

Carbon Neutral Offsets Policy

Date adopted: 16 September 2019

Responsible Service Area: Integrated Planning

Purpose

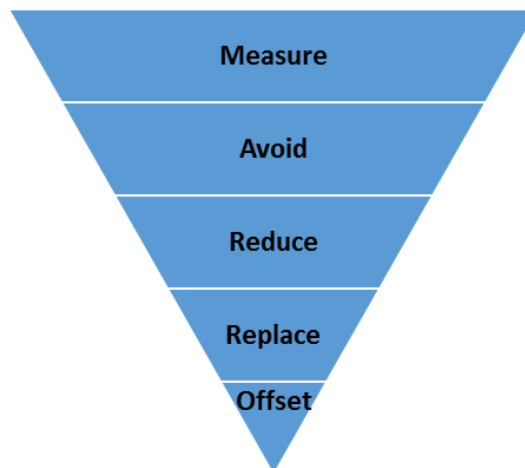
The Carbon Neutral Offsets Policy guides Council’s Carbon Neutral Certification under the National Carbon Offset Standard (NCOS), enabling the achievement of carbon neutrality by 2020.

Background / Context

Council has recognised that significant actions to reduce greenhouse gas emissions in the short term will be required to reduce the long term impacts of climate change. To this end, Council set a corporate goal of achieving carbon neutrality by 2020, an emissions reduction target of 20% by 2020/21 (excluding Aquanation), and a long-term emissions reduction target of 20% for all emissions (including Aquanation) by 2025/26.

The carbon management hierarchy will continue to be implemented, with actions to avoid generating greenhouse gas emissions, energy efficiency upgrades to reduce our operational emissions and options to switch to renewable sources of energy continuing to be investigated and implemented when appropriate. The final step in the hierarchy is offsetting Council’s residual greenhouse gas emissions. A carbon offset is an emissions reduction that is a result of a project implemented by another party. Offset units are tradeable and can be used to negate all or part of another entity’s emissions.

Council sees purchasing offsets as a credible option for achieving carbon reductions that cannot be readily achieved within its own operations due to its level of control, financial or operational barriers.



Carbon reduction hierarchy

Policy Control Schedule

Policy Title: Carbon Neutral Offsets Policy		Policy No: IP-009	Policy type: Operational
Policy creation date: 16 September 2019	Current version approved: 16 September 2019	Current version number: 1	Policy review date: September 2021
Parent policy: Not Applicable	Child policy/policies: Not Applicable	Policy responsibility: Manager Integrated Planning	eCLIP record number: 19/128196

Scope

This policy applies to all areas of Council operations where Council has full authority to introduce and implement its operating policies.

Objectives

- To facilitate the implementation of Council's carbon management roadmap by:
 - Avoiding the generation of greenhouse gas emissions and carbon intensive activities,
 - Reducing emissions through implementing efficiency programs,
 - Switching to renewables, including installation of local renewable energy generation technology, or the purchase of accredited renewable energy, and
 - Purchasing of NCOS accredited offsets to achieve carbon neutrality.
- Seeking formal carbon neutral accreditation from the federal government's National Carbon Offset Standard (NCOS).
- Ensuring carbon offset units purchased and retired towards Council's carbon neutral claims are additional, permanent, measurable, transparent, and registered.

Policy Principles

Through Council's Sustainability Strategy and Carbon Neutral Strategy and Action Plan, Council has recognized its responsibility to continue to act to reduce the carbon intensity of its operations. Council is committed to a strategic approach to investment, including continued investment in energy efficiency and renewable energy initiatives, following the principles of the carbon management hierarchy. It is acknowledged, however, that not all emissions can be avoided, so offsets will be purchased to account for the remaining emissions and for Council to become carbon neutral.

This policy guides the future purchase of offsets towards Council's carbon neutrality, ensuring all carbon offsets are purchased in a manner that considers best practice procurement principles, economic, social and environmental benefits and impacts, and requirements of NCOS certification.

Relationship to the Maroondah 2040 Community Vision

<i>Community Outcome:</i>	A sustainable community
<i>Key Directions:</i>	4.11 Strive to become a carbon neutral Council by implementing energy efficient initiatives and embracing clean energy solutions 4.12 Mitigate and adapt to the effects and impacts of climate change 4.15 Work in partnership to reduce greenhouse gas emissions and support the community in adapting to a post peak oil environment 4.16 Be responsive and adaptive to new environmental opportunities and threats as they occur, building resilience and capacity within the community
<i>Community Outcome:</i>	A well governed community
<i>Key Directions:</i>	8.2 Ensure responsible and sustainable management of Maroondah's resources, assets, infrastructure, and natural environment

Alignment with Council's mission and values

The implementation of this policy will achieve Action O1 of the Carbon Neutral Strategy & Action Plan 2014/15 - 2020/21, and contribute to the achievement of the corporate sustainability goal to be carbon neutral by 2020.

Policy position

- Council's emissions boundary will be established using an operational control approach, where Council will report 100% of the greenhouse gas emissions from its operations over which it has full authority to introduce and implement operating policies.
- The base year carbon account is set at 2018/19 financial year.
- Offset units will be forward purchased and retired at the beginning of the reporting period, based on the final carbon accounts for the previous year. Adjustments will be included to account for any projected changes in the emissions profile during the reporting year. A true-up of the carbon account figures will be undertaken in the subsequent years' public disclosure report to ensure the number of cancelled offsets are equal to actual emissions, as per NCOS requirements. Any surplus offsets will be carried over for use in the subsequent reporting period.
- The treatment (sold, traded or retired) of Large-scale Generation Certificates (LGCs) for large scale onsite solar PV systems (>100 kWh) will be determined at the time of procurement of the system to offer the most cost effective solution while considering the procurement principles of this policy and Council's Procurement Policy. The treatment of the LGCs will have a material impact to Council's greenhouse gas emissions inventory reporting requirements and as such need to be considered on a case-by-case basis.
- These policy principles apply for the purchase of all offsets used to claim against carbon neutrality, including the purchase of GreenPower and Greenfleet offsets.

Offset criteria

Council will use the following criteria to guide purchasing decisions:

- Procurement will follow the principles of best practice procurement as set out in Council's Procurement Guidelines.
- Only National Carbon Offset Standard (NCOS) accredited and eligible offset units will be purchased.
- Local or Australian generated offsets will be included when available. Purchasing a mix of Australian and international units may help to achieve our national emission reduction commitments at lower cost.
- Economic, social or environmental co-benefits will be evaluated at the time of procurement beyond greenhouse gas mitigation, and any offset projects with negative economic, social, or environmental impacts will be avoided.
- Investment in activities and offsets which deliver a high level of confidence in the resulting emissions reductions.

Policy implementation

To be certified carbon neutral under NCOS, Council will need to follow the steps (measure, reduce, offset, report, and audit) of the National Carbon Offset Standard for Organisations and apply for certification from the Australian Government.

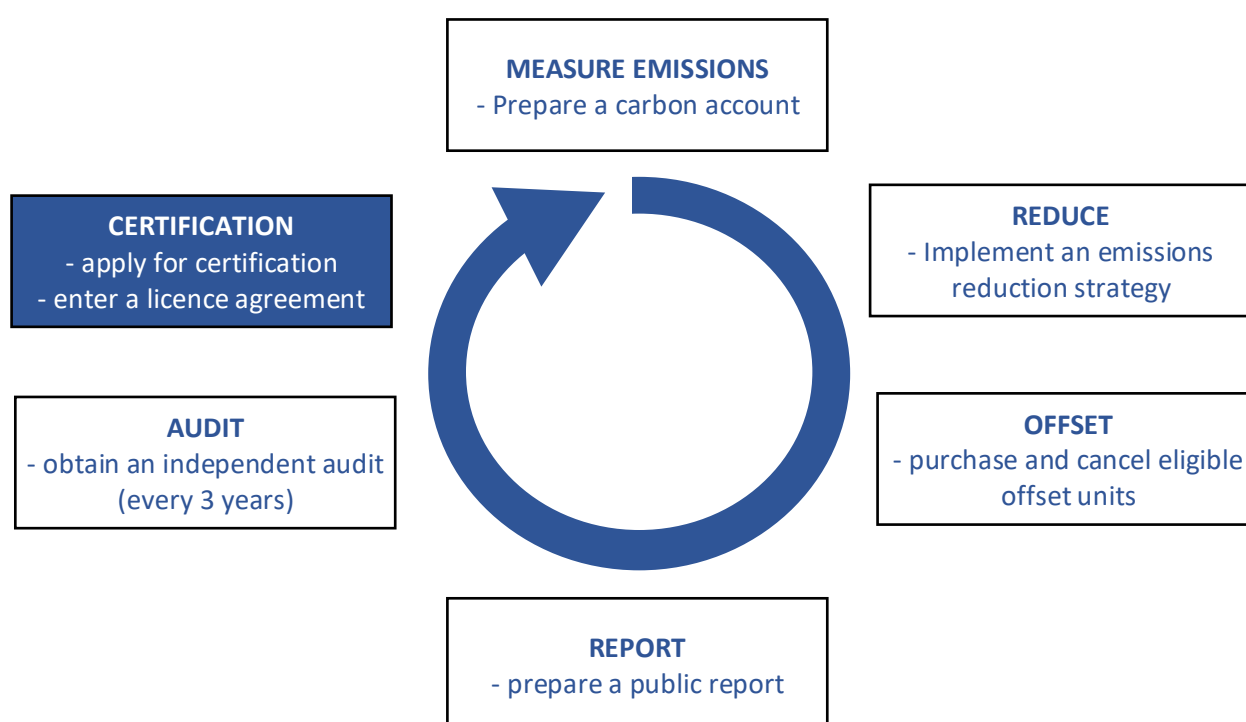
To procure eligible carbon offset units Council will need to approach the market in line with the Procurement Policy and evaluation criteria set out in this policy.

Roles and Responsibilities

Role	Responsibility
Manager Integrated Planning	<ul style="list-style-type: none">• Prepare annual carbon inventory and public disclosure report.• Procurement of auditor and offsets.

	<ul style="list-style-type: none"> • Manage the application process for NCOS certification with the Department of Environment and Energy. • Enact the licence agreement to use the certification trade mark.
CEO or Director Strategy and Community	<ul style="list-style-type: none"> • Approve and sign the public disclosure report annually • Sign the NCOS licence agreement.
Manager Communications and Engagement	<ul style="list-style-type: none"> • Ensure public disclosure report (provided by Integrated Planning) is made publicly available by publishing on Council's website. • Ensure compliance to the licence agreement and user guide for the use of the NCOS certification trade mark.

Procedural Flowchart



Related legislation

Not applicable

Related policies, strategies, procedures and guidelines

Procurement Policy, Procurement Guidelines and Procurement Procedures Manual

Carbon Neutral Strategy and Action Plan 2014/15-2020/21

National Carbon Offset Standard for Organisations (Australian Government)

Definitions

Carbon Neutral - where an organisation's net greenhouse gas emissions are equal to zero because emissions have been reduced and offset units cancelled to fully account for all emissions.

Carbon Offset - offsets are created from activities that avoid or reduce greenhouse gas emissions, or remove carbon from the atmosphere.

Supporting documents

National Carbon Offset Standard for Organisations - <http://www.environment.gov.au/climate-change/government/carbon-neutral/publications/ncos-organisations>