



Act 16, Session Laws of Hawaii 2018 Carbon Offset Program

*Presentation to: Greenhouse Gas Sequestration Task Force
November 29, 2018*



Office of Planning
State of Hawaii

Overview:

1. Legislative Findings within Act 16, Session Laws of Hawaii 2018
2. Definitions and Types of Global Voluntary Carbon Offset Projects
3. Purpose of the Act 16, Session Laws of Hawaii 2018
4. Establishment of a Carbon Offset Program and its Requirements within the Hawaii Revised Statutes
5. Carbon Offset Program Report
6. Status Update



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Legislative Findings:

- The State's natural environment and ecosystems are in a fragile state due to the amount of greenhouse gases released through human activities and the resulting impact on global climate change.
- The State should support programs that incentivize state agencies, private entities, and individuals to adopt practices that are more environmentally friendly and that result in reduced carbon emissions into the environment.
- One mechanism that gained success in Europe after the adoption of the Kyoto Protocol is the transferring and selling of carbon credits.
- It is necessary to invest state funds to improve the State's water infrastructure and ensure future water sustainability in the face of ongoing climate change.
- The State must be prepared to provide more resources and support for those affected by disaster-scale flooding, coastal water inundation, and shortages of potable water and agricultural water.
- The Legislature anticipates that the revenues raised by a State Carbon Offset Program will greatly enhance mitigation and adaptation to climate change.
- It is in the public interest to create a carbon offset program in the State that would incentivize and reward the adoption of, practice of, and adherence to carbon emission reduction activities.



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Definitions and Types of Global Voluntary Carbon Offset Projects:

- **“Carbon Offset”:**

A compensatory measure made by an agency, business, or individual to reduce carbon dioxide emissions or to increase carbon dioxide sequestration.

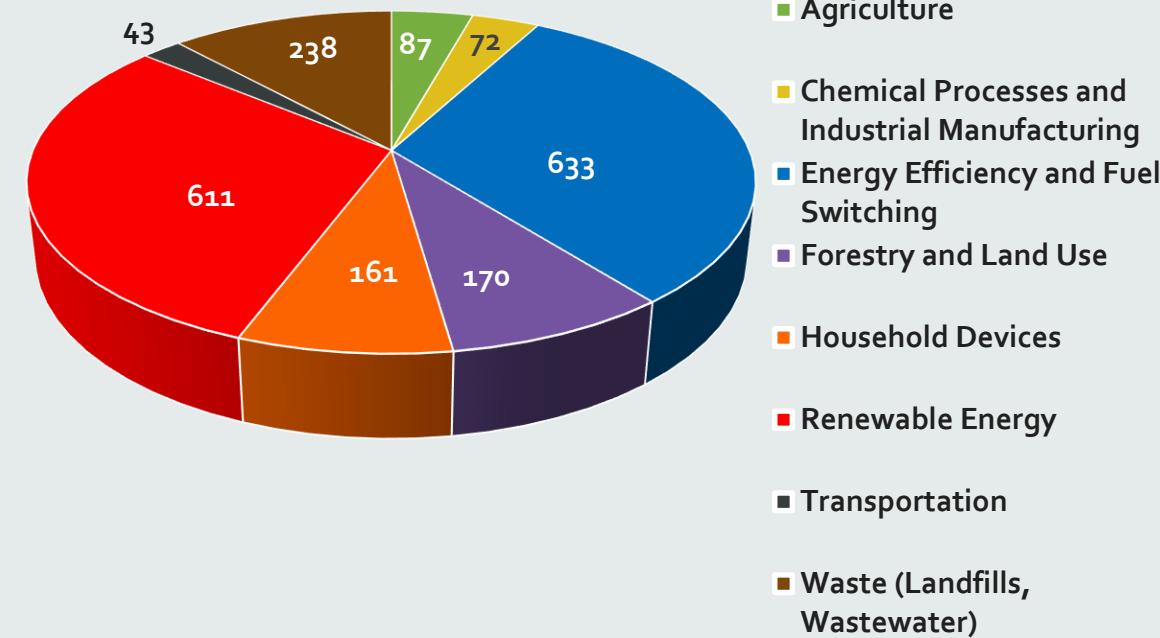
- **“Carbon Credit”:**

A tradeable certificate or permit issued by a carbon registry that represents a greenhouse gas reduction or greenhouse gas removal enhancement that is equivalent to 1 metric ton of Carbon Dioxide and meets the requirements of the Carbon Offset Program.

- **“Carbon Registry”:**

Any established international, national, or regional carbon registry program that serves voluntary or compliance markets, provides an independent carbon standard to verify and certify carbon offsets, and issues carbon credits.

Global Voluntary Carbon Offset Projects (2008-2018)



Purpose:

- Require the Office of Planning in partnership with the Greenhouse Gas Sequestration Task Force to **establish a framework** for a Carbon Offset Program, through which revenues realized from the sale of carbon offset credits may be invested:
 1. Into projects that generate further carbon offset credits, or
 2. Enhance the State's mitigation and adaptation to climate change.



Carbon Offset Program

The following requirements to be codified within Hawaii Revised Statutes c. 225P:

The Office of Planning in partnership with the Greenhouse Gas Sequestration Task Force shall investigate and establish a Carbon Offset program that:

1. Provides expertise in carbon offsetting to public agencies and private entities and assists in coordinating carbon offset projects of public agencies, including but not limited to the generation, certification, and marketing of carbon credits;
2. Allows for proceeds and revenues generated by state departments from sales of offset credits to be deposited into suitable funds particularly for reinvestment to generate further carbon offset credits; provided that the funds are used in accordance with the purposes of the fund;
3. Allows for proceeds and revenues generated by state agencies from sales of carbon credits other than described in paragraph (2) to be invested in projects enhancing the State's efforts to mitigate or adapt to climate change; and
4. Is consistent with the State's sustainability goals and policies.



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Carbon Offset Program Report Requirement



The Office of Planning in partnership with the Greenhouse Gas Sequestration Task Force shall:

1. Submit a report of its findings and recommendations,
2. Including any proposed legislation,

to the Legislature and the Climate Change Mitigation and Adaptation Commission no later than 20 days prior to the convening of the Regular Session of 2020.



Status Update



- ✓ **October 2018:** Attended the Coalition on Agricultural Greenhouse Gases (C-AGG) Conference in Washington DC to learn and discuss sustainable agriculture, climate change mitigation capacity to reduce greenhouse gas emissions, agricultural carbon offset potential, and deliver ecosystem services at scale.

- ✓ **November 2018:** Attended US Green Building Council International Conference to learn and discuss carbon offset crediting potential within the built environment to advance decarbonization by addressing the building life cycle carbon analyses, life cycle building assessments, transportation, and the water-energy nexus.

- ✓ **October-November 2018:** Consultant services will be sought through an RFP, which is currently undergoing legal review.

- ✓ RFP will be available online to the public soon following the completion of legal review.



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Mahalo!

Questions? Contact Us!

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