

MEDIA ADVISORY [embargoed]

April 19, 2011

VANCOUVER, BC — The UBC Sauder Business School's ISIS research centre reports British Columbia has emerged as a continental leader in the creation of a carbon offsets that will provide a multi-billion-dollar legacy for future generations dealing with climate change.

Since becoming the first Canadian province to join the Western Climate Initiative four years ago British Columbia's government, private sector and first nations have launched province-wide plans to create carbon offsets to mitigate provincial greenhouse gas emissions. UBC's ISIS research centre calculates these offsets will have total a future value in excess of \$1 billion as the market develops.

"British Columbia has reached another milestone in offering solutions to climate change," said James Tansey, Executive Director of ISIS. "We were the first Canadian province to join the WCI, putting us in the lead alongside California in climate policy. Our calculations now suggest we have created a provincial carbon bank that is likely to be worth more than \$1 billion and it will grow."

The domestically created offsets will help B.C. companies and municipalities meet their greenhouse gas reductions goals by being able to purchase offsets to balance out any GHG emissions over the emissions cap established under the WCI.

There is also the potential for carbon offsets to bring investment into the province. Under the trade provisions of the WCI, which represents 11 provinces and states, BC is expected to be a net seller of offsets while California and other jurisdictions are expected to be short of their own carbon offsets. At the outset, California will need up to 15 million tonnes per year at forecasted prices of around \$10 per tonne in 2012, rising to \$33 by 2020. That represents \$150- 495m of potential demand per year in California alone.

"We will begin seeing this trade in B.C.-made carbon offsets once there is a clear commitment to the WCI cap-and-trade program," said Tansey. "It's tangible evidence that the province's climate change policies are paying dividends for the economy and the environment. We are Canadian leaders."

Some of the major projects ISIS identified and is following include:

- The Great Bear Rainforest project, covering 5.4m hectares, that will generate at least one million credits per year for a total value of up to \$750m over 30 years.
- A major forestry conservation project now completed and soon to be announced that will generate 200,000- to 300,000 tonnes of offsets per year for a total value

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of \$150 million to \$225 million over 30 years.

- Carbon offsets developed by the provincial forestry giant Timberwest are estimated to amount to about 200,000 tonnes per year for a total value of up to \$150 million over 30 years.
- The Lafarge Cement biomass project under full production would generate as much as 125,000 tonnes of reductions per year for a total of up to \$19 million in the first 10 years.
- The BC Logging Trucking Association and Interior Trucking Association project could generate as much as 100,000 tonnes per year for a total of up to \$15 million in the first 10 years. Energy efficiency retrofits save drivers fuel costs and the innovation around this project can also be exported to other provinces and other trucking fleets.
- A natural gas company recently identified an offset project that improves the conservation of natural gas at drilling sites. The project could generate 15-40,000 tonnes of reductions per year with an annual value of \$450,000 or \$4.5 million over ten years.

“The provincial government, by taking part in the WCI, has essentially created a new export industry in the green economy,” said Tansey. “Our expectation is our bank of carbon offsets for export will grow rapidly in the next few years. We are at the cutting edge of this industry and our expertise, which is amongst the best in the world, is also a major export opportunity.”

ISIS at the UBC Sauder School of Business is focused on leveraging business tools to advance social innovation and sustainability, through research, incubation, and application. ISIS defines social innovation as a new approach to creating innovation and ventures that contribute to solving existing social, cultural, economic, political, and environmental challenges. ISIS’ core research themes are building the low carbon economy, social economy, and economic development with First Nations.

More information:

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