Neutral?

- 30 BC local gov.
- Helijet
- Harbour Air
- Google
- Microsoft
- Yahoo
- BMO
- Barclays UK
- Vancity
- The World Bank
- Many more

What is Carbon Neutral



Background on Pacific Carbon Trust

- PCT was created as a Crown corporation in 2008 with a mandate to:
 - Purchase carbon offsets to make the BC public sector carbon neutral
 - Support the growth of the low carbon economy in BC
- Government originally intended PCT to be a small procurement Crown (8 FTE)
 - Immaturity of the offset market required PCT to both build market infrastructure and undertake extensive business development
- PCT now provides end-to-end support to drive the development of the BC carbon market:
 - Develop and support innovative project types (COAC, Great Bear, CSRD landfill)
 - Development of new protocols, guidance documents, tools and training for offset developers
 - Development of innovative approaches to offset contracting.
 - Offset procurement, due diligence and on going contract management
 - Contracted 3rd party registry services for all BC offset projects

Pages 10 through 18 redacted for the following reasons:

s.12

s.12, s.17

From: [D.Scott.MacDonald](#)
To: [Mack, James ENV:EX;](#)
Subject: Board Letters -- Core Review
Date: Thursday, August 15, 2013 2:11:35 PM
Attachments: [2013127 Letter - Minister Bennett from Chris Trumpy re Core Review.pdf](#)
[2013124 Letter - Minister de Jong from Chris Trumpy - Core Review.pdf](#)

FYI

August 9, 2013

File No: 2013127

Honourable Bill Bennett
Minister of Energy and Mines
and Minister Responsible for Core Review
Parliament Buildings
Victoria, British Columbia
V8V 1X4

Re: Core Review and Pacific Carbon Trust

Dear Minister Bennett and Working Group Members:

On July 30, 2013, the Pacific Carbon Trust board of directors and Chief Executive Officer met with the Honourable Michael de Jong, Minister of Finance and Minister Responsible for Pacific Carbon Trust. We understand from Minister de Jong that the carbon neutral government program will be reviewed as part of the government-wide core review.

It has been an honour and challenge over the past four years to drive the creation of a new carbon offset market in BC, starting from a near-zero base. When we began our work, the marketplace and business standards were ill-defined and it required considerable effort to establish the infrastructure and knowledge base needed to support government's objectives. We have now created one of the strongest markets in North America, and our expertise is sought by jurisdictions around the world, including Quebec, Australia, China, Singapore and Japan.

In achieving our goal of a carbon neutral public sector, British Columbia has established itself as an innovator and leader in climate action. And while the impetus for this policy may largely have been environmental, it has in the process created a foundation for clean economic development in BC.

We have, for example, worked with the oil and gas and forestry sectors to support new ways of increasing efficiency while reducing carbon output. In four years, we have enabled more than 2.3 million tonnes of emissions reductions, and have established business relationships with eight of BC's 10 largest industrial emitters. As a result of this work, BC now has a globally recognized network of experts in emission reductions throughout its industrial sectors, communities and public sector organizations. This model could be used to ensure that LNG development in BC is amongst the cleanest in the world.

While recognizing these accomplishments, we believe there are ways in which this program can better achieve its dual targets of economic growth and environmental

leadership. Through alternate delivery models, BC can continue to provide positive outcomes at less cost.

.../2

Collectively, our board has decades of experience in business development, technology, corporate finance and governance; and over the past four years of service on this board, we have developed a deep understanding of how carbon financing can be used to help BC meet its climate and economic goals.

We would like to offer our assistance to the core review working group in further improving this program; as such, we request an opportunity to present to the working group based on our experiences serving on the board of Pacific Carbon Trust.

We will make ourselves available to provide any assistance you require as you develop recommendations to ensure the best possible use of government resources for the benefit of British Columbians.

Sincerely,



Chris Trumpy
Chair, Board of Directors

pc: Honourable Stephanie Cadieux, Minister of Children and Family Development
Honourable Peter Fassbender, Minister of Education
Honourable Michael de Jong, Minister of Finance and Government House Leader
Honourable Terry Lake, Minister of Health
Dan Ashton, MLA, Penticton
Greg Kylo, MLA, Shuswap
Michelle Stillwell, MLA, Parksville-Qualicum
Kim Henderson, Deputy Minister, Corporate Initiatives, Office of the Premier
Dr. Heather Holden, PhD, Pacific Carbon Trust Board Director
Steven Hnatiuk, Board Director, Pacific Carbon Trust
H. Anne Lippert, Board Director, Pacific Carbon Trust
James S. Mutter, Board Director, Pacific Carbon Trust
D. Scott MacDonald, Chief Executive Officer, Pacific Carbon Trust

August 9, 2013

File No: 2013124

Honourable Michael de Jong
Minister of Finance and Government House Leader
Parliament Buildings
Victoria, British Columbia
V8V 1X4

Re: Core Review and Pacific Carbon Trust

Dear Minister:

Thank you for meeting with me and the board of directors of Pacific Carbon Trust on July 30, 2013, regarding government's plan to review the structure of the carbon neutral government program.

It has been an honour and challenge over the past four years to drive the creation of a new carbon offset market in BC, starting from a near-zero base. When we began our work, the marketplace and business standards were ill-defined and it required considerable effort to establish the infrastructure and knowledge base needed to support government's objectives. We have now created one of the strongest markets in North America, and our expertise is sought by jurisdictions around the world, including Quebec, Australia, China, Singapore and Japan.

In achieving the goal of a carbon neutral public sector, British Columbia has also created a foundation for clean economic development. For example, we have worked with the oil and gas, forestry and other sectors to support new ways of increasing efficiency and competitiveness, while reducing carbon output. In four years, we have helped enable more than 2.3 million tonnes of emissions reductions, and have established business relationships with eight of BC's 10 largest industrial emitters. As a result of this work, BC now has a globally recognized network of experts in emission reductions throughout BC's industrial sectors, communities and public sector organizations. This model could be used to ensure that LNG development in BC is amongst the cleanest in the world.

While recognizing these accomplishments, we believe there are ways in which this program can better achieve its dual targets of economic growth and environmental leadership. Through alternate delivery models, BC can continue to provide positive outcomes at less cost.

.../2

Page Two

As suggested at our meeting, we have communicated with the core review committee to offer our expertise and assistance in finding solutions that will ensure the best possible use of government resources for the benefit of British Columbians.

We are honoured to serve on this board and proud to contribute to British Columbia's continued leadership in climate action.

Sincerely,

A handwritten signature in black ink, appearing to read 'Chris Trumpy', with a stylized, cursive script.

Chris Trumpy
Chair, Board of Directors

pc: Dr. Heather Holden, PhD., Board Director, Pacific Carbon Trust
Steven Hnatiuk, Board Director, Pacific Carbon Trust
H. Anne Lippert, Board Director, Pacific Carbon Trust
James S. Mutter, Board Director, Pacific Carbon Trust
D. Scott MacDonald, Chief Executive Officer, Pacific Carbon Trust

From: [David Muter](#)
To: [Foster, Doug FIN:EX;](#)
cc: [Mack, James ENV:EX;](#)
Subject: cost scenarios
Date: Tuesday, October 15, 2013 11:52:59 PM
Attachments: [Cost Scenarios.pdf](#)

Doug,

s.12, s.13, s.17

Would you have time to discuss tomorrow. I am free any time in the morning

Thanks

David Muter
A/ Chief Executive Officer

Pacific Carbon Trust

Direct: 250.217.5385 | Reception: 250.952.6793
976 Meares Street, Victoria BC V8V 3J4

Email: david.muter@pacificcarbontrust.com
www.pacificcarbontrust.com

“Building a low-carbon future for BC.”

Page 26 redacted for the following reason:

s.12, s.17

From: [David Muter](#)
To: [Shoemaker, Wes ENV:EX;](#)
cc: [Chris Trumpy](#) s.22 [Mack, James ENV:](#)
[EX;](#)
Subject: draft dissolution plan
Date: Monday, November 4, 2013 4:40:30 PM
Attachments: [PCT Dissolution note Nov 3, 2013.docx](#)

Wes,

Please find attached a draft dissolution plan for Pacific Carbon Trust. There are several key questions laid out in here. I suggest that the timing of the dissolution and the Human Resource questions are first. s.12, s.13

s.12, s.13

We didn't get time to talk today. I am available anytime this evening after 9pm or anytime tomorrow.

Best regards

David Muter
A/ Chief Executive Officer
Pacific Carbon Trust

Direct: 250.217.5385 | Reception: 250.952.6793
976 Meares Street, Victoria BC V8V 3J4
Email: david.muter@pacificcarbontrust.com
www.pacificcarbontrust.com

"Building a low-carbon future for BC."

Information Note
Updated: November 3, 2013
Pacific Carbon Trust

Issue:

s.12, s.13, s.17

Background:

Pacific Carbon Trust (PCT) was incorporated as a provincial Crown corporation in 2008 to deliver quality BC-based greenhouse gas offsets to help clients meet their carbon reduction goals and to support the growth of the low-carbon economy in BC.

Through the Greenhouse Gas Reduction Targets Act and Carbon Neutral Government Regulation, all public sector organizations (PSOs) in BC – ministries, Crown corporations, universities, schools and hospitals – are mandated to measure and reduce their carbon emissions and then bring their net emissions to zero through the purchase of carbon offsets. PSOs must purchase carbon offsets from PCT at a cost of \$25 per tonne, as set by government. PCT uses these funds to purchase carbon offset from projects that reduce greenhouse gas emissions within British Columbia.

Discussion:

s.12, s.13, s.17

Pages 29 through 36 redacted for the following reasons:

s.12, s.13, s.17

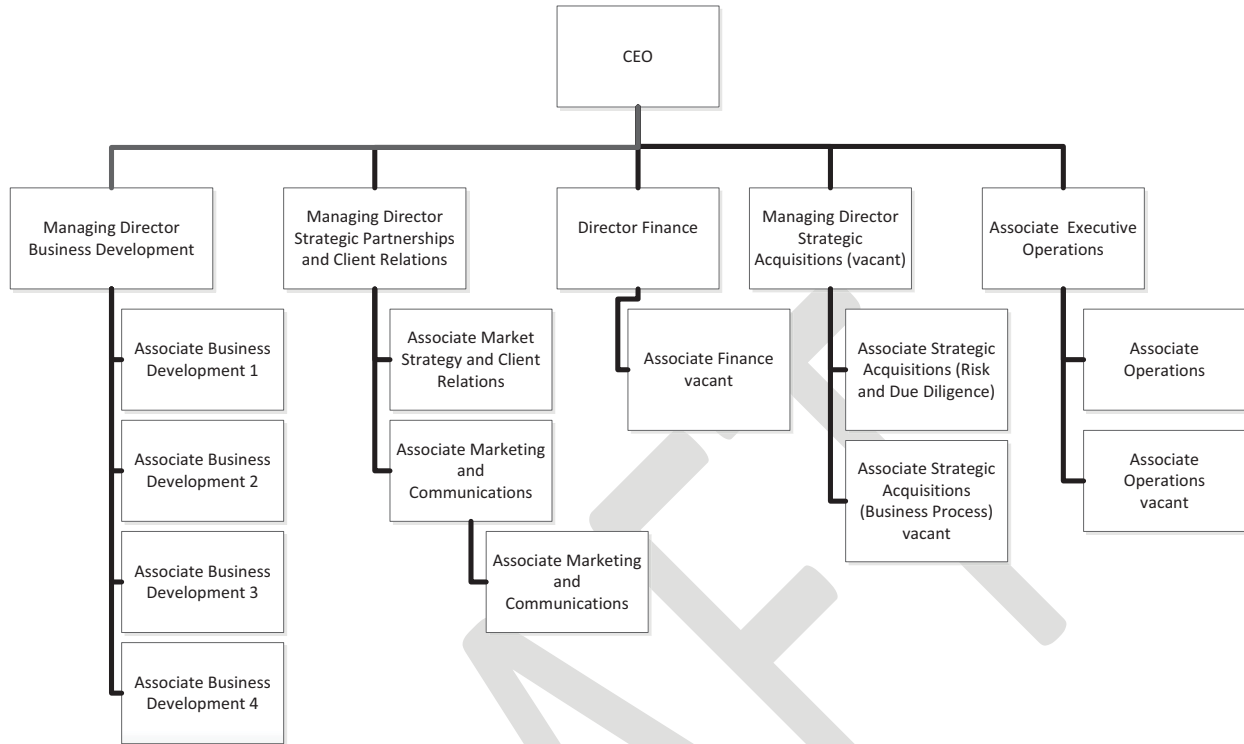
Appendix 3: Updated 2013/2014 Forecast (based on dissolution by March 31, 2014)

DRAFT

Appendix 4: PCT Employees

	Name	Position Title	Start Date at PCT	Service Dates with Province of BC
1	Chan, Raymond	Managing Director, Partnerships/Client Rel.	Oct 9, 2012	May 1986 to Jun 20, 2011
2	Muter, David	A/ Chief Executive Officer	Mar 29, 2010	None
3	D'Antoni, Michael	Associate, Business Development	Aug 18, 2009	2004 – check with PSA
4	Gillette, Jay	Associate, Strategic Acquisitions	Jan 4, 2011	None
5	Stein, Jacob	Associate, Business Development	May 17, 2010	None
6	Spence, Suzanne	A/ Managing Director Business Development	Jul 20, 2009	Sep 19, 1993 to July 19, 2009
7	Taaffe, Theresa	Associate, Strategy & Client Relations	Feb 2, 2009	Check with PSA Prior service with TB Staff
8	Hickli, Hope	Associate, Marketing/Comm's	Aug 17, 2009	Aug 11, 2003 to Aug 17, 2011
9	Lambertson, Erik	Associate, Marketing/Comm's	Oct 26, 2011	Nov 6, 2006 to Oct 25, 2011
10	Gray, Raechel	Associate, Finance	Jan 11, 2010	Jun 5, 2006 to Jan 11, 2010
11	Charlton, Julie	Associate, Operations	Mar 26, 2012	BC Pension Corp., multiple ministries. Check with PSA
12	Sarrazin, Monique	Associate, Corporate Administration	July 27, 2009	Jan 7, 2008 to Jul 26, 2009
13	Koski, Chris	Associate, Business Development	Nov 1, 2012 s.22	Sep 10, 2008 to current date
14	Purdy, Sheila	On secondment to JTI	Jan 12, 2009	July 6, 1993 to Jan 11, 2009
15	Pallant, Joseph	Associate, Business Development	s.22	None

Appendix 5: Organizational Structure



Appendix 6: Carbon Offset Advisory Panel

Sector	Organization responsible for selecting COAP member	COAP Member
Public Schools K-12	School Trustees Association	Shawn Wilson (Trustee SD 36)
Post-secondary Institutions	Research Universities Council of BC	Rod Goy (Dean, BCIT School of Construction and Environment)
Public Health Institutions	Health Authorities CFO Committee	(CFO, Vancouver Coastal Health)
Crown Corporation	Crown Corporation Employers Association	Rick Connolly (CEO, Crown Corp. Employers Association)
Core Ministries	Carbon Neutral Committee	TBA
BC Local Governments	Union of BC Municipalities	Gary MacIsaac (Executive Director UBCM)
Climate Action Secretariat	Climate Action Secretariat	James Mack (Head, Climate Action Secretariat)
Private Offset Client	Pacific Carbon Trust	Rick Hill (VP Operations, Helijet)
Offset Specialist	Pacific Carbon Trust	TBA
Chairperson	Pacific Carbon Trust	David Muter (CEO, Pacific Carbon Trust)

From: [David Muter](#)
To: [Mack, James ENV:EX;](#)
Date: Thursday, October 17, 2013 8:49:59 AM
Attachments: [Offset program management -scenario costing.pptx](#)

James,

Doug asked for some more detailed cost analysis - have a look at the attached

Will call you in a minute

Thks
'D

David Muter
A/ Chief Executive Officer
Pacific Carbon Trust

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976 Meares Street, Victoria BC V8V 3J4
Email: david.muter@pacificcarbontrust.com
www.pacificcarbontrust.com

“Building a low-carbon future for BC.”

Pacific Carbon Trust Offset Program Delivery Scenario Cost Analysis

October 2013



Pacific
Carbon
Trust

Pages 43 through 55 redacted for the following reasons:

s.12, s.17

From: [Shoemaker, Wes ENV:EX](#)
To: [Foster, Doug FIN:EX](#); [Henderson, Kim N PREM:EX](#);
cc: [Cairns, Holly FIN:EX](#); [Ty, Marie FIN:EX](#); [Lord, Michael CSNR:EX](#);
[Mack, James ENV:EX](#);
Subject: FW: PCT Cabinet Request for Decision - signed final
Date: Wednesday, November 6, 2013 1:57:11 PM
Attachments: [PCT Cabinet Request for Decision - signed final.docx](#)

Doug,

s.12, s.13, s.17

I will talk with Michael about making this confirmation more explicit in the TB sub.

s.12, s.13, s.17

Wes

From: Jackson, Vickie ENV:EX
Sent: November-06-13 1:51 PM
To: Shoemaker, Wes ENV:EX
Subject: PCT Cabinet Request for Decision - signed final



Cabinet Submission – Request for Decision

Minister: Minister Mary Polak

Ministry: Environment

Date: October 23, 2013

Title: Pacific Carbon Trust – options for reform

s.12, s.17



s.12, s.17

Background and Context:

Legislation, under the Minister of the Environment, requires public sector organizations (PSOs), including government, schools, universities, Crowns and hospitals, to be “carbon neutral” through four steps:

- **Measure** greenhouse gas emissions
- Take actions to **reduce** emissions
- For any remaining, purchase “**offsets**” that reduce equivalent emissions elsewhere in BC
- **Report** on carbon neutrality each year

By regulation all PSOs are required to purchase offsets from PCT and by policy the price is currently set at \$25/tonne.

s.12, s.17

Pages 59 through 64 redacted for the following reasons:

s.12, s.17



s.12, s.17

Contact: James Mack, Head
Climate Action Secretariat

(250) 387-9456

Wes Shoemaker for Honourable Mary
Polak

October 25, 2013

Date Signed

From: [Jackson, Vickie ENV:EX](#)
To: [Mack, James ENV:EX](#); [Lord, Michael CSNR:EX](#);
Subject: FYI: PCT documents for CCCR on October 30
Date: Wednesday, October 30, 2013 12:03:31 PM
Attachments: [PCT core review - slide deck final.pptx](#)
[PCT Cab Sub Appendix A Communications Plan final.pdf](#)
[PCT Cabinet Request for Decision - final.pdf](#)
[PCT Cabinet Decision Summary Sheet final.pdf](#)

Michael-

This is for your discussion with James this afternoon.

James-

I'll find and send the equivalent Word versions of these documents in a second email so you have something you can manipulate.

Vickie

Vickie Jackson
Manager, Executive Operations
Ministry of Environment
5th floor-2975 Jutland Rd. Victoria
250 356-5763

From: Jackson, Vickie ENV:EX
Sent: Friday, October 25, 2013 9:17 AM
To: Finkel, Paul PREM:EX
Cc: Mack, James ENV:EX; Shoemaker, Wes ENV:EX
Subject: Urgent FYI: PCT documents for CCCR on October 30
Importance: High

Hi Paul=-

Final agreement on this content. So sorry for the delays.

Vickie

Vickie Jackson
Manager, Executive Operations
Ministry of Environment

5th floor-2975 Jutland Rd. Victoria
250 356-5763

Pacific Carbon Trust

Minister of Environment
Cabinet Committee for Core Review

October 2013



JIM PATTISON CENTER OF EXCELLENCE,
Okanagan College

Pages 69 through 83 redacted for the following reasons:

s.12, s.17



Cabinet Submission – Request for Decision

Minister: Minister Mary Polak

Ministry: Environment

Date: October 23, 2013

Title: Pacific Carbon Trust – options for reform

s.12, s.17



s.12, s.17

Background and Context:

Legislation, under the Minister of the Environment, requires public sector organizations (PSOs), including government, schools, universities, Crowns and hospitals, to be “carbon neutral” through four steps:

- **Measure** greenhouse gas emissions
- Take actions to **reduce** emissions
- For any remaining, purchase “**offsets**” that reduce equivalent emissions elsewhere in BC
- **Report** on carbon neutrality each year

By regulation all PSOs are required to purchase offsets from PCT and by policy the price is currently set at \$25/tonne.

s.12, s.17

Pages 86 through 91 redacted for the following reasons:

s.12, s.17



s.12, s.17

Contact: James Mack, Head
Climate Action Secretariat

(250) 387-9456

Wes Shoemaker for Honourable Mary
Polak

October 25, 2013

Date Signed



Cabinet Decision Summary Sheet

Ministry: Ministry of Environment

Date: October 24, 2013

Title: Pacific Carbon Trust – Options for Reform

s.12, s.17



Contact: James Mack, Head, CAS
(250) 356-6243

Wes Shoemaker for Honourable
Mary Polak

October 25, 2013
Date Signed

Pages 95 through 96 redacted for the following reasons:

s.12, 13, 17

s.12, s.13, s.17

From: [David Muter](#)
To: [Mack, James ENV:EX;](#)
Subject: update
Date: Friday, September 27, 2013 2:31:19 PM
Attachments: [Min Polak Sept 26th 2013final.pptx](#)

James,

Good briefing with the Minister yesterday morning. Our board is still on track to meet with her next week Oct 3rd. Call me when you have time and I can give you a further update

David Muter
A/ Chief Executive Officer
Pacific Carbon Trust

Direct: 250.217.5385 | Reception: 250.952.6793
976 Meares Street, Victoria BC V8V 3J4
Email: david.muter@pacificcarbontrust.com
www.pacificcarbontrust.com

“Building a low-carbon future for BC.”

Pacific Carbon Trust

September 2013



Pacific
Carbon
Trust

Key Messages/Questions

1. PCT met its current mandate
2. Developed unique skills and expertise in GHG management
3. Committed to help government meet its legislated reduction targets

s.12

Background on Pacific Carbon Trust

- PCT was created as a Crown corporation in 2008 with a mandate to:
 - Purchase carbon offsets to make the BC public sector carbon neutral
 - Support the growth of the low carbon economy in BC
- Government originally intended PCT to be a small procurement Crown. However immaturity of offset market required PCT to both build market infrastructure and undertake extensive business development
- PCT now provides end-to-end support to drive the development of the BC carbon market:
 - Development of new protocols, guidance documents, tools and training for offset developers
 - Development of innovative approaches to offset contracting.
 - Develop and support innovative project types (COAC, Great Bear, CSRD landfill)
 - Offset procurement, due diligence and on going contract management
 - Contracted 3rd party registry services for all BC offset projects

Pages 101 through 103 redacted for the following reasons:

s.12

s.12, s.17

Delivery Model

- PCT is a delivery agent for Government policy.
- Currently structured to deliver on the dual mandate (offsets and support the growth of the low carbon economy)
 - Responsible for all offset purchases and portfolio risk
 - Expertise and systems in place to ensure risk management and delivery of require volume and portfolio
 - Flexibility to build separate programs, tools and infrastructure to deliver on mandate

s.12, s.17

Pages 105 through 107 redacted for the following reasons:

s.12, s.17

Shoemaker, Wes ENV:EX

From: Henderson, Kim N PREM:EX
Sent: October-31-13 11:52 AM
To: Shoemaker, Wes ENV:EX
Cc: Milburn, Peter R FIN:EX
Subject: RE: DRAFT

Here is a revised:

s.12, s.13, s.17

From: Shoemaker, Wes ENV:EX
Sent: October-31-13 10:13 AM
To: Henderson, Kim N PREM:EX
Cc: Milburn, Peter R FIN:EX
Subject: Re: DRAFT

Kim,

s.12, s.13, s.17

Wes

W.H. (Wes) Shoemaker, MBA
Deputy Minister
Ministry of Environment
5th Floor, 2975 Jutland Road
Victoria, BC
Tel: 250.387.5429 | Fax: 250.387.6003
E-mail: wes.shoemaker@gov.bc.ca

Please note: This email is intended for the addressee(s) only and may contain legally privileged information. Any unauthorized use, disclosure or reproduction is strictly prohibited.

Sent from my iPad

On Oct 30, 2013, at 5:14 PM, "Henderson, Kim N PREM:EX" <Kim.Henderson@gov.bc.ca> wrote:

Hi, we need to try and get this draft submitted by mid-day tomorrow, can you give me any thoughts on this:

s.12, s.13, s.17

Shoemaker, Wes ENV:EX

From: Henderson, Kim N PREM:EX
Sent: October-30-13 5:15 PM
To: Milburn, Peter R FIN:EX; Shoemaker, Wes ENV:EX
Subject: DRAFT

Hi, we need to try and get this draft submitted by mid-day tomorrow, can you give me any thoughts on this:

s.12, s.13, s.17

Shoemaker, Wes ENV:EX

From: Foster, Doug FIN:EX
Sent: October-25-13 8:09 AM
To: Shoemaker, Wes ENV:EX
Cc: Mack, James ENV:EX; Ty, Marie FIN:EX; Edwardson, Jamie GCPE:EX; Cairns, Holly FIN:EX
Subject: RE: PCT Options for Reform - Documents for the CWGCR (Almost there - need James & Doug to review Cab sub)
Attachments: PCT Cabinet Decision Summary Sheet Oct 24 - final for min-sig.docx; PCT core review - slide deck - final for Minister's approval.pptx; PCT Cabinet Request for Decision Oct24 5 pm (clean).docx

Thanks. You saw below:

s.12, s.13, s.17

Have provided suggestions to 1) the decision summary; 2) only minor tweaks to slide deck; and 3) the main submission

Hope that you might find this helpful d.

From: Shoemaker, Wes ENV:EX
Sent: Thursday, October 24, 2013 6:00 PM
To: Polak, Mary ENV:EX; Milburn, Peter R FIN:EX; Foster, Doug FIN:EX; Henderson, Kim N PREM:EX; Mack, James ENV:EX
Cc: Jackson, Vickie ENV:EX; Shoemaker, Wes ENV:EX; Mitschke, Matt ENV:EX; Bell, Jordan ENV:EX
Subject: PCT Options for Reform - Documents for the CWGCR (Almost there - need James & Doug to review Cab sub)
Importance: High

Minister,

s.12, s.13, s.17

Given the revisions provided to us by the Ministry of Finance, the **only remaining task yet to complete is for both James and Doug Foster to review the tracked changes (clean version also provided) of the Cabinet Submission** to ensure it aligns with the changes that Finance made to the presentation. I will ask them to give us their final comments on the

cabinet submission later this evening, but all other documents should be ready for your approval. I at least wanted to get to you what I had so that there still remained the possibility that we could both finalize everything and seek your approval to submit them either later tonight or first thing tomorrow morning.

in the meantime, let me know if you have any comments or concerns.

Wes

From: Jackson, Vickie ENV:EX
Sent: October-24-13 5:19 PM
To: Shoemaker, Wes ENV:EX
Subject: Same thing - all in one email

*Vickie Jackson
Manager, Executive Operations
Ministry of Environment
5th floor-2975 Jutland Rd. Victoria
250 356-5763*

Shoemaker, Wes ENV:EX

From: Jackson, Vickie ENV:EX
Sent: October-24-13 5:09 PM
To: Shoemaker, Wes ENV:EX
Subject: PCT Cabinet Request for Decision Oct24 5 pm
Attachments: PCT Cabinet Request for Decision Oct24 5 pm.docx



Cabinet Submission – Request for Decision

Minister: Minister Mary Polak

Ministry: Environment

Date: October 23, 2013

Title: Pacific Carbon Trust – options for reform

s.12, s.17



Background and Context:

Legislation, under the Minister of the Environment, requires public sector organizations (PSOs), including government, schools, universities, Crowns and hospitals, to be "carbon neutral" through four steps:

- **Measure** greenhouse gas emissions
- Take actions to **reduce** emissions
- For any remaining, purchase "**offsets**" that reduce equivalent emissions elsewhere in BC
- **Report** on carbon neutrality each year

By regulation all PSOs are required to purchase offsets from PCT and by policy the price is currently set at \$25/tonne.

s.12, s.17

Pages 116 through 122 redacted for the following reasons:

s.12, s.13, s.17

s.12, s.17



s.12, s.17

Contact: James Mack, Head
Climate Action Secretariat
(250) 387-9456

Honourable Mary Polak

Date Signed

Shoemaker, Wes ENV:EX

From: Foster, Doug FIN:EX
Sent: October-24-13 3:25 PM
To: Shoemaker, Wes ENV:EX
Cc: Edwardson, Jamie GCPE:EX; Ty, Marie FIN:EX; Cairns, Holly FIN:EX
Subject: FW: I need your input tonight for the financing piece
Attachments: PCT core review - Oct22 (revised).pptx

With advice from Peter, we used your previous draft and made some suggested changes. We did this in consultation with our communications folks too.

I am hopeful that perhaps you will agree with those changes and the attached reflects that work which has been reviewed with the Minister of Finance.

The Minister has not taken a position on any recommendations being made in the submission.

s.13

May I point out that there are still a number of tracked changes in the document that still need to be incorporated into the final.

I hope that this will provide you with what you need to move to final signoff with your minister.

Thanks for the help of you and your staff.

D.



Pacific Carbon Trust

Minister of Environment

Cabinet Committee for Core Review

DRAFT

October 2013

FINANCE DRAFT 1

JIM PATTISON CENTER OF EXCELLENCE
Okanagan College

Pages 126 through 140 redacted for the following reasons:

s.12, s.17

Shoemaker, Wes ENV:EX

From: Chris Trumpy <[s.22](#)>
Sent: October-24-13 5:09 AM
To: Shoemaker, Wes ENV:EX
Subject: PCT Wind down plan

Hi Wes
Just a few comments on

[s.12](#), [s.13](#), [s.17](#)

Sent from my iPad

Shoemaker, Wes ENV:EX

From: Mack, James ENV:EX
Sent: October-23-13 12:26 AM
To: Shoemaker, Wes ENV:EX
Subject: updated versions

I'll take another run through these in the morning but know you like to start work at 5am so am sending them now.

Changes:

- 1) I got the slide number on the right but still working on deleting the slide numbers on the left (seriously ☹)
- 2) I think I've captured Doug's advice on the deck

s.12, s.13

- 4) Cab sub is probably in the worst shape and I'll be cleaning that up in the morning.



PCT core review - Appendix - PCT Appendix CAS Cabinet Decision Cabinet Request
Oct22.pptx comms oct22.do...organizational o... Summary Sheet... for Decision- ...

I have lots of time tomorrow am for this and am busier from 1 to 4.

Oct. 22

Pacific Carbon Trust

Minister of Environment

Cabinet Committee for Core Review

DRAFT

October 2013

JIM PATTISON CENTER OF EXCELLENCE,
Okanagan College

Pages 144 through 154 redacted for the following reasons:

s.12, s.17

What we can say

- BC remains committed to climate leadership and a carbon neutral public sector
- The Pacific Carbon Trust was established to help us support the development of a new business sector in BC. That mission is now accomplished.
- We are taking the training wheels off by dissolving the Trust and moving offset procurement into government
- These changes will realize cost savings of \$5.6M per year as part of our Core Review efforts.
- We are also changing our funding model so that the charge to Schools, Universities, Colleges and Health Authorities is dedicated to public sector capital programs.
- These new investments will reduce energy costs, demonstrate clean technology, and lower emissions.

Appendix A – Functions and Resources for Climate Action Secretariat

Overall Purpose for CAS:

Provide a whole-of-government approach to BC's Climate Action Plan and legislated greenhouse gas reduction targets by reducing greenhouse gas emissions, adapting to the impacts of climate change, and promoting innovative approaches to grow the green economy.

BC's Overall Approach to Climate Action:

Efforts in BC on climate action are delivered across provincial ministries, but also by individuals, businesses, local governments, academic and advocacy groups, as well as the federal government. The Climate Action Secretariat is designed as a relatively small office that:

- assists with policy and program efforts across these organizations;
- coordinates the delivery of some programs when it facilitates the efforts of several partners, such as the Clean Energy Vehicle (working with BC Hydro, New Car Dealers' Association, Fraser Basin Council and others) and federal transfers for adaptation (working with provincial ministries and non-government organizations);
- delivers shared reporting and analytics to assess progress and informs new actions; and
- reports to the public on the total efforts across the BC government, and BC broadly, in achieving common goals and results on climate action.

The policies and programs to achieve results on climate action are generally done for other purposes, including transportation policy, clean air policy, energy policy, economic policy etc. For example, public transportation is a significant example of climate action but is undertaken for several objectives including local air quality, community development, congestion, etc. Because of this, ***a "whole-of-government" approach allows CAS to leverage shared benefits of policies and program to achieve greater climate outcomes. It also allows the provincial government to gain full recognition for its efforts to reduce emissions, even when they are not done specifically for the purpose of climate action.***

Because BC has set leading policies like the carbon tax in place, the focus of next steps is on working with businesses and communities to find innovative solutions to reduce emissions and energy costs, while increasing the use of clean energy and technology. As a result, ***with strong climate policies in place, the focus of CAS is on working with partners on economic and community-based outcomes. For this reason, all new climate initiatives are currently being pursued through the BC Jobs Plan/ Green Economy Strategy.***

Pages 157 through 161 redacted for the following reasons:

s.12, s.17

s.12, s.17

Appendix B: Communications Plan

Issue:

s.12, s.17

Context:

- The September 2013 release of the latest International Panel on Climate Change report, and upcoming international negotiations on climate change in November, have raised the profile of the climate file.
- Media and several climate change stakeholders have questioned the government's commitment to meaningful action on climate change and the ultimate impact that LNG may have on BC's greenhouse gas targets.
- The audit of Carbon Neutral Government is scheduled to be discussed by Public Accounts Committee November 18, 2013.
- BC's performance to date on the climate file is well recognized. BC continues to have some of the strongest climate policies in North America and has reduced its emissions since 2007 while growing its economy and population.

s.12, s.17

Communications Approach

- Consider timing of a news release in relation to the timing of the Public Accounts Committee review of the Carbon Neutral Government audit on November 18th.
- Encourage validators from offset and clean tech sector.
- Work with climate stakeholders in advance to alleviate potential concerns to extent possible.

Key messages:

- BC remains committed to climate leadership and a carbon neutral public sector
- The Pacific Carbon Trust was established to help us support the development of a new business sector in BC. That mission is now accomplished.
- We are taking the training wheels off by dissolving the Trust, moving offset procurement into government, and realizing cost savings
- We are also changing our funding model so that the costs for the offset program is centralized in government.
- The \$25/tonne charge to Schools, Universities, Colleges and Hospitals will be dedicated to public sector capital programs.
- These new investments will reduce energy costs, demonstrate clean technology, and lower emissions



Cabinet Decision Summary Sheet

Ministry: Ministry of Environment

Date: 30/10/2013

Title: Pacific Carbon Trust – Options for Reform

s.12



Contact: James Mack, Head, CAS
(250) 356-6243

Honourable Mary Polak

Date Signed



Cabinet Submission – Request for Decision

Minister: Minister Mary Polak

Ministry: Environment

Date: October 21, 2013

Ministry Document #: XXXXXX

Title: Pacific Carbon Trust – options for reform

s.12, s.17



Background and Context:

Legislation, under the Minister of the Environment, requires public sector organizations (PSOs), including government, schools, universities, Crowns and hospitals, to be "carbon neutral" through four steps:

- **Measure** greenhouse gas emissions
- Take actions to **reduce** emissions
- For any remaining, purchase "**offsets**" that reduce equivalent emissions elsewhere in BC
- **Report** on carbon neutrality each year

By regulation all PSOs are required to purchase offsets from PCT and by policy the price is currently set at \$25/tonne.

s.12, s.17

Pages 168 through 172 redacted for the following reasons:

s.12, s.17

s.12, s.17

s.12, s.17

Contact: James Mack, Head
Climate Action Secretariat
(250) 387-9456

Honourable Mary Polak

Date Signed

Shoemaker, Wes ENV:EX

From: Mack, James ENV:EX
Sent: October-22-13 11:01 AM
To: Shoemaker, Wes ENV:EX; Foster, Doug FIN:EX
Cc: Jackson, Vickie ENV:EX
Subject: RE: PCT core review - Oct10.pptx (Wes's comments).pptx
Attachments: PCT core review - Oct ppt.pptx

Numbers keep changing back on forth but I think that aspect is finalized now.

s.12, s.13, s.17

James.Mack@gov.bc.ca
Head, BC Climate Action Secretariat
250-387-9456 (Admin.Assist Ph)

From: Shoemaker, Wes ENV:EX
Sent: Tuesday, October 22, 2013 5:48 AM
To: Mack, James ENV:EX; Foster, Doug FIN:EX
Cc: Jackson, Vickie ENV:EX; Shoemaker, Wes ENV:EX
Subject: PCT core review - Oct10.pptx (Wes's comments).pptx
Importance: High

James,

Embedded are some of my comments in the presentation that I would like you to make some edits. As for the financing piece, Doug, I am not sure it yet hits the mark, but we will need Finance to help us with how to present this aspect. I

s.12, s.13, s.17

I'd like to get a revised deck off to Kim, Peter, the Minister, and Cab Ops sometime today if possible.



Pacific Carbon Trust

Minister of Environment

Cabinet Committee for Core Review

DRAFT

October 2013

JIM PATTISON CENTER OF EXCELLENCE,
Okanagan College

Pages 177 through 187 redacted for the following reasons:

s.12, s.17

What we can say

- BC remains committed to climate leadership and a carbon neutral public sector
- The Pacific Carbon Trust was established to help us support the development of a new business sector in BC. That mission is now accomplished.
- We are taking the training wheels off by dissolving the Trust, moving offset procurement into government, and realizing cost savings
- We are also changing our funding model so that the charge to public sector organizations is dedicated to public sector capital programs that reduce energy costs, demonstrate clean technology, and lower emissions
- We are also dissolving the Climate Action Secretariat and moving our core climate expertise back into the Ministry of Environment
- The Secretariat's strategic resources will be combined with offset procurement under a new sharpened focus on clean technology and innovation in BC.
- This does not diminish the imperative of dealing with the climate change problem. It shows our commitment to technology and innovation as the solution

Shoemaker, Wes ENV:EX

From: Foster, Doug FIN:EX
Sent: October-17-13 2:54 PM
To: Mack, James ENV:EX; Shoemaker, Wes ENV:EX
Cc: Cairns, Holly FIN:EX
Subject: FW: Offset program management -scenario costing.pptx
Attachments: Offset program management -scenario costing.pptx

Would like to review some additional work PcT has done too.
Still ways to go with your directions to be added to further analysis. D.

From: David Muter [<mailto:David.Muter@pacificcarbontrust.com>]
Sent: Wednesday, October 16, 2013 11:58 PM
To: Foster, Doug FIN:EX
Subject: Offset program management -scenario costing.pptx

Doug,

Please find attached a draft analysis of the cost for different scenarios. I have added details on the risks that I see, however, I am still concerned that this does not speak completely to the issues.

s.13 Our board and crown structure provides a solid basis for efficient contracting and negotiating for offsets.

Let me know if you have any suggestions on details to add (or take away)

Would you have time to discuss in the morning?

Thanks very much

D

Pacific Carbon Trust Offset Program Delivery Scenario Cost Analysis

October 2013



Pacific
Carbon
Trust

Confidential Advice to Minister

Pages 191 through 203 redacted for the following reasons:

s.12, s.17

s.12, s.17

Shoemaker, Wes ENV:EX

From: Mack, James ENV:EX
Sent: October-12-13 5:17 PM
To: Shoemaker, Wes ENV:EX
Subject: PCT core review

Wes,

Here's a new crack at it. I think I've hit the key advice points from Kim and Peter (key questions, options and policy scorecard)

Bunch of points:

- 1) The funding model is written as Peter describes it. Doug Foster has a different and more complicated version that I've not touched here so will need to work that through with them
- 2) I've taken a more declarative tone with the options because of the discussion with deputies and the P+P discussion. If Minister wants to be more neutral I can do that, but it gets confusing at the end as we try to link them together.

s.12, s.13



PCT core review -
Oct10.pptx



Pacific Carbon Trust

Minister of Environment

Cabinet Committee for Core Review

DRAFT

October 2013

JIM PATTISON CENTER OF EXCELLENCE,
Okanagan College

Pages 206 through 218 redacted for the following reasons:

s.12, s.17

What we can say

- BC remains committed to climate leadership and a carbon neutral public sector
- We are the 1st Carbon Neutral Government in North America and have done so three years in a row
- PCT was established to achieve this objective by helping the development of a new business sector in BC.
- That mission is now accomplished. It's time to take the training wheels off and move offset procurement into government
- We are also changing our funding model so that public sector organizations do not pay for offsets out of their own budget.
- Instead, the current \$25/tonne charge will be dedicated to public sector capital programs that will reduce energy costs and lower emissions.
- We are sharpening the focus on how offset investments, and the broader climate agenda, drive clean technology and innovation in BC
- The Climate Action Secretariat, and remaining offset procurement functions, will now be combined in our Ministry of Technology and Innovation

Appendix

Page 221 redacted for the following reason:

s.12, s.17

Shoemaker, Wes ENV:EX

From: David Muter <David.Muter@pacificcarbontrust.com>
Sent: October-07-13 10:20 AM
To: Mack, James ENV:EX; Shoemaker, Wes ENV:EX; Foster, Doug FIN:EX
Cc: Mitschke, Matt ENV:EX
Subject: Core REview Draft
Attachments: Core review draft Oct 7th.pptx

Wes, Doug, James,

Please find attached an update draft deck for Core Review. This is based on Minister Polak's feedback that was provided in the conversation with our Board last Thursday. I have applied the content to Min. of Env template (James – let me know if this looks right).

s.12, s.13, s.17

My understanding is that this is due as a DRAFT to Cab Ops by noon today. Please let me know if you have any questions, or suggested edits. I am happy to make edits. James I believe you are handing in the final draft to Cab Ops.

Best regards

David Muter

A/ Chief Executive Officer

Pacific Carbon Trust

Direct: 250.217.5385 | Reception: 250.952.6793

976 Meares Street, Victoria BC V8V 3J4

Email: david.muter@pacificcarbontrust.com

www.pacificcarbontrust.com

"Building a low-carbon future for BC."



Pacific Carbon Trust

Minister of Environment

Cabinet Committee for Core Review

DRAFT

October 2013

JIM PATTISON CENTER OF EXCELLENCE,
Okanagan College

Confidential Advice to Minister

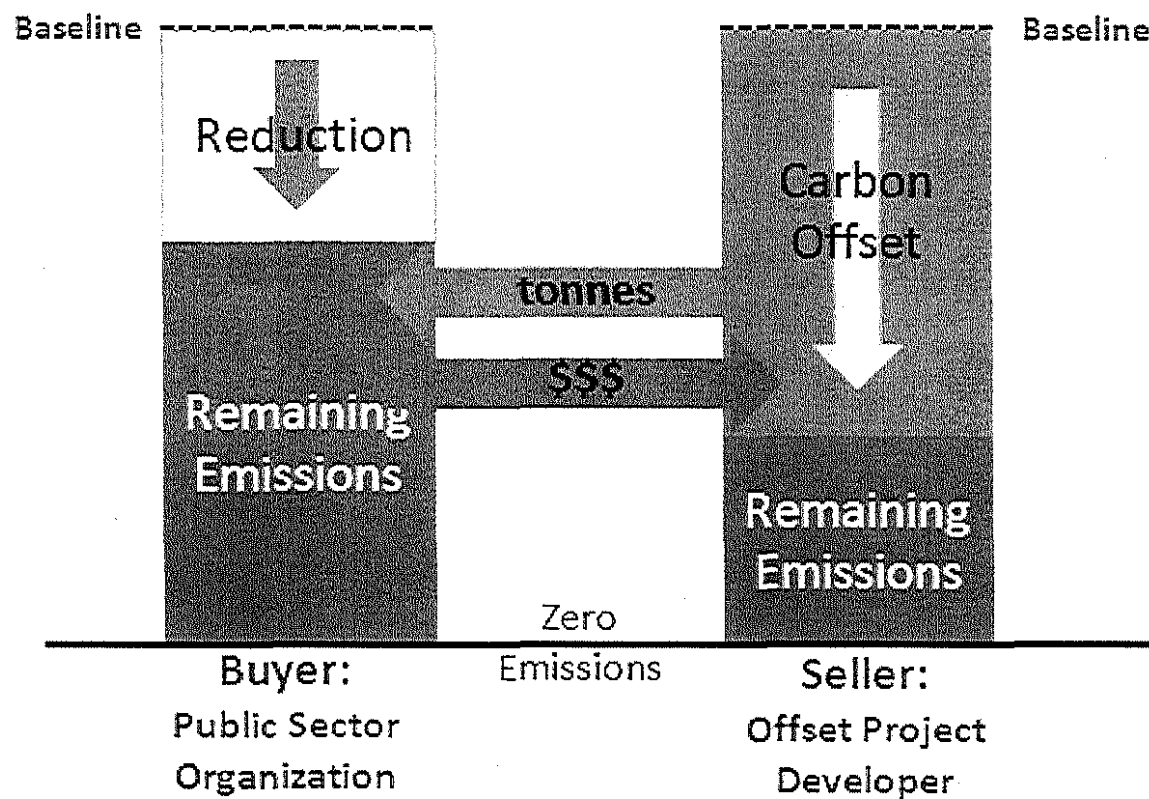
Introduction

- Carbon Neutral Government defined in legislation:
 - All public sector organizations must reduce emissions **and** buy offsets
- Minister of Environment's mandate letter calls to: "review Pacific Carbon Trust and provide options for reform."
 - As a Crown corporation PCT reports to Minister of Finance
 - Role of PCT meets goals of *Greenhouse Gas Reduction Targets Act (Carbon Neutral Government)* under Minister of the Environment
- Today, virtually all revenue for PCT comes from public sector organizations (PSO)
 - In 2012/13, government introduced a carbon reduction capital investment program for the K-12 sector which is funded through Ministry of Education (\$5M/year)
 - ***Ministry of Finance to provide options and analysis***

Page 225 redacted for the following reason:

s.12, s.17

What is Carbon Neutral?



Page 227 redacted for the following reason:

s.12, s.17

Why be a Carbon Neutral Government?

Leadership

- BC has received international recognition for its leadership in addressing climate change

Build the low carbon economy

- An offset market is an incentive for businesses to develop new carbon management techniques and innovative technology

Benefits of Carbon Neutrality

- Save \$400M+ in annual energy costs
- Demonstrates commitment to legislated climate targets of 33% reduction by 2020

Who else is Carbon Neutral?

- 30 BC local gov.
- Helijet
- Harbour Air
- Google
- Microsoft
- Yahoo
- BMO
- Barclays UK
- Vancity
- The World Bank
- Many more

Background on Pacific Carbon Trust

- PCT was created as a Crown corporation in 2008 with a mandate to:
 - Purchase carbon offsets to make the BC public sector carbon neutral
 - Support the growth of the low carbon economy in BC
- Government originally intended PCT to be a procurement Crown only:
 - Immaturity of the offset market required PCT to both build market infrastructure and undertake extensive business development
- PCT now provides end-to-end support to drive the development of the BC carbon market:
 - Develop and support innovative project types (COAC, Great Bear, CSRD landfill)
 - Development of new protocols, guidance documents, tools and training for offset project proponents
 - Development of innovative approaches to offset contracting
 - Offset procurement, due diligence and on going contract management
 - Contracted 3rd party registry services for all BC offset projects

Pages 230 through 232 redacted for the following reasons:

s.12, s.17

Example Offset Project: Arc Resources Natural Gas Processing Plant

TYPE:

**Low Carbon
Natural Gas
Processing Plant**

LOCATION:

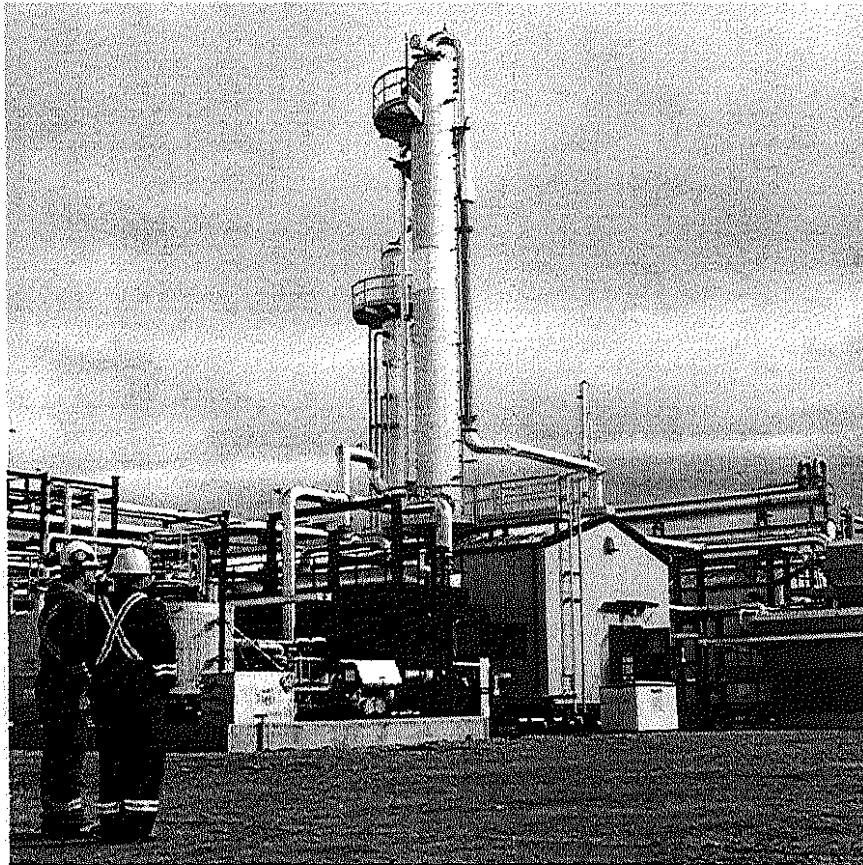
Dawson Creek

PROJECT VOLUME:

**60,000 tonnes per
year**

PROJECT START:

2011



First of a kind low carbon gas processing plant is a result of BCs demand for offsets

Targets an emission source that is not covered by the carbon tax

Connecting to BC Hydro's grid and installing compressed air pneumatic control system reduces the use of natural gas to power the plant

Pages 234 through 237 redacted for the following reasons:

s.12, s.17

Shoemaker, Wes ENV:EX

From: David Muter <David.Muter@pacificcarbontrust.com>
Sent: October-02-13 6:50 PM
To: Shoemaker, Wes ENV:EX; Mack, James ENV:EX; Przada, Jennifer ENV:EX
Cc: Bell, Jordan ENV:EX; Sheila Purdy
Subject: Background material for Minister
Attachments: Input to Min Env Oct 3, 2013.pdf

Wes,

Our Board and I look forward to meeting with the Minister tomorrow. Please find attached summary background material for yourself and Minister Polak. We will not go through this deck slide by slide tomorrow. I suggest that a conversation on the issues would be constructive for tomorrow.

Best regards

David Muter

A/ Chief Executive Officer

Pacific Carbon Trust

Direct: 250.217.5385 | Reception: 250.952.6793

976 Meares Street, Victoria BC V8V 3J4

Email: david.muter@pacificcarbontrust.com

www.pacificcarbontrust.com

"Building a low-carbon future for BC."

Pacific Carbon Trust Input to Minister of Environment

October 2013



Pacific
Carbon
Trust

Confidential Advice to Minister

Page 240 redacted for the following reason:

s.12, s.17

Why be a Carbon Neutral Government?

Leadership

- BC has received recognition for its leadership in addressing climate change

It's the right thing to do

- Demonstrates commitment to legislated climate targets of 33% reduction by 2020
- Save \$400M+ in annual energy costs

Build the low carbon economy

- An offset market is an incentive for new carbon management techniques and technology innovation

Who else is Carbon Neutral?

- 30 BC local gov.
- Helijet
- Harbour Air
- Google
- Microsoft
- Yahoo
- BMO
- Barclays UK
- Vancity
- The World Bank
- Many more

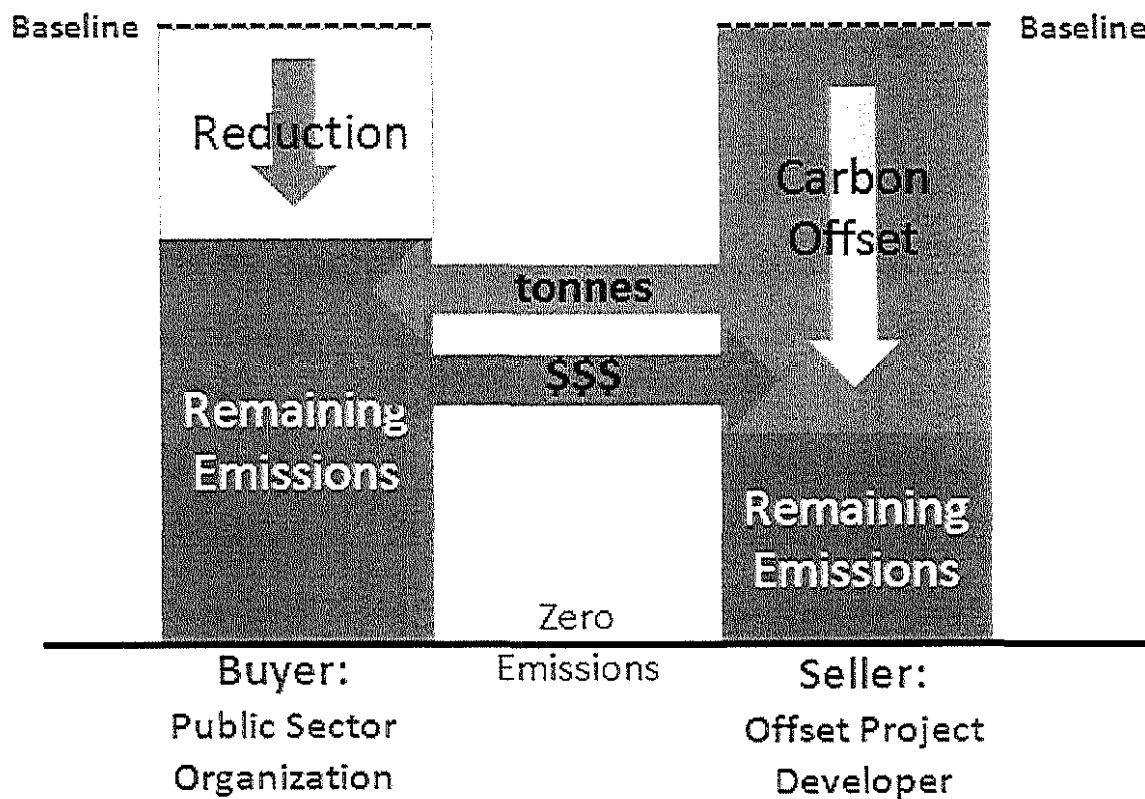


Confidential Advice to Minister



Pacific
Carbon
Trust

What is Carbon Neutral



Background on Pacific Carbon Trust

- PCT was created as a Crown corporation in 2008 with a mandate to:
 - Purchase carbon offsets to make the BC public sector carbon neutral
 - Support the growth of the low carbon economy in BC
- Government originally intended PCT to be a small procurement Crown (8 FTE)
 - Immaturity of the offset market required PCT to both build market infrastructure and undertake extensive business development
- PCT now provides end-to-end support to drive the development of the BC carbon market:
 - Develop and support innovative project types (COAC, Great Bear, CSRD landfill)
 - Development of new protocols, guidance documents, tools and training for offset developers
 - Development of innovative approaches to offset contracting.
 - Offset procurement, due diligence and on going contract management
 - Contracted 3rd party registry services for all BC offset projects



Confidential Advice to Minister



Pacific
Carbon
Trust

Pages 244 through 252 redacted for the following reasons:

s.12

s.12, s.17

Shoemaker, Wes ENV:EX

From: Foster, Doug FIN:EX
Sent: October-01-13 6:19 AM
To: David Muter
Cc: Mack, James ENV:EX; Shoemaker, Wes ENV:EX; Enemark, Gord FIN:EX
Subject: FW: Core Review Sept 30, 2013.pptx
Attachments: Core Review Sept 30, 2013.pptx

Thanks david. This is helpful.
Am forwarding along to james for integration with his stuff.
Have some comments though:

s.12, s.13, s.17

Just some thoughts at this point.
I really need to see the next fully integrated draft.
d.

From: David Muter [<mailto:David.Muter@pacificcarbontrust.com>]
Sent: Monday, September 30, 2013 4:05 PM
To: Foster, Doug FIN:EX
Subject: Core Review Sept 30, 2013.pptx

Doug,

Please find attached the current deck that we are working on for Core review. James Mack still needs to add in his part (and this should at some point move to a Min of Env format).

Our Board will be meeting with Minister Polak this Thursday to confirm that this is the right approach for Core Review. Following that meeting I suggest that you James and I need to finalize the content for core review and provide briefing for Minister de Jong.

Let me know when you would have time to discuss. I am open all day tomorrow.

Best regards

D

Shoemaker, Wes ENV:EX

From: David Muter <David.Muter@pacificcarbontrust.com>
Sent: September-25-13 4:37 PM
To: Mack, James ENV:EX; Foster, Doug FIN:EX; Shoemaker, Wes ENV:EX
Subject: Min Polak Sept 26th 2013final.pptx
Attachments: Min Polak Sept 26th 2013final.pptx

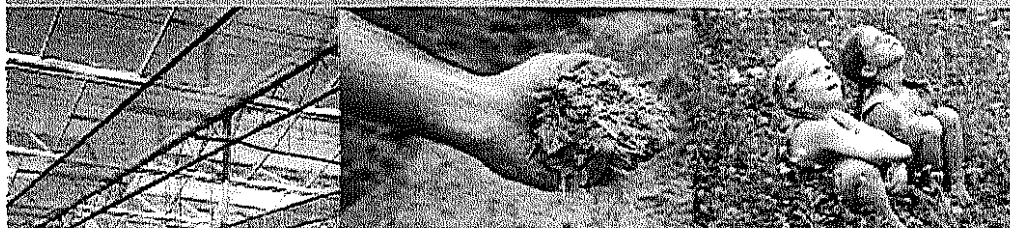
Tomorrow morning I will be having a brief introductory discussion with Minister Polak. Please find attached the background materials that I have sent to her in advance of tomorrow's meeting

Best regards

David Muter

Pacific Carbon Trust

September 2013



Pacific
Carbon
Trust

Page 257 redacted for the following reason:

s.12, 17

Background on Pacific Carbon Trust

- PCT was created as a Crown corporation in 2008 with a mandate to:
 - Purchase carbon offsets to make the BC public sector carbon neutral
 - Support the growth of the low carbon economy in BC
- Government originally intended PCT to be a small procurement Crown. However immaturity of offset market required PCT to both build market infrastructure and undertake extensive business development
- PCT now provides end-to-end support to drive the development of the BC carbon market:
 - Development of new protocols, guidance documents, tools and training for offset developers
 - Development of innovative approaches to offset contracting.
 - Develop and support innovative project types (COAC, Great Bear, CSRD landfill)
 - Offset procurement, due diligence and on going contract management
 - Contracted 3rd party registry services for all BC offset projects

Pages 259 through 265 redacted for the following reasons:

s.12, 17

s.12, s.17

Shoemaker, Wes ENV:EX

From: Foster, Doug FIN:EX
Sent: September-25-13 7:43 AM
To: Shoemaker, Wes ENV:EX; Mack, James ENV:EX
Subject: RE: Pct core review

Thanks.

s.12, s.13, s.17

Those are my thoughts. D.

From: Shoemaker, Wes ENV:EX
Sent: Wednesday, September 25, 2013 7:25 AM
To: Mack, James ENV:EX; Foster, Doug FIN:EX
Subject: Fwd: Pct core review

s.12, s.13, s.17

Doug, I will try and call you. I am currently in Seattle presenting at the BC Pacific States Oil Spill Task Force, but back tonight.

Wes

W.H. (Wes) Shoemaker, MBA
Deputy Minister
Ministry of Environment
5th Floor, 2975 Jutland Road
Victoria, BC
Tel: 250.387.5429 | Fax: 250.387.6003
E-mail: wes.shoemaker@gov.bc.ca

****Please note: This email is intended for the addressee(s) only and may contain legally privileged information. Any unauthorized use, disclosure or reproduction is strictly prohibited.****

Sent from my iPad

Begin forwarded message:

From: "Mack, James ENV:EX" <James.Mack@gov.bc.ca>
Date: 24 September, 2013 6:33:29 PM PDT
To: "Shoemaker, Wes ENV:EX" <Wes.Shoemaker@gov.bc.ca>
Cc: "Jackson, Vickie ENV:EX" <Vickie.Jackson@gov.bc.ca>
Subject: Pct core review

Wes

Any news in dates

s.12, s.13, s.17

Sent from my iPhone

Shoemaker, Wes ENV:EX

From: Foster, Doug FIN:EX
Sent: September-24-13 7:45 AM
To: 'David Muter'; Mack, James ENV:EX
Cc: Shoemaker, Wes ENV:EX
Subject: RE: core review
Attachments: core review prep Sept 24 2.pptx

I offer the following comments:

s.12, s.13, s.17

Those are my thoughts.
Will be in Vancouver most of today.
D.

From: David Muter [<mailto:David.Muter@pacificcarbontrust.com>]
Sent: Monday, September 23, 2013 10:59 PM
To: Foster, Doug FIN:EX; Mack, James ENV:EX
Cc: Raymond Chan; David Moffat
Subject: core review

Doug, James,

In preparation for Core Review, please have a look at the attached slides. I understand from Doug that Wes is looking for some of this content.

s.12, s.13, s.17

I suggest that we should discuss as a group. Let me know if you would have time tomorrow (Tuesday to discuss)

Please consider this deck as DRAFT.

Best regards

David Muter

A/ Chief Executive Officer

Pacific Carbon Trust

Direct: 250.217.5385 | Reception: 250.952.6793

976 Meares Street, Victoria BC V8V 3J4

Email: david.muter@pacificcarbontrust.com

www.pacificcarbontrust.com

“Building a low-carbon future for BC.”

Pacific Carbon Trust Options

September 2013



Pacific
Carbon
Trust

DRAFT

Background

- PCT was created as a Crown corporation in 2008 with a mandate to:
 - a) Purchase carbon offsets to make the BC public sector carbon neutral
 - b) Support the growth of the low carbon economy in BC
- PCT is one part of the Climate Action Plan
 - Emission target of a 33% reduction by 2020:
 - BC has reduced its carbon emissions by 4.5% (from 65Mt to 62Mt)
 - Province will require an additional 2 MT CO₂e per year
- Government originally intended PCT to be a small procurement Crown. However the immaturity of the offset market required PCT to both build market infrastructure and undertake extensive business development
- PCT now provides end-to-end support to drive the development of the BC carbon market:
 - Development of new protocols, guidance documents, tools and training for offset developers
 - Development of innovative approaches to offset contracting.
 - Develop and support innovative project types (COAC, Great Bear, CSRD landfill)
 - Offset procurement, due diligence and on going contract management
 - Contracted 3rd party registry services for all BC offset projects.

Pages 272 through 278 redacted for the following reasons:

s.12, s.17

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Slide 9

DMo43

s.12

Page 280 redacted for the following reason:

s.12

)

)

)

Slide 10

DMo47

s.12

Pages 282 through 285 redacted for the following reasons:

s.12, s.17

Shoemaker, Wes ENV:EX

From: D.Scott.MacDonald <d.scott.macdonald@pacificcarbontrust.com>
Sent: September-05-13 11:28 AM
To: Shoemaker, Wes ENV:EX
Subject: PCT Documents
Attachments: BN - Dissolution PCT September 5 2013.docx; PCT MDJ July 30 2013.docx

Wes,

Further to our discussion yesterday I've attached two documents for your reference.

The first is a "Dissolution" Briefing Note which outlines the issues and options for closing PCT, should government choose to dissolve the Crown corporation. I have previously reviewed this with James Mack and I believe James has shared the material with Shauna Brouwer as well.

The second document is a briefing document prepared by the PCT board for Minister de Jong. This document outlines a full range of policy/implementation options for government to consider. The PCT board is willing to assist government in shaping a future policy and then help determine a future role for PCT.

Please let me know if you require any additional information.

Thanks,

Scott

D. Scott MacDonald

Chief Executive Officer

Pacific Carbon Trust

Direct: 250.514.5553 | Reception: 250.952.6793

976 Meares Street, Victoria BC V8V 3J4

Email: d.scott.macdonald@pacificcarbontrust.com

www.pacificcarbontrust.com

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Pacific
Carbon
Trust

"Building a low-carbon future for BC."

Information Note
Updated: September 5, 2013
Pacific Carbon Trust

Issue:

Dissolution of the Pacific Carbon Trust and transfer of offset purchases to the government.

Background:

Pacific Carbon Trust (PCT) was incorporated as a provincial Crown corporation in 2008 under the Business Corporations Act to deliver quality BC-based greenhouse gas offsets to help clients meet their carbon reduction goals and to support the growth of the low-carbon economy in BC.

Through the Greenhouse Gas Reduction Targets Act and carbon neutral government regulation, all public sector organizations (PSOs) in BC – ministries, Crown corporations, universities, schools and hospitals – are mandated to measure and reduce their carbon emissions and then bring their net emissions to zero through the purchase of carbon offsets. PSOs must purchase carbon offsets from PCT at a cost of \$25 per tonne, as set by government. This carbon price has provided an incentive for public sector organizations to reduce emissions, and PCT uses these funds to purchase carbon offset projects from within British Columbia.

Discussion:

This plan outlines the issues and key decisions related to the potential dissolution of the Pacific Carbon Trust. If a decision is made to dissolve the Crown corporation, additional direction will be to guide an orderly and cost-effective wind down. These decisions will affect what functions are transferred to government, the timing for the dissolution, and legislative, financial and human resource implications.

A. Policy Direction and Legislation

s.12, s.13, s.17

Pages 288 through 291 redacted for the following reasons:

s.12, s.13, s.17

Appendix 1: Pacific Carbon Trust Board of Directors

The five current members of PCT's board of directors are appointed through Shareholder Consent Resolution (last signed December 19, 2012) and typically renewed annually. The Shareholder met with the board on July 30, 2013 to inform the board that their positions would continue "at pleasure" and renewals would not be issued until after key climate policy decisions were made.

	Name	Position	Appointment
1	Trumpy, Chris	Chair	At pleasure
2	Hnatiuk, Steven P. W.	Director	At pleasure
3	Holden, Heather	Director	At pleasure
4	Lippert, H. Anne	Director	At pleasure
5	Mutter, James S.	Director	At pleasure

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Appendix 4: PCT Employees

	Name	Position Title	Start Date at PCT	Service Dates with Province of BC	Move to/Area of Expertise
1	Chan, Raymond	Managing Director, Partnerships/Client Rel.	Oct 9, 2012	May 1986 to Jun 20, 2011	Retire 2014, executive management
2	Moffat, David	Managing Director, Business Development	Jun 9, 2009	None	CAS – executive management, business development, environmental policy
3	Muter, David	Managing Director, Strategic Acquisitions	Mar 29, 2010	None	CAS, executive management, forestry policy, operations, environmental policy, finance
4	D'Antoni, Michael	Associate, Business Development	Aug 18, 2009	2004 – check with PSA	CAS, oil/gas policy, business analytics, environmental policy
5	Gillette, Jay	Associate, Strategic Acquisitions	Jan 4, 2011	None	CAS, business analytics, operations, environmental policy
6	Stein, Jacob	Associate, Business Development	May 17, 2010	None	CAS, bus development, analytics, policy
7	Spence, Suzanne	Associate, Strategic Acquisitions	Jul 20, 2009	Sep 19, 1993 to July 19, 2009	CAS, procurement, business development, environmental policy
8	Taaffe, Theresa	Associate, Strategy & Client Relations	Feb 2, 2009	Check with PSA Prior service with TB Staff	CAS, environmental policy, research
9	Hickli, Hope	Associate, Marketing/Comm's	Aug 17, 2009	Aug 11, 2003 to Aug 17, 2011	CAS, Communications, program development,
10	Lambertson, Erik	Associate, Marketing/Comm's	Oct 26, 2011	Nov 6, 2006 to Oct 25, 2011	Communications, marketing
11	Gray, Raechel	Associate, Finance	Jan 11, 2010	Jun 5, 2006 to Jan 11, 2010	Finance, operations
12	Charlton, Julie	Associate, Operations	Mar 26, 2012	BC Pension Corp., multiple ministries. Check with PSA	Admin, procurement, accounts
13	Purdy, Sheila	Associate, Executive Operations	Jan 12, 2009	July 6, 1993 to Jan 11, 2009	Program management, executive administration, office management
14	Sarrazin, Monique	Associate, Corporate Administration	July 27, 2009	Jan 7, 2008 to Jul 26, 2009	Admin
	Koski, Chris	Associate, Business Development	Nov 1, 2012	Sep 10, 2008 to current date	Return to CAS or LNG
	Pallant, Joseph	Associate, Business Development	s.22	None	End Contract

Appendix 5: PCT Costs Structure

	Total Cost (\$,000)	Cost Per Tonne	% of revenue
Revenues			
PSO offset revenue	\$ 19,025	\$ 25.00	97.30%
Private offset revenue	\$ 216	\$ 25.00	1.10%
Interest Income	\$ 313		1.60%
Total Revenues	\$ 19,554	\$ 25.00	100%
Expenses			
Measure Tonnes & Customer Support	\$ 1,319	\$ 1.72	6.75%
Find Offsets	\$ 920	\$ 1.20	4.71%
Due Diligence	\$ 983	\$ 1.28	5.03%
Buy Offsets	\$ 9,127	\$ 11.86	46.68%
Register and Report	\$ 309	\$ 0.40	1.58%
Corporate Overhead	\$ 1,372	\$ 1.78	7.01%
Total Expenses	\$ 14,030	\$ 18.24	71.76%
Annual Surplus	\$ 5,524	\$ 6.76	28.24%

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BACKGROUNDER

Issue: Status of Pacific Carbon Trust

Meeting: PVO Vancouver

Date: July 30, 2013

Cliff:

MEETING

KEY FACTS REGARDING THE ISSUE:

- Pacific Carbon Trust has built expertise in management of greenhouse gas emissions and contains a unique skill set which can be valuable to government. The company has met the carbon neutral requirement for each of the past four years and can be part of a solution to help government meet its legislated emission reduction targets of a 33% by 2020.
- Pacific Carbon Trust has a legislative requirement to purchase carbon offsets to meet the objectives of carbon neutral government. Unless the legislation is changed the company will purchase approximately 800,000 tonnes of carbon offsets before June 2014, of which 400,000 tonnes will be new or extended contracts. Currently, PCT has a long term contract commitment of an estimated s.13, s.17 extending to 2024. (See appendix A)

s.12, s.13, s.17

- Government has made public commitments to “review PCT and provide options for reform”.

s.12, s.13, s.17

- A timely decision is required as the current legislative requirements will result in PCT initiating new contract commitments in preparation for the 2013 carbon neutral year.

	Name	Number
Program Area Contact:	Scott MacDonald, CEO Pacific Carbon Trust	250-514-5553

Issue: Options to reform the carbon neutral policy and Pacific Carbon Trust.

Background:

Pacific Carbon Trust (PCT) was established in 2008 as a purchasing agent for the BC public sector to meet its carbon neutral requirements. PCT was also tasked with the mandate to create a carbon market in BC and enhance the green economy across the province.

A \$25 per tonne offset price was set by government to provide an incentive for public sector organizations to reduce emissions and fuel costs (currently over \$400M/year) and provide sufficient funds to source carbon offsets from within BC.

In the process of meeting the carbon neutral objective, PCT purchased 33 carbon offset projects and in the process built formal relationships with every public sector organization and every major private sector company in British Columbia. The program resulted in:

1. measurement of the carbon footprint for the public sector
2. increased awareness of carbon emissions with the over 300,000 public servants and one million students in BC;
3. experience in the development, financing and sale of carbon offset projects in:
 - a. eight of BC's top ten carbon emitters;
 - b. 27 communities and eight economic regions;
 - c. all economic sectors in the province, including forestry, oil and gas, agriculture, biomass, cement, clean tech, waste, hospitality, mining and transportation;
 - d. 21 accredited validators and verifiers working in BC
4. agreements with First Nations that reflects the social and economic needs of First Nation communities;
5. deployment of BC-based clean technologies such as the Nexterra biogas system, and regional initiatives such as the COAC program for heavy truck and equipment operators in Northern BC;
6. an estimated \$320 million in capital spending; \$240 million in provincial GDP; 2,800 jobs supported or created; and \$49 million in government revenue.

Public sector organizations continue to protest the carbon neutral government policy claiming purchasing carbon offsets reduces their financial resources to improve their energy efficiency and cut their own emissions; and that they must purchase carbon offsets generated mostly in the private sector.

BC has reduced its overall carbon emissions by 4.5% (from 65Mt to 62Mt) from 2007 to 2010, however over the next 6 ½ years the Province will need to reduce emissions by an additional two million tonnes of CO₂e per year, if it is to achieve its legislated target of a 33% reduction by 2020.

Discussion

The provincial government has legislated targets to reduce its emissions by 33% by 2020, and has set further reduction targets extending to 2050. PCT specializes in finding ways to reduce emissions and can help government identify and implement solutions that can enable BC to meet its legislated emission reduction targets.

PCT has largely met the requirements of its initial mandate which is to procure carbon offsets for the public sector. Over the past five years PCT has established a carbon market in BC;

purchased sufficient offsets to meet the carbon neutral requirements, and built a supply of future carbon offsets. The second part of PCT's mandate, which is to play a strategic role in growing the green economy in BC, is still under development. While PCT has purchased offsets that demonstrated a variety of BC clean technology solutions further work in this area is needed. Going forward there is a strategic role for PCT in assisting LNG facilities to be the cleanest in the world.

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Contact:

Scott MacDonald
CEO, Pacific Carbon Trust
Phone: 250 514-5553

Reviewed by	Initials	Date
DM		
DMO		
ADM		
Dir./Mgr.		

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Appendix B:
Pacific Carbon Trust
Cost Structure
Based on 2012 Carbon Year

	Total Cost (\$,000)	Cost Per Tonne	% of revenue
Revenues			
PSO offset revenue	\$ 19,025	\$ 25.00	97.30%
Private offset revenue	\$ 216	\$ 25.00	1.10%
Interest Income	\$ 313		1.60%
Total Revenues	\$ 19,554	\$ 25.00	100%
Expenses			
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Buy Offsets	\$ 9,127	\$ 11.86	46.68%
Register and Report	\$ 309	\$ 0.40	1.58%
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Total Expenses	\$ 14,030	\$ 18.24	71.76%
Annual Surplus			
	\$ 5,524	\$ 6.76	28.24%

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