M-2. Establish Offsite Mitigation

GHG Mitigation Potential

Variable reduction in GHG emissions

Co-Benefits

Varies

Climate Resilience

Climate resilience benefits vary by offsite mitigation project; for example, investing in a community energy efficiency retrofit program could reduce electricity consumption, minimizing risks of a power outage during peak loads. These programs could also reduce energy costs, particularly if extreme heat would otherwise increase these costs. If the program reduces residential or commercial natural gas consumption, it could reduce consumer sensitivity to fuel price shocks or scarcity.

Health and Equity Considerations

Local offsite projects should be prioritized, if possible, to create local co-benefits in pollution reduction and job creation. Consider including a local hiring provision (see *Inclusive Economy* measures in Chapter 5, *Measures for Advancing Health and Equity*).

Measure Description

This measure will reduce GHG emissions by funding and implementing emissions reduction actions that are not directly associated with the project or located on the project site. These actions could occur within the surrounding community, or elsewhere in the city, county, state, nation, or globe. This measure should only be pursued when all possible onsite measures have been implemented or deemed infeasible. Local reductions (i.e., reductions from GHG reduction projects nearest to the project) should be prioritized, to the extent feasible.

The geographic priority for offsite reductions should be as follows: in the community affected by the project, within nearby communities with existing disproportionate burdens, within the general nearby community, within the region, within California, and then outside California.

If GHG reduction credits (including carbon offsets) are purchased for a project, it is recommended that all GHG credits/offsets, including those outside of California, meet the six criteria defined in *17 C.F.R. Section 95802*, which are used in the California Cap and Trade System, which are that the credit/offset must be "real, additional, quantifiable, permanent, verifiable, and enforceable." All use of GHG reduction credits should be from sources that follow rigorous protocols and third-party verification.

Scale of Application

Project/Site and Plan/Community

Implementation Requirements

This measure should only be pursued as a last resort when all possible onsite measures have been implemented or deemed infeasible.

Cost Considerations

Offsite mitigation projects can cover a wide range, from low-cost options like financing community building energy efficiency improvements to high-cost options like funding utility-scale renewable energy infrastructure. The potential for these projects to achieve long-term costs savings depends on the type and project-specific circumstance.

Expanded Mitigation Options

Non-applicable.

GHG Reduction Formula

$A = -B$

GHG Calculation Variables

ID	Variable	Value	Unit	Source
Output				
A	GHG reduction from the offsite mitigation	[ ]	MT CO_2e	calculated
User Inputs				
B	Amount of CO_2e reduced by the mitigation	[ ]	MT CO_2e	user input
Constants, Assumptions, and Available Defaults				
	None			

Further explanation of key variables:

- (B) – The amount of the GHG reduction achieved by the offsite mitigation must be defined by the user. Users should establish a method for registering and verifying the GHG emissions reduction and ensure it meets the six offset criteria defined in *17 C.F.R. Section 95802*. These criteria ensure the mitigation would not subsidize or take credit for emissions reductions that would have occurred regardless of the mitigation.

GHG Calculation Caps or Maximums

None.

Example GHG Reduction Quantification

The user reduces GHG emissions by funding and implementing offsite mitigation. In this example, the user collaborates with a non-profit organization to fund removal of dead, diseased, and dying trees, which are converted to transportation fuels through pyrolysis. The project achieves an annual emissions reduction of 500 MT CO_2e.

$$A = -500 \frac{\text{MT } CO_2e}{\text{yr}}$$

Quantified Co-Benefits

Depending on the type, offsite mitigation projects may have no co-benefits or achieve a considerable number. For example, offsite mitigation projects that involve removing or retrofitting combustion sources could achieve improved air quality, energy and fuel savings, and improved public health.

Sources

- None.