

# Our tax dollars pay for carbon neutrality

BY ELIZABETH JAMES, SPECIAL TO NORTH SHORE NEWS JULY 27, 2011

"Public institutions such as schools and hospitals spent \$18.2 million last year buying carbon offsets to compensate for greenhouse gas emissions - money that subsidized energy efficiency programs of big industry rather than being reinvested in energy projects within the public sector."

Larry Pynn Vancouver Sun, July 8

PHRASED in upbeat language, North Shore school districts report they "invested" a total of \$153,682.50 in order to become carbon neutral in 2010.

Instead of using \$114,483.50 to deliver the curriculum to its students, North Vancouver school district was required to offset its energy consumption by purchasing carbon credits from Pacific Carbon Trust. West Vancouver school district spent \$39,199 to the same end.

The brainchild of former premier Gordon Campbell, PCT is a Crown corporation that is "obligated to purchase and retire approximately 750,000 tonnes of emissions offsets for the province by June 30, 2011," according to its most recent annual report.

The cynic in me suggests the obligation is an incentive for PCT to buy as many tonnes as possible, regardless of the value of the transactions to society or the environment.

PCT is also required to purchase an ongoing target of a million tonnes of carbon dioxide equivalent a year, so the 6,300 units purchased by North Shore school districts look like small potatoes - were that the only cost.

In West Vancouver, however, the school district installed power management software so that 100 per cent of computers shut down automatically when not in use. Ongoing, and still requiring offsets, is work to apply autosleep settings on stand-alone printers, copiers, and faxes.

Not mentioned in the reports was the cost of staff time to calculate the CO2 equivalents of energy consumption, or the dollars spent to make the changes.

Arbitrary replacement of functioning electronics, appliances and vehicles is expensive.

That's only one part of a story that is being repeated in school districts, hospitals, and most municipal and public operations throughout B.C.

Are these "investments" worth it?

Did we really need a Crown corporation to tell us what to do? Or could the provincial government simply have told all public bodies to purchase Energy Star technology when replacing aging equipment, buy "green" disposable supplies, and to reduce, reuse, recycle?

For the other side of the equation we must take a closer look at carbon neutrality as it is evolving on another part of the North Shore: our industrial waterfront on Port Metro Vancouver lands, specifically the relationships between the District of North Vancouver, the port, the Canexus Corporation and PCT.

In 1998, the district implemented an agreement with Canexus (then Canadian Occidental Petroleum or CanOxy), that limited fixed tank, on-site storage of chlorine to 300 tonnes and shipments by rail to 160,000 tonnes.

In February 2007, Canexus initiated two years of negotiation with the district and the port that culminated in February 2009, when the port gave the company the go-ahead to undertake a lengthy technology conversion project to modernize and expand the capacity of the plant.

The municipality had no jurisdiction over the port decision, which was made over strong objections from Maplewood residents and the Lower Mainland-based Smart Rail group, who opposed both the lease renewal and the project.

All council could do was assert the constraints outlined in the 1998 agreement, which it did with a few relaxations.

A Feb. 27, 2007 backgrounder to council stated that one of the benefits of the conversion would be a reduction in "greenhouse gas emissions by 80 per cent as hydrogen generated from the chemical process replaces the use of natural gas" the "installation of a new energyefficient boiler."

Hold those thoughts.

Relevant here is that one of the main objectives of the conversion project was to reduce the carbon footprint of the operation and, by so doing, to reduce the number of carbon offsets the company needed to purchase.

I could find no online reference to the Canexus project on either the PCT or Markit transactions registries.

There was, however, a March 10, 2011 listing that revealed the Vancouver Fraser Port Authority (PMV) had offset 1,265 tonnes of emissions.

At 304 less than the minimal 1,569 tonnes tallied by West Vancouver school district, it appears that if Canexus is trading its offsets in the PCT program, it and other waterfront industries must be doing so individually without publicizing the trades in the voluntary online registry.

Why do we need to know? One, because rumours claim that manufacturing flaws caused the new boiler to malfunction, resulting in the need for Canexus to run the old boiler on a mixture of hydrogen and emissions-producing natural gas.

Two, to ensure the integrity of the PCT process, we need to know whether Canexus has claimed any carbon credits based on the boiler-dependent GHG reductions it predicted to council in February 2007 - especially when the 2010 report to unit-holders of the Canexus Income Fund noted that due to capital investment-related accumulation of large tax pools to shelter future taxable income, the company does not ". . . expect to pay cash taxes in Canada until 2016."

Last but not least, bearing in mind the safety issues at stake when such an industry is adjacent to residential neighbourhoods, it would be good to know that Canexus is - voluntarily - providing District of North Vancouver council with weekly updates as to its operational status.

Canexus had not responded to requests for comment by press deadline.

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