



Climate Leaders Greenhouse Gas Inventory Protocol Optional Module Guidance:

Using Offsets to Help Climate Leaders Achieve Their GHG Reduction Goals

Appendix B: Climate Leaders Sample Request for Proposals for Partners Purchasing GHG offsets

Climate Leaders is providing this sample Request for Proposals (RFP) to Partners that wish to purchase credible greenhouse gas (GHG) offsets for use towards achieving their Climate Leaders GHG reduction goal. Partners may add information as needed.

I. Introduction

The purpose of this request for proposals (RFP) is to receive quotes/offers from prospective suppliers of greenhouse gas (GHG) Offsets (Offsets). [Company Name] seeks proposals to purchase GHG offsets to offset its GHG emissions from its [U.S./global] operations for the year 20__. [Company Name] is also soliciting proposals for procurement of offsets for future years' emissions.

[Company Name] has been a Partner in the U.S. Environmental Protection Agency (EPA)'s Climate Leaders program since 20__. Climate Leaders is an EPA industry-government partnership that works with companies to develop comprehensive climate change strategies. Partner companies commit to reducing their impact on the global environment by setting aggressive greenhouse gas reduction goals and annually reporting their progress to EPA.

[Company Name] seeks proposals that will allow [Company Name] to use and retire the offsets as a part of [Company Name]'s Climate Leaders commitment to [reduce its GHG emissions by [XX]% from [base year] to [goal year] or to be "carbon neutral" from years [20__] to [20__]]. As such, [Company Name] requires that projects meet EPA guidance, protocols and accounting methodologies. [Company Name] requires that all projects be surplus to any federal, state, and local regulation and that the project can demonstrate additionality, as well as select and set a baseline, based on a performance standard approach. Additional information on EPA guidelines is provided in Section IV of this RFP.

There is no minimum offset tonnage requirement for proposals made in response to this RFP. [Company Name]'s total purchase volume is dependent upon responses to this



RFP. Final decisions on the number of accepted proposals and total volume of offsets purchased as a result of this RFP are at the sole discretion of [Company Name].

- II. General Terms and Information (to be provided by Partner)
- III. Response Protocol and Requirements (to be provided by Partner)
- IV. Evaluation
 - a. General offset principles

[Company Name] will balance the strengths of each of the proposals to develop a portfolio that reflects the company's goals of environmental stewardship. In particular, [Company Name] will consider projects that meet four key accounting principles:

- **Real:** The quantified GHG reductions must represent actual emission reductions that have already occurred.
- **Additional:** The GHG reductions must be surplus to regulation and beyond what would have happened in the absence of the project or in a business-as-usual scenario based on a performance standard methodology.
- **Permanent:** The GHG reductions must be permanent or have guarantees to ensure that any losses are replaced in the future.
- **Verifiable:** The GHG reductions must result from projects whose performance can be readily and accurately quantified, monitored and verified.

b. Fundamentals of the Climate Leaders Performance Standard Approach

[Company Name] expects that all project proposals conform to the performance standard approach in order for the projects to be eligible for use towards meeting [Company Name]'s Climate Leaders goal.

There are several key considerations to take into account when including specific offset projects in the Climate Leaders program. Project activities must be surplus to regulation to be eligible as offsets. To demonstrate additionality, offset projects are required to achieve a level of performance with respect to emission reductions and/or removals that is significantly better than business-as-usual. Business-as-usual is determined from similar, recently undertaken or planned practices, activities or facilities in the same geographic region. This level of "performance" may be defined as an emissions rate, a technology standard or a practice standard. Data used in setting the performance standard is primarily collected from publicly available historic data (although planned or projected activities may be used in certain cases as well). The performance standard approach minimizes the risk of accepting a project that is not additional or rejecting a project that is additional. A performance standard approach also reduces the complexity, cost, and subjectivity of constructing individual project-specific reviews.



c. Proposal Guidelines

[Company Name] expects that each proposal conform to the following areas in order for the reductions to be eligible for use towards meeting [Company Name]'s Climate Leaders goal.

- **Methodology:** [Company Name] has partnered with U.S. EPA's Climate Leaders program and requires that the calculation of project performance be based on Climate Leaders Offset Project Methodologies, which provide detailed guidance for specific project types. Climate Leaders Offset Project Methodologies currently include landfill methane collection and combustion, manure management, captured methane end use, transit bus systems, industrial boilers, commercial boilers, and reforestation/afforestation projects.¹
- **Program-specific guidance:** To ensure that GHG reductions from all offset projects meet the four key accounting principles outlined above (real, additional, permanent, and verifiable), proposals are required to comply with EPA guidance covering project geographic scope, start date, regulatory eligibility, additionality, baseline determination, data set, reduction quantifications, leakage potential, permanence, and monitoring.²
- **Double-Counting:** Procedures should be in place to prevent double-counting of emission reductions, including a clear and well-documented establishment of ownership. Offsets should be permanently retired on a comprehensive and transparent registry system.
- **Standards:** If a publicly available standard is used in verifying the emissions reductions, please specify which one(s).
- The cost of verification and certification will be borne by the respondent.
- Additional benefits, including but not limited to economic development, cultural and gender effects, sustainability, technology transfer, public participation, and capacity building should be described.
- Additional value-added services available to [Company Name] by provider should be described.

V. Selection Process

- The primary basis for the selection decision will be made based on an analysis of bidder's quality of offerings, capabilities and pricing.
- Bidders must provide competitive pricing that is clearly defined and detailed. [Company Name] expects bidders to identify opportunities to reduce the cost of purchasing offsets.

¹ See <http://epa.gov/climateleaders/resources/optional-module.html> to download detailed accounting methodologies.

² See <http://epa.gov/climateleaders/resources/optional-module.html> to download offset program overview document.



- Please indicate any additional discounts for volume and/or contract periods that are available.
- Please specify any alternative or flexible pricing structures that you offer. For instance, please describe any available pricing options were [Company Name] to make a one-time up-front payment for Offsets to cover current and future GHG emissions.

a. Deadlines

[To be added by Partner; note that a Partner may request that EPA review this information when the Partner chooses to invest in the project and that EPA needs at least two months to review offsets documentation prior to announcement of goal achievement]

VI. Additional Details

a. Table of Emissions (metric tons CO₂e) by scope

Reporting Year	Core Direct (Scope 1)	Core Indirect (Scope 2)	Optional (Scope 3) <i>[specify type, e.g. business travel]</i>
20__			
20__			

b. Requirements and Preferences

Please refer to <http://epa.gov/climateleaders/resources/optional-module.html> to download detailed accounting methodologies and program-specific guidance.

c. Length of Contract

[To be added by Partner]