



Request for Proposals

Verifiable Carbon Offsets Generated in North Carolina, South Carolina or Virginia

Description

NC GreenPower is a non-profit statewide program designed to improve the quality of the environment in two ways: by encouraging the development of renewable energy resources through consumers' voluntary funding of green power purchases by electric utilities, and by the mitigation of greenhouse gas emissions through customers' voluntary funding of carbon offsets. The program revenues provide economic incentives for electricity generators that use renewable sources and for project developers that mitigate greenhouse gas emissions.

This Request for Proposals (RFP) is in response to the demand for carbon offsets by consumers and business in North Carolina and is a rolling bid process.

Objectives

NC GreenPower provides a simple and easy option for all electric customers to support the use and development of green power generated in North Carolina and the mitigation of greenhouse gases. Such options benefit North Carolina both economically and environmentally.

The five main objectives of the NC GreenPower program are to:

- 1) improve the quality of the environment,
- 2) increase the amount of generation from renewables,
- 3) mitigate greenhouse gases,
- 4) maximize the amount of investment in renewable generation, and
- 5) maximize the number of participants.

Visit www.ncgreenpower.org for more program information.

Carbon Offset Product

Under the NC GreenPower program, certain participating utilities offer their customers the option to subscribe to available tariffs to support carbon offsets. These tariffs allow customers to subsidize the mitigation of greenhouse gases (carbon dioxide equivalents). These carbon offsets will be offered on a monthly basis for a premium. Each block of carbon offset subsidized by a consumer or business will allow the NC GreenPower carbon offset program administrator to buy an equivalent block of carbon dioxide equivalents mitigated by an emission reduction project and sourced directly from the project or from the voluntary carbon offset market.

For the carbon offset product, projects will mitigate greenhouse gases and will not include indirect emission reductions from displaced electricity. Priority will be given to purchasing carbon offsets from participating utility service territories in **North Carolina, South Carolina and Virginia**; however, if no acceptable carbon offsets are available, other regions will be considered. In order to ensure that NC GreenPower acquires only reputable and certifiable carbon offsets, NC GreenPower has nine quality criteria for offsets. These criteria are listed below.

NC GreenPower's Carbon Offset Quality Criteria

- 1) Only direct emission reductions are eligible. Indirect emission reductions from energy generation are not eligible; for example, renewable energy certificates (RECs), do not qualify as carbon offsets. Proposals claiming RECs or other indirect emissions reductions as offsets will not be considered.
- 2) The emission reductions must be additional. For a carbon offset project to be additional, the project must demonstrate that it is beyond business as usual and must not include claims of emission reductions that would have occurred under a business as usual scenario. A reasonable baseline should be demonstrated and justified from potential alternative baseline candidates. Detailed information to demonstrate that project activities were not compelled by regulatory requirements and detailed information on the project-specific development barriers that were overcome (e.g., technology, R&D, common practice, institutional, economic, etc.) should be provided.
- 3) The quantification of emission reductions must be reliable and accurate. Project assessment boundaries must include all primary emissions sources and all significant secondary emissions sources associated with the project. Project proponents must provide an assessment of leakage, i.e., any emissions shifted out of the project boundary (leakage) must be identified and accounted for when calculating the total quantity of emission reductions claimed. Best practice methodologies should be documented for emissions reduction calculations, including both baseline and project emissions. Use of conservative approaches and assumptions must be demonstrated in order to prevent overstatement of emissions reductions.

- 4) The permanence (or limitations on permanence) of emission reductions must be clearly explained and justified. In projects where there is a risk of an unexpected future reversal of achieved reductions, a project developer must hold conservative levels of insurance or reserves of emission reductions, or provide some other guarantee to replace any unexpected reversals. Please submit a monitoring plan that helps provide a high degree of confidence that the risk of unexpected future reversals is reasonably low and describes how potential reversals will be monitored, measured and/or estimated in the event they occur. For agriculture, forestry, and other land use projects (terrestrial sequestration), activities to prevent and mitigate the reversal of achieved emission reductions should be described. For geologic sequestration projects, please provide an evaluation (e.g., geophysical, geomechanical, geochemical and hydrogeologic considerations) of the capacity and integrity of the geologic confinement system and expert opinion (e.g., geologic, geophysical, or petroleum geology expert opinion) that a specified percentage of the amount injected can reasonably be expected to remain out of the atmosphere.
- 5) The emission reduction project start date and timeframe must be clearly defined. The start date of the offset project must be provided (month/year), as well as detailed information about the timeframe in which the emission reductions were or are expected to be achieved. Also, a brief description of key dates from the project's development history should be included (e.g., initial/phased construction dates, extended start-up periods, ownership changes, etc.).
- 6) An offset provider must demonstrate clear ownership of the claimed emission reductions. The provider must demonstrate unique and exclusive proof that clear title to and ownership of the emission reductions has been demonstrated and transferred with the offset. Documentation of and attestation to undisputed title to all emission reductions claimed by the carbon offset project should be provided. Excerpts from title/rights agreements, contracts, leases, and other ownership documentation for gases, emissions, emission reductions or attributes, emission reduction values, etc. are acceptable examples. In the absence of such a clear ownership position, the project proponent must provide demonstrable assurance and documentation of their clear and defensible rights to ownership, and their ability to successfully withstand any potential competing claim to ownership of the emission reductions.
- 7) Emission reductions must be serialized and tracked to assure that offsets are not double counted or resold after retirement. Emission reductions must be serialized and tracked, preferably on a registry system, to prevent individual emission reductions from being sold multiple times (double counted) or resold after retirement. Please provide a detailed description of the serialization and tracking system in use by the offset provider, and identify any applicable registry that currently houses the emission reductions.

- 8) All claims should be independently verified and verifiable. All emission reduction claims should be verified against credibility criteria comparable to those set forth by these quality criteria by a third party verifier with no financial or pecuniary interest in the project. The methods and assumptions used to develop, calculate, and verify the emission reductions should be sufficiently transparent that they are independently verifiable to another interested party. The project developer and provider must also agree to participate in ongoing quality assurance/quality control assessment by NC GreenPower and/or its designee. Copies of all verification reports and supporting documentation/materials (e.g., project protocols or design documents) must be provided.
- 9) The emission reductions should be generated in ways that produce net positive environmental and community impacts. The project developer should assess the direct and indirect non-climate-related environmental and community impacts of its project activities and demonstrate that the net effect of the impacts is positive.

Projects will be evaluated by a third party verifier of these nine criteria.

Period for Which Resources are Sought

NC GreenPower seeks to purchase verifiable emission reductions generated since 1997. We will give preference to newer resources as described in quality criterion 5.

Quantity of Resources Sought

NC GreenPower is currently seeking to purchase up to 8,000 Metric Tons of Carbon Dioxide Equivalent.

Eligible Facilities

NC GreenPower will strive to use greenhouse gas reduction projects primarily within North Carolina and with the most valid verification methodology.

Information Requested

Suppliers interested in participating in the NC GreenPower proposal process shall provide the information requested on the attached Proposal Sheet (Attachment 1). This Proposal Sheet will be reviewed by a committee appointed by the NC GreenPower Board of Directors and will be treated as confidential.

Proposal Procedure

Proposals shall be e-mailed to proposals@ncgreenpower.org or alternately, responses may be mailed to:

NC GreenPower
Proposal Response
909 Capability Drive, Suite 2100
Raleigh, NC 27606-3870

A notification of receipt will be sent upon successful submission. If a proposal is sent and no receipt notification is received within one week, the respondent should resubmit the proposal and call the NC GreenPower main switchboard at 866-533-NCGP (6247) for assistance.

Inquiries about the process must be in writing – preferably by e-mail – to proposals@ncgreenpower.org. Inquiries about the RFP and any NC GreenPower responses will be posted on the www.ncgreenpower.org website for all interested parties to view. The source of the inquiry will not be identified.

General Evaluation Criteria

In general, the proposals will be evaluated using the following criteria (in no particular order of importance):

- Meets the requirements of the nine quality criteria
- Compatibility with the NC GreenPower Program Plan
- The location of the project
- Completeness of information supplied
- How well the project is defined
- If the project is not existing, how likely it is to reach completion
- How quickly the project can begin mitigating greenhouse gases
- Demonstrated experience in delivering verifiable carbon dioxide equivalent reductions
- Premium requested from NC GreenPower

Awards Process

NC GreenPower will notify respondents of receipt of their proposal; if you do not hear from NC GreenPower within one week, please contact NC GreenPower at 866-533-NCGP (6247). Only questions confirming receipt of proposals will be answered via telephone; all other questions must be in writing as described under the Proposal Procedure section.

In reviewing proposals, NC GreenPower may request that respondents provide more information, speak with the NC GreenPower review committee via conference call, and/or enter into negotiations with NC GreenPower. Because the proposals must be reviewed by committee, response from NC GreenPower may take one month or longer.

Disclaimer

THIS PROPOSAL PROCESS IS NOT A PROCUREMENT. THIS PROPOSAL PROCESS IS NOT A COMMITMENT BY NC GREENPOWER OR ANY UTILITY OR ELECTRIC POWER PROVIDER TO PURCHASE ANY PRODUCT OR ENERGY OR TO TAKE ANY SPECIFIC ACTION. NC GREENPOWER RESERVES THE RIGHT NOT TO AWARD ANY AGREEMENTS OR AWARDS FOR THE PURCHASE OF CARBON OFFSETS AS A RESULT OF THIS RFP. IN THE EVENT AN AGREEMENT IS ENTERED INTO FOR THE PURCHASE OF CARBON OFFSETS, NC GREENPOWER RESERVES THE RIGHT TO TERMINATE THE AGREEMENT AT ANY TIME.

ALL PROPOSALS WILL BE THE PROPERTY OF NC GREENPOWER. BY SUBMITTING A PROPOSAL YOU HEREBY ASSIGN ALL RIGHTS IN AND TO SUCH PROPOSAL TO NC GREENPOWER.

THE INFORMATION WITHIN THIS PROPOSAL PROCESS MAY CHANGE, OR THE PROPOSAL PROCESS MAY BE CANCELLED, AT ANY TIME AND WITHOUT NOTICE. USE OF THIS INFORMATION CONSTITUTES ACCEPTANCE FOR USE IN AN "AS IS" CONDITION. THERE ARE NO WARRANTIES WITH REGARD TO THIS INFORMATION. IN NO EVENT SHALL NC GREENPOWER BE LIABLE FOR ANY DAMAGES OR COSTS WHATSOEVER ARISING OUT OF OR IN CONNECTION WITH THIS PROPOSAL PROCESS OR YOUR RESPONSE. ANY USE OF THIS INFORMATION IS AT YOUR OWN RISK.

Attachment 1: Proposal Sheet

Please provide NC GreenPower with the information requested below; incomplete Proposal Sheets will not be considered for eligibility for the NC GreenPower program.

General Business Information

1. Primary contact name and telephone
2. Name of company
3. Mailing address
4. Physical address (if different from mailing address)
5. Number of years company has operated in this industry
6. Company principals' names and titles
7. Names of any associated and/or parent companies

Qualifications/Experience

Respondents shall include any relevant qualifications and past experience. Specifically, if a respondent has existing projects relating to a proposed project, these should be detailed.

Financial Information

Respondents shall include financial information regarding the proposed project. The financial information provided should include anticipated and proposed funding sources (including NC GreenPower) for the project along with anticipated levels of funding and duration of the funding sources.

If the project can be scaled up or down with a change in funding, please provide that information. An example is if the project could be expanded and the cost decreased if an additional source of funding could be obtained.

Project Summary

The project summary shall include the following information:

1. A general project description and implementation plan
2. Address each of the nine criteria required for program resources*:
 - 2.1. No RECs as Offsets
 - 2.2. Additionality
 - 2.3. Accurate Quantification
 - 2.4. Clarity on Permanence
 - 2.5. Appropriate Timeline
 - 2.6. Demonstration of Ownership
 - 2.7. Serialization and Tracking
 - 2.8. Verified and Verifiable
 - 2.9. Net Positive Impact
3. If the project is not yet operational, a project timeline with realistic milestones (Note: this timeline will be incorporated into the project contract)
4. Date that the project will begin (or already began) operation

5. The physical location of the project
6. The status any project-required permits or agreements, as well as the compliance status of any permits for the past two years
7. The validation methodology including supporting references where necessary
8. The expected carbon dioxide equivalent reductions, total and by year
9. The premium sought in dollars per metric ton

* More explicit descriptions of the nine criteria are listed on pages 2-4 of this RFP.