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New On-Line Guide Available

The second edition of VCR Inc.'s *Challenge Registry Guide to Entity and Facility-Based Reporting* is now available.

From baseline development and target setting, to the documentation of achieved results and reporting emission reductions to VCR, the 44-page publication walks registrants through the process of writing a greenhouse gas reduction action plan.

"We're excited because this will be a living document," says VCR Registry Analyst Brian Rawson. He explains each edition of the guide, published electronically, will henceforth be numbered to allow modification on an ongoing basis. The newest edition, version 2.2, can easily be downloaded from VCR's Web site at <http://www.vcr-mvr.ca/vcr-020.cfm> and

contains up-to-date factors to simplify emission calculations.

"It's basically a great source of constantly changing information compiled in one location, and it provides all the tools and templates people need to report."

The electronic booklet also features links to guidelines, GHG management programs and reporting templates developed for specific industry sectors, including sector-specific calculation methodologies and industry intensity values. Rawson explains VCR is currently trying to expand its list of industry-specific reporting guidelines, and is encouraging anyone with this type of information to contact its Ottawa office at info@vcr-mvr.ca or (613) 565-5151.

Protocol Sets Stage for Future Reductions

VCR Inc.'s Board of Directors has approved a new protocol that will be used to validate and register project-based emission reduction offsets, a service that VCR President Bob Flemington says is a "natural progression" from the existing registry of voluntary action plans.

"It's not clear yet what the final game strategy is going to be in Canada," says Flemington, "but there's potential for a system that has offset trading as an element, which is why we're heading down this road. If we're going to be part of the solution, we need to take early action to understand the mechanisms of how to do it. That's part of validating registered emission reductions."

A registered emission reduction (RER) is an outgrowth of the Greenhouse Gas Emission Reduction Trading Pilot (GERT), which operated between 1998 and June 2002. It explored a market-based approach to reducing GHGs, whereby a company could offset internal emissions by purchasing a GHG reduction from an external source. RERs, calculated in tonnes of CO₂-equivalent, were created after an offset was measured, calculated and documented in accordance with the GERT protocol.

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Because GERT's protocol was the product of a committee comprising participants from provincial and federal governments, industry and non-governmental organizations, RERs generated by the pilot hold potential value against future reduction regulation. When GERT concluded, its registry moved to VCR's new Reduction Registry. VCR will also register international offsets sanctioned through trading mechanisms written into the Kyoto Protocol.

"Because we are on a Canadian advisory committee to the development of an ISO standard for measurement and reporting of GHG, we have an understanding of the emerging requirements for verification and validation of emission reductions," says Flemington. "By doing the validation, we're running it through the emerging

protocol that may become standards in the future. It's almost a third-party consultation on what we think will pass muster in the future."

VCR will use its protocol to validate RERs resulting from ongoing GERT trades. Participants in new trades, independent of any structured program, have also started asking to have project-based emission reductions validated and registered. Applicants will complete standardized documentation and submit background information describing the project, its emission reductions and the results of a third-party review.

If the reduction passes the protocol's criteria, it will be subject to a 30-day grace period and posted on VCR's Web site for public review. If anyone questions the ownership or validity of the reduction,

VCR will entertain a technical debate on the query. After they are reviewed and approved, RERs remain publicly documented in the Reduction Registry. VCR's protocol, like GERT's, is sanctioned by a board of directors comprising industry and government representatives, which, says Flemington, gives the resultant RERs "a little bit more validity" should they be applied against future regulation.

"Companies might have all types of motives for getting involved, but the primary one at this stage is they want to know what their exposure is in the future," says Flemington. "The only game in town at the moment, which has enough knowledge and has both government and industry on its board, is VCR."



John Dolbec
"Its early days yet, and I think there's going to be a big education process."

Hamilton Program Connects with SMEs

The Hamilton Chamber of Commerce is reaching out to members with energy efficiency and greenhouse gas reduction strategies tailored for small- and medium-sized businesses, in order to help guide similar efforts in chambers across the country.

"People perceive greenhouse gas emissions to be a problem of big industry, big smokestacks," says John Dolbec, CEO of the Hamilton Chamber, explaining small- and medium-size

enterprises (SMEs) are collectively responsible for a considerable quantity of GHG emissions generated by Canadian business. "People haven't twigged on the idea yet that it's really all about how we use energy in our businesses, how we get products from point A to point B, how we get people from one place to another or what kind of heating and air conditioning requirements we have."

In a six-month pilot project starting January 2003, the Hamilton Chamber will provide its 1100 member companies, 80 percent of which have fewer than 25 employees, with the tools and expertise to become energy efficient and contribute to the

mitigation of global warming. The project's objectives are to engage SMEs in the process of implementing energy efficiency, give them the tools to measure the impact of their actions in dollars saved and GHG emissions reduced, and then document the engagement strategy as a template for broader implementation.

"Its early days yet and I think there's going to be a big education process," says Dolbec. "That's the real challenge here, the education process."

Natural Resources Canada's Office of Energy Efficiency will undertake the education process in a series of workshops, starting in early February. The one-day sessions, which are the OEE's specialty, will deliver information on identifying conservation opportunities, implementing and managing solutions, taking advantage of financing and insurance options and optimizing participation in GHG emission reduction. One of the challenges of applying the OEE education formula to SMEs, however, says Dolbec, is the sheer volume of potential participants. The workshops are currently designed to accommodate 18 to 24 people, but there are thousands of SMEs in Hamilton alone.

"You don't have to be a rocket scientist to figure out it's going to take a long time to get that information out to hundreds of thousands of SMEs coast to coast," he says.

Supply Chain Management Launched in Alberta

Five service companies working in Alberta's petroleum sector have attended the first workshop of the Environmental Supply Chain Management (ESCM) Pilot, a project aimed at reducing greenhouse gas emissions in the suppliers of major Canadian corporations.

The pilot, aimed at small- and medium-sized enterprises (SMEs), is exploring methods to help suppliers of host corporations conserve energy and report, track and reduce GHGs. The five-year program began in May 2001, is managed by VCR Inc. and funded, substantially, by Industry Canada. Host corporations also support the work, and so far Suncor Energy and Shell Canada have signed on.

The ESCM pilot has, for now, taken root in Alberta, where its first workshop took place in November. In addition to Shell, Suncor and five of their suppliers, the event brought together Alberta's Climate Change Central, a publicly funded organization promoting GHG reduction strategies; the federal government's Office of Energy Efficiency; the Pembina Institute, an Alberta-based environment and energy think tank and VCR. The essential message promoted the economics of energy efficiency and stressed the advantages of GHG reduction.

"One of the ways, and perhaps the only way you can involve your suppliers is to actually help them along," says Dianne Humphries, Suncor's Manager of Sustainable Development. "We work on these issues around the clock, so we have a lot of intellectual capital between myself and the other partners. The amount of energy and enthusiasm in this workshop was outstanding."

Humphries says the five SME participants were given electronic tools and materials, and information on how to "spot the opportunities." Each of them will also receive four days of assistance from Pembina, on site, to establish an energy savings program and GHG reduction action plan.

Dwayne Hunka, Vice-President and General Manager of Waiward Steel Fabricators, a company with about 450 employees supplying heavy industry in western Canada, attended the workshop. Hunka believes the pilot presents him with an opportunity that appeals to him both socially and economically.

"This really doesn't fall outside the philosophy of our company," he says. "I don't mind at all being one of the guinea pigs because we're learning while other companies are learning at the same time. We'll set the standards. We'll set the guidelines and rules by being early."

Waiward is now assembling an internal team to audit and manage energy and to prepare a VCR action plan, and Hunka compares the experience with the previous implementation of safety programs and

international quality standards, which have made the company more competitive. Hunka, however, believes Waiward has often been more forward thinking than its competitors, and says many SMEs may not be as easily convinced.

"...perhaps the only way you can involve your suppliers is to actually help them along."
- Dianne Humphries

"Most of our competitors right now will not spend the time or the money in this effort," he says. "I say that generally. There will be some that will and some that won't. But in a few years time I think more will feel like we do now."

By the end of the pilot in 2006, VCR Technical Representative Evan Jones hopes to have action plans from 30 supply-chain SMEs. He also hopes to have the cooperation of 10 host companies, and says discussions are underway now with Ontario's automotive industry. For SMEs and major emitters alike, Jones says, it makes good corporate sense because "people are looking to buy from companies that are doing things about climate change."

"Eventually, suppliers or customers may be coming to you and asking what you're doing about climate change. It's being part of the solution, not part of the problem."

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VCR Inc. President Bob Flemington, however, anticipates the Hamilton pilot will help find a cost-effective way to communicate with the numerous and disparate SMEs through "some kind of Web-based mentoring mechanism." In the long term, he explains, VCR's website will be used to facilitate dialogue and information exchange and to document what companies intend to do about it and whether or not they reach their goals.

"The coordinating committee for this project is looking at the whole spectrum of SMEs, and that's one of the things it hopes to learn from the Hamilton pilot, what groupings of SMEs can you bring together with a common message specific to them," says Flemington.

In addition, since small businesses may not have the manpower to deal with the paperwork and complication of assessing GHG emissions, VCR is going to streamline the reporting mechanism. Flemington says it has already developed a reporting tool, whereby a registrant can simply use its energy bills to produce a comprehensive action plan.

Following the pilot, the Hamilton Chamber will work with the Canadian Chamber of Commerce to repeat this work throughout the more than 450 chambers across the country. "There isn't a community in this country that doesn't have a Chamber of Commerce," says Dolbec, who hopes to see an "off-the-shelf" education template created by summer.

"This is something that Canadian business just has to do," he says. "In today's environment of rapidly escalating energy costs it only makes sense that Canadian companies address this issue as sound business people."

VCR Registers Plan

By posting an action plan of its own, VCR Inc. has made a commitment to walk the talk and demonstrate how a small company can make an impact on climate change.

“It was hard to encourage small companies to get engaged in the process of preparing and executing action plans, or even help them do it, until we figured out how to do it ourselves,” says VCR President Bob Flemington. “Now that we have completed the work ourselves we have a template for others, which will make it easier for them.”

VCR has six full-time employees, four of whom work out of an 1100 square-foot office in Ottawa with the remaining two operating from remote locations. Its annual operating budget is less than \$1 million. Working from a year 2000

emissions baseline, it has adopted a target to eliminate entirely the greenhouse gas impact of its operations through office energy efficiency, transportation strategies and investments in offsets. The objective is to maintain these reductions on an annual basis, documented through progress reports registered by October each year.

Flemington says writing and working with the plan has given the company insight into the complexity of accessing its own registry system. “Another lesson we’ve learned,” he says, “is how to set the level of commitment to reduce, particularly if you’re going to go beyond taking internal action and find methods to offset your GHG footprint.” Its goal is to offset 20 tonnes of GHG to achieve its net zero emissions objective.

Flemington says he doesn’t expect every small- and medium-sized enterprise (SME) to take action “to the same level” as VCR. Its plan models, however, how a small company can calculate indirect emissions from, for example, utility services and commercial transportation. The bulk of VCRs emissions are the result of air travel.

“Relative to the major emitters, we are extremely small players in the market for a GHG offset, but so is everybody else in the SME sector. If we’re going to reduce emissions to a level that meets the obligations of Canada, everybody needs to get involved, including those who have tiny emissions like us.”

Energy 2003 Conference: Industry Led – Results Driven!

Natural Resources Canada’s Office of Energy Efficiency through the Canadian Industry Program for Energy Conservation sponsors Energy 2003 and promises to provide a practical, hands-on assessment for you to better manage your energy use in 2003 and beyond!

Attend this one-day conference on Wednesday, March 26, 2003 at the Government Conference Center in Ottawa. This is an ideal forum for those energy practitioners, operations managers, engineers, MBAs and project

managers. Participants wishing to gain the appropriate information will discover at least three new tools to better meet their energy efficiency objectives and how to [?] use these tools to allow them to achieve their financial goals, incorporate actions that will support voluntary change, demonstrate reduction in industrial energy use. Participants will also have the opportunity to exchange ideas and establish important contacts with colleagues and meet with representatives from energy management service companies that are making a difference.

For more information or to register, click <http://oee.nrcan.gc.ca/energy2003> or contact Keith Quach at 613-992-3288 or kquach@nrcan.gc.ca.

Energy 2003 takes place the day after VCR Inc.’s Annual Leadership Awards Dinner and Ceremony allowing participants from across Canada to make the most of their trip to the National Capital Region. To reserve a seat or for more information on the VCR Inc. Leadership Awards contact the VCR Inc. office at info@vcr-mvr.ca or telephone 613-565-5151.

The date for the 2003 Annual Leadership Awards Ceremony is Tuesday, March 25, 2003 at the Canadian Museum of Civilization in Hull, Québec!

To reserve a seat, sponsor a table, or for more information on the VCR Inc. Leadership Awards contact the VCR Inc. office at info@vcr-mvr.ca or telephone (613) 565-5151.