

# The Climate Trust

## 2005 Request for Carbon Dioxide Offset Project Proposals

May 24, 2005  
(revised June 2005)

### Overview

- The Climate Trust is soliciting proposals for projects that reduce or sequester carbon dioxide emissions. Only carbon dioxide offsets are eligible for funding. The Climate Trust cannot purchase offsets of other greenhouse gases with this funding.
- Total funding available is \$4.3 million for carbon offset projects. The funding that The Climate Trust will apply to this effort was provided by Portland General Electric (PGE) as part of their requirement to offset the emissions from their new power generating facility in Port Westward, Oregon.
- The Climate Trust is seeking projects along the following guidelines:
  - **Additional.** The carbon dioxide emission reductions should be in addition to those that would likely occur in the absence of offset project funding.
  - **Future.** Projects must be implemented after the carbon funding is awarded. The Climate Trust is not able to fund existing projects; however expansions of existing projects are eligible.
  - **Quantifiable.** The carbon dioxide emissions benefit can be quantified and measured.
- The Trust is interested primarily in projects seeking more than \$1 M in carbon funding (total project costs can be greater).
- The Climate Trust will be transacting for the ownership of carbon dioxide offsets through offset purchase agreement contracts.
- The Climate Trust cannot fund technology development or project development costs.
- Although there is no price ceiling for projects, The Climate Trust expects to fund projects at a carbon price of \$5/metric ton CO<sub>2</sub>.
- Cost effectiveness will be one of the primary factors used to evaluate project proposals.
- There is a \$500 application fee for private companies and a \$250 fee for non-profit and government entities due for each Phase I proposal submitted. For applicants that advance to Phase III and are invited to enter contract negotiations, an \$8,000 due diligence fee and reimbursement of some legal costs will also be required.



## **Process**

There are three phases to The Climate Trust's project selection process. It is expected to take 18 months from the time of the announcement of this RFP until the final carbon dioxide purchase agreements are completed.

**Phase I:** Submission of Project Information Document. The official requirements for submission are set forth in this RFP.

**Phase II:** Detailed Project Information Document. Selected proposals will be invited to submit a more detailed project information document including responses to project-specific questions from The Climate Trust.

**Phase III:** Contract negotiations. Winners of Phase II will be invited to negotiate a carbon dioxide offset purchase agreement. The amount of the funding and its terms will be set forth in the final purchase agreement.

## **Important Dates**

The Climate Trust has set a goal of executing all final carbon dioxide offset contracts from this RFP not later than July 2006. The following are dates of note regarding the submission of the Phase I proposals described in this document.

**Bidders Conference will be held on June 14, 2005.** This is an opportunity to ask questions about the RFP and the selection and contracting process.

**Responses to are due by August 24, 2005. All proposals submitted in response to this RFP must be received by this date.**

A Microsoft Word version of the Project Information Document is available on our Website. Supplemental information such as FAQs, additional resources for project applicants, and transcripts from the Bidders Conference will also be posted.

[http://www.climatetrust.org/solicitations\\_2005\\_RFP.php](http://www.climatetrust.org/solicitations_2005_RFP.php)



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<sup>1</sup> The standstill agreement in Appendix A is not required for Phase I applications. It will be required for Phase II.

## Section 1: Details of the Request for Carbon Dioxide Offset Project Proposals

### **A. Guidelines for Project Applicants**

Total Amount of Project Funding. The Climate Trust is seeking a minimum of US\$ 4.3 million in carbon dioxide offsets.

Number and Size of Projects. The Climate Trust is seeking projects requesting \$1 million or greater in carbon funding and anticipates entering into carbon purchase agreements with 2-5 projects.

Type of Greenhouse Gas. As required by Oregon statute, The Climate Trust will only consider offsets that directly avoid, displace, or sequester emissions of carbon dioxide when using Oregon funds. Although The Climate Trust will not consider emissions reductions of other greenhouse gases for purposes of quantifying emissions reductions, it will consider these when evaluating co-benefits.

Additionality Requirement. The Climate Trust will only fund projects where mitigation measures would not occur in the absence of offset project funding. In order to meet the additionality criterion, evidence must be provided that the carbon funding is essential for the implementation of the project. The Climate Trust assesses additionality on a project-by-project basis.

Regulatory Surplus. The Climate Trust will consider only projects where the carbon dioxide emissions benefit is over and above what is required by law. An emission reduction is surplus if it is not otherwise required of a source by current regulations or other obligations.

Quantifiability of Offsets. The Climate Trust will consider only projects that directly avoid, displace, or sequester the emissions of carbon dioxide, and where the amount of carbon dioxide offsets can be quantified, taking into consideration any proposed measurement, monitoring, and evaluation of mitigation measure performance.

Timing of Project Implementation. The Climate Trust will consider only projects where mitigation measures will be implemented in the future, subsequent to contract execution. The Climate Trust will not consider projects where mitigation measures have been implemented prior to contract execution. Projects selected for funding must be implemented within three years from the date of execution of the carbon purchase agreement.

Length of Project Contract. The Climate Trust typically does not enter contracts with terms longer than 15 years irrespective of the lifetime of the measures implemented under the contract. Thus, if the underlying measure has an expected life of more than fifteen years, The Climate Trust will contract for a maximum of fifteen years of carbon dioxide offsets. One exception to this is biological sequestration projects which typically require a longer project life.

Types of projects. The Climate Trust will consider any and all project activities that reduce carbon dioxide based emissions. Please be advised of the treatment of the following sectors:

- **Nuclear Power.** As Oregon law does not permit the siting of nuclear power facilities, The Climate Trust does not fund nuclear power-based offset projects.
- **Biological Carbon Sequestration** (includes afforestation, reforestation, forestry conservation, etc.). As a large portion of The Climate Trust's offset portfolio is currently invested in biological sequestration projects, we do not anticipate spending more than 25% of the funds from this 2005 RFP in biological sequestration projects.

Eligible Project Proposers. The Climate Trust will accept proposals from any non-profit and for-profit corporations, government agencies, national laboratories, and combinations of these parties.

Project Price Range. The Climate Trust will use cost effectiveness as the primary selection factor for offsets, while achieving a balance between the desire to acquire the least expensive reasonably assured offsets available with the desire to acquire a diverse portfolio of projects. The Trust anticipates that \$5/metric ton CO<sub>2</sub> will be a competitive proposal.

Geographic limitations and preferences. The Climate Trust has no geographic constraint on the projects that can be funded.

- Note for international project applicants: Non U.S.- based projects must have a U.S. partner or affiliate organization that can be used for negotiations of the carbon purchase agreement.
- The Climate Trust does encourage applicants with projects based in Oregon to submit proposals.

Co-benefits: The Climate Trust prefers projects with environmental, health, and socioeconomic co-benefits, and will request information on co-benefits from proposers. Special consideration may be given to projects with excellent co-benefits.

## **B. Project Approval Process**

Climate Trust Selection Process: There are three phases of The Climate Trust's project selection process:

- **Phase I.** Project applicants complete and submit the materials in The Climate Trust Request for Offset Proposals. The information in this document comprises the Phase I application. After review, winners will be invited to submit a Phase II proposal.
  - Estimated time: 3 month timeline for submissions of Phase I proposals; 3 month review of proposals.
  - Fee: \$500/application. See below for details.
- **Phase II.** More detailed project information is requested in Phase II. Documents such as applicants' financial statements, detailed financial plans for the project, and technical data are required. In addition, The Climate Trust prepares and submits project-specific questions. Winners of Phase II will be invited to participate in negotiation of a carbon purchase agreement.
  - Estimated time: 2 month timeline for submissions of Phase II proposals + 3 month review of proposals.
  - No fee required.
- **Phase III - Contract Negotiations.** The Climate Trust purchases carbon offsets through a carbon purchase agreement. Each purchase agreement is project-specific with differing requirements on delivery timetables, guarantees, and contract milestones. The Climate Trust works to develop a contract that is acceptable to all parties. Applicants invited to the contract negotiation phase have a high likelihood of receiving carbon funds. Carbon funding is approved upon successful execution of the carbon purchase agreements.
  - Estimated time: 3-5 months.
  - Fee: \$8,000 due diligence fee is required prior to the start of contract negotiations. In addition, The Climate Trust asks applicants to cover a portion of The Climate Trust's legal costs. See below for details.

Application and Project Review Fees: As a means to support the Climate Trust's review and assessment of project proposals, there are three sets of fees that will be required during the offset acquisition process:

- **Application fee.** A \$500 application fee is due upon submittal of the Phase I project application included in this document. For non-profits and government agencies, this fee is reduced to \$250.<sup>1</sup> Applications submitted without a fee will not be considered.
- **Due diligence fees.** For the applicants that are invited to enter contract negotiations

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<sup>1</sup> The Climate Trust is willing to work with organizations prohibited from paying application fees (e.g. certain government agencies, etc.)

(Phase III), an \$8,000 fee is due prior to commencement of negotiations to cover the costs of The Climate Trust's due diligence assessment.

- **Legal fees.** Applicants invited to enter contract negotiations will be required to reimburse The Climate Trust for its' legal costs as follows: 100% of the first \$10,000 and 50% of the next \$10,000 (maximum of \$15,000 in legal costs).

Procedure for Submissions: To complete a proposal, please read the entire RFP thoroughly and provide all the information required. A checklist of all required documents has been provided for you in Section 2. The RFP asks for, among other things, a description of the project, a clearly documented chain of ownership to assign ownership of the carbon dioxide offsets to The Climate Trust, a funding plan, a clear plan to quantify the carbon dioxide offsets, explanation of the uncertainty and risk associated with the proposed project, and a description of related co-benefits.

**Proposals are due in our office by 5:00 PM PST on August 24, 2005. Be sure to include 3 hard copies and an electronic version. Please include application fee.**

The Climate Trust will evaluate the proposals based on (but not limited to) price per metric ton of carbon dioxide offsets, capability of project partners, reliability of project technology, clear transfer of ownership, monitoring and verification plans, mitigation of The Climate Trust's financial risk, and the co-benefits that will be generated by the projects. More details about the evaluation criteria are provided in Section 3.

Please direct any questions to:

**Ted Presberg**  
**The Climate Trust**  
**516 SE Morrison St., Suite 300**  
**Portland, OR 97214**  
**tpresberg@climatetrust.org**  
**www.climatetrust.org**

Disclaimer: This Request for Proposals (RFP) is not an offer by The Climate Trust to purchase any rights, goods or services, and submission of project proposals does not create any rights whatsoever. The Climate Trust is free to accept or reject any project proposal, and is not bound to accept the economically most favorable proposal or any proposal at all, and may accept any proposal regardless of whether it conforms to the terms of this RFP. The Climate Trust, and its directors, officers, agents, employees or assigns are not liable at law or at equity to any project proposer or participant or any other party for any decision by any of them regarding submission, acceptance, rejection or modification of a proposal, or in any other connection with this RFP. All costs directly or indirectly related to preparation of a proposal or submission shall be the sole responsibility of, and shall be borne by, the developer of the project proposal.

## [Section 2: Required Proposal Documents](#)

The following is a checklist of required documents for the Proposal. **Please provide 3 hard copies and an electronic version.**

- Completed and Signed Project Information Document.** Provide comprehensive project information and responses to all project-specific questions posed by The Climate Trust.
  
- Proof of Collaboration.** Provide letters of intent from any project collaborators.
  
- Application Fee.** A \$500 application fee is due upon submission (\$250 for non-profit and government agencies). Please make checks payable to The Climate Trust.

### Section 3: Criteria for Evaluation of Proposals

The Climate Trust will evaluate each proposal based on the criteria below. The Climate Trust reserves the sole right to use its judgment when applying or modifying this evaluation approach, and to apply its own assumptions for evaluation purposes. See the Disclaimer on page 7.

1. Cost Effectiveness. The measure of cost effectiveness will be defined as U. S. dollars per metric ton of reasonably assured, additional carbon dioxide offsets. The Climate Trust reserves the right to suspend project evaluation and/or negotiations if the price of carbon dioxide offsets varies materially from that initially proposed.
2. Reliability of Project Proposer. The Climate Trust will consider the qualifications of the proposer, the proposer's past experience with similar projects, if any, and the qualifications of any organizations cooperating with the project. Note that proposers will be required to demonstrate their financial and institutional capability to deliver the project that they propose.
3. Reliability of Project Concept. In evaluating the reliability of the carbon dioxide offsets, The Climate Trust will consider the quality of the project concept and design, and the performance of similar projects.
4. Ownership. Clearly documented chain of ownership to transfer ownership of carbon dioxide offsets to The Climate Trust is essential.
5. Monitoring and Verification Plan. The Climate Trust expects high quality monitoring and verification (M&V) plans to be implemented for all projects. Although final M&V Plans are not expected to be developed until later in the process, a strong M&V concept is important for Phase I applications.
6. Mitigating Financial Risk of The Climate Trust. The Climate Trust prefers projects that reduce the risk that its investment may not yield the anticipated amount of tons of carbon dioxide offsets. There are several mechanisms that The Climate Trust considers helpful in mitigating this risk. See Section 5.
7. Co-Benefits. The Climate Trust prefers projects with environmental, health, and socioeconomic co-benefits, and special consideration may be given to projects with excellent co-benefits. See Section 5.

## Section 4: Anticipated Schedule

### **2005**

**May 24** RFP Released

**June 14** Bidders Conference. Meeting to be held in Portland, Oregon with conference call capabilities. This is an opportunity to ask questions about the RFP and the selection and contracting process. All proposers are encouraged to attend.

Please register for the Bidders Conference by contacting Ted Presberg at 503.238.1915 or [tpresberg@climatetrust.org](mailto:tpresberg@climatetrust.org). Please indicate your name, company name, email address, contact information and whether you plan to attend in person or if you plan to participate by conference call.

**August 24** Project proposals are due to The Climate Trust. The Climate Trust will acknowledge receipt of proposals by e-mail.

**October 24** Phase I winners announced. Start of Phase II

### **2006**

**January 6** Phase II responses due to The Climate Trust.

**March 6** Phase II winners announced. Applicants invited to carbon contract negotiations with selected proposals.

**July 31** Target date for contract signature.

[Section 5: Project Information Document](#)

Please limit Project Information document to no more than 10 pages. A Microsoft Word version of this document is available at [www.climatetrust.org](http://www.climatetrust.org)

**A. General Information**

<b>Project Name</b>	
<b>Proposing Organization(s) Name</b>	
<b>Primary Contact's Name</b>	
<b>Mailing Address</b>	
<b>Phone Number</b>	
<b>Fax Number</b>	
<b>Email Address</b>	
<b>Website URL</b>	

<b>Funding Requested from The Climate Trust</b>	\$
<b>Sources of Other Funding:</b>	\$
	\$
<b>TOTAL PROJECT COST</b>	\$
<b>Carbon Dioxide Offsets</b> (over project life)	Metric Tons CO <sub>2</sub>
<b>Price Per Ton of Carbon Dioxide Offsets</b>	\$
<b>Construction Start Date</b> (assuming contract will be signed July 2006)	
<b>Operation Start Date</b> (estimated)	
<b>Project Lifetime</b> (in years)	
<input type="checkbox"/> I have reviewed and understand the general structure and components of The Climate Trust's standard carbon offset purchase agreement included in Exhibit B.	
<input type="checkbox"/> I have reviewed the two forms used by The Climate Trust to transfer the ownership of the carbon dioxide offsets - The Carbon Dioxide Offset Bill of Sale (Exhibit C) and Certificate of Verified Carbon Offsets (Exhibit D).	

**Certification of Accuracy and Intent to Negotiate**

I am a duly authorized representative of the Proposing Organization. I certify that all the information provided in this proposal is true and accurate to the best of my knowledge and that if this proposal is selected for potential funding from The Climate Trust, the Proposing Organization is committed to negotiate in good faith. I understand that The Climate Trust may cease negotiations if the Proposing Organization materially changes this proposal at anytime.

**Name:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Signature:**

## **B. Project Description**

Include project type, project location, implementation plan and schedule, project scope and size (in technical terms and total dollar terms, respectively) current status of offset project or program, roles of the implementing organization(s) and project partners, etc.

## **C. Description of Proposing Organization(s)**

Describe background and qualifications of organization(s) that will be implementing and/or managing the proposed offset project.

## **D. Additionality**

Describe how project generated emission reductions are additional to those that would occur in a business-as-usual scenario. Discussion of the no-project case would be helpful.

Note that The Climate Trust purchases emission reductions from projects 1) to be implemented in the future, after we execute an offset contract, and 2) that can demonstrate a need for offset funding in order to be implemented. The Climate Trust understands that there are many different policies and interpretations of the additionality criteria for carbon offset projects and is willing to discuss these issues with project developers. Additionality is assessed on a project-by-project basis

## **E. Carbon Quantification**

Provide calculations for the quantification of the carbon offsets generated by the project. Attach spreadsheets as required.

Units of Measurement. Proposals must provide supporting documentation for use of all factors used other than those provided by The Climate Trust. All carbon dioxide offsets are to be presented in metric tons of carbon dioxide. The Climate Trust reserves the right to apply its own conversion factors for the purpose of proposal evaluation.

Range of Uncertainty. Please describe the risks associated with the expected carbon dioxide offsets.

Supporting Documentation and References. Please provide supporting documentation for the key input assumptions used in calculating the carbon dioxide offsets and include

sources for the submitted data.

## **F. Risks**

Please address the following potential risk factors that might affect performance of the project, and describe how they will be addressed:

- Project technical performance. Include discussion of risks of equipment non-performance, changes in environmental performance, operation and maintenance risks, etc.
- Financial and commercial. Financial risks presented by the project, financial risks faced by the implementing group(s), how debt exposure will be covered, etc.
- Generation of the carbon offsets. Risks that the projected offsets won't be generated. These risks include threats to ownership, environmental risks, project underperformance, etc.
- Other risks as applicable.

## **G. Ownership**

Provide evidence that the applicant has the rights to claim ownership and sell the carbon dioxide offsets contained in this proposal.

Examples of legal transfer of ownership documents are included in Exhibits C and D, for your reference. Recipients of The Climate Trust's funding will also be required to indemnify against competing claims of ownership. Sample language of this requirement is provided in Exhibit B.

## **H. Project Costs and Carbon Dioxide Offset Payments**

Provide a project funding plan, including documentation of the project's projected annual cash flows, showing all anticipated project costs, revenues, and net revenues for the life of the project. For the purposes of The Climate Trust funding, provide an indication of the needed timing of the payments. (Be sure to include a copy of your funding plan in Excel format with your electronic submission.)

Describe the amount and type of any additional funding sources for this project. Please provide information on the status of funding from potential additional sources.

Important note on carbon project costs. The following is a list of project costs associated with carbon offset projects that must be included in the proposed funding plan:

- *Final Development of a Monitoring and Verification Plan.* While a robust monitoring and verification plan is expected at the time of project proposal, the final details of the plan are typically finished after carbon funds have been awarded.
  - Cost: Up to \$10,000. This is a Year 1 start-up cost only.
- *Review of Monitoring and Verification Plan.* If there is engineering or other specialized component in the final monitoring and verification plan, The Climate Trust typically secures the services of an outside expert to support their review.
  - Cost: \$5,000. This is a Year 1 start-up cost only.
- *Annual Monitoring and Verification Reports.* The Climate Trust requires independent third-party verification of the offsets. This task is typically performed by a contractor suggested by the project developer and approved by The Climate Trust.
  - Cost: ~\$2,500. Cost is dependant upon the details of the final plan. M&V expenses typically occur annually.

## **I. Monitoring and Verification Plan**

The Climate Trust requires projects have a system or process in place to quantify, monitor, and verify that the carbon dioxide offsets have occurred. Describe the monitoring and verification (M&V) plan for the project. Include the following:

- Methodology or standards to be used in the monitoring and verification of the carbon offsets.
- Frequency of monitoring and verification. Annually is preferred.
- Proposed entity for conducting the M&V. Entity must be an independent third party with no financial interest in the project or in the project owner(s). Include the entity's qualifications.
- Cost of M&V Plan.

## **J. Co-Benefits**

The Climate Trust values projects that result in additional environmental, health, and socioeconomic benefits. Describe any co-benefits that result from the project.

Appendix A: The Climate Trust Carbon Dioxide Offset Project Standstill Agreement  
(not required for Phase I applications)

This is an agreement dated \_\_\_\_\_, 2005 (Effective Date) by and between \_\_\_\_\_, (“Prospective Seller”) and The Climate Trust, an Oregon non-profit Corporation (“the Trust”).

Requester has invited Prospective Seller to submit a response to its Request for Carbon Dioxide Offset Project Proposals, and in response thereto Prospective Seller has submitted a proposal (the “Proposal”).

The Trust will expend substantial resources in reviewing the Proposal and will do so in reliance on this Standstill Agreement.

Therefore Prospective Seller agrees with the Trust as follows. Until such time that either:

1. The Trust has informed Prospective Seller that the Proposal has been rejected, or
2. The Proposal has been placed in an alternate group to be considered as a replacement for another proposal, or
3. The Trust has terminated negotiations with Prospective Seller, or
4. Eight months from the Effective Date have passed and the Prospective Seller has not been invited to enter contract negotiations with the Trust.

Prospective Seller will not, directly or indirectly, through any representative or otherwise, solicit or entertain offers from, negotiate with or in any manner encourage, discuss, accept, or consider any proposal of any other person or entity relating to the sale by Prospective Seller of any part of the carbon dioxide offsets described in the Proposal.

Prospective Seller will not withdraw the Proposal or modify it so that it is materially less favorable to the Trust, causing Requester to reject the Proposal or terminate negotiations.

If Prospective Seller breaches any of the agreements described in Section 1 above, in whole or in part, Prospective Seller will, upon demand, pay the Trust the sum of 2% of the total proposed cost of carbon dioxide offsets contained in the Proposal, as liquidated damages, and upon payment of such sum Prospective Seller shall have no further liability hereunder.

Signed \_\_\_\_\_ Date \_\_\_\_\_

Title \_\_\_\_\_ Organization \_\_\_\_\_

The Climate Trust: \_\_\_\_\_ Date \_\_\_\_\_  
Mike Burnett, Executive Director

## Appendix B: General Terms and Conditions for Climate Trust Carbon Purchase Agreement

The following is a general outline of The Climate Trust's Carbon Purchase Agreement. The specifics of each section vary from contract to contract. The final agreement may differ from the text below.

### **SECTION 1 DEFINITIONS**

- 1.1. As used in this Agreement, the following terms, which are not elsewhere defined, shall have the meanings set forth below.
- 1.2. “Agreement” means this Agreement, including all attachments, exhibits and amendments hereto.
- 1.3. “Carbon Dioxide Offset” means the results of an action implemented to avoid, sequester or displace emissions of carbon dioxide, and the term includes a carbon dioxide offset, carbon dioxide emissions reduction credit, or similar term which is certified, recognized or granted credit by any Mechanism or any Certifying Entity.
- 1.4. “Certifying Entity” means (1) an agency, instrumentality, department or other entity now or in the future established, accredited or recognized by a Mechanism as having legal authority to certify Carbon Dioxide Offsets that are entitled, or may or will be entitled, currently or in the future, to recognition by a Mechanism for compliance determination purposes; or (2) any other agency, instrumentality, department or other entity now existing or that comes into existence in the future that undertakes to certify, on its own authority, Carbon Dioxide Offsets that will or may be recognized by a Mechanism or that will or may have commercial value.
- 1.5. “Mechanism” means an agreement, arrangement, program, agency, instrumentality, department or other entity currently established or established in the future pursuant to international and/or domestic law, including the laws of the United States and/or the laws of individual states, with authority to certify, recognize and/or grant credit for Carbon Dioxide Offsets or greenhouse gas offsets for purposes of determining compliance by the owner or holder of the Carbon Dioxide Offsets or greenhouse gas offsets with international or domestic greenhouse gas emissions limitations, obligations or commitment, voluntary or otherwise. Mechanisms include, without limitation, the program established by Section 1605(b) of the United States Energy Policy Act of 1992 as well as those created by the Kyoto Protocol and developed by the United Nations Framework Convention on Climate Change, including but not limited to the Clean Development Mechanism, Joint Implementation, and International Emissions Trading programs.
- 1.6. “Metric Ton of Carbon Dioxide Offsets” means one metric ton (2,205 pounds) of carbon dioxide avoided, sequestered or displaced.
- 1.7. “Project Purchase Price” means the maximum amount of funds that The Climate Trust will commit to purchase the Carbon Dioxide Offsets
- 1.8. “Term of this Agreement” means the period starting on the Effective Date and ending exactly TBD years later.

## **SECTION 2 DESCRIPTION OF THE PROGRAM AND/OR PROJECT**

- 2.1. [Technical description of the project type, structure and goals]

### **SECTION 3 CARBON DIOXIDE OFFSETS FROM THE PROJECT**

- 3.1. In total, the Project is expected to generate at least [project specific] metric tons of Carbon Dioxide Offsets for The Climate Trust during the Term of this Agreement.
- 3.2. The Carbon Dioxide Offsets from the Project will be quantified in accordance with the Monitoring and Verification Plan and the Annual Monitoring and Verification Reports described below...
- 3.3. [Project implementer] will irrevocably transfer to The Climate Trust, and cause intermediate parties and end user/owner/operators irrevocably to transfer to The Climate Trust, any and all rights, title, interests and ownership to any and all Carbon Dioxide Offsets generated as a result of the Project during the given Project's term as approved by The Climate Trust. [Project implementer] shall not sell, assign, convey or otherwise transfer (or attempt or promise to sell, assign, convey or otherwise transfer) any Carbon Dioxide Offsets to any party other than The Climate Trust at any time during the Term of this Agreement.

### **SECTION 4 GUARANTEE OF CARBON OFFSETS**

- 4.1. [Project specific]

### **SECTION 5 CLIMATE TRUST FUNDING**

- 5.1. [Project specific]

### **SECTION 6 PROJECT OR PROGRAM MILESTONES**

- 6.1. [Project specific]

### **SECTION 7 OPTION FOR ADDITIONAL OFFSETS**

- 7.1. [Project specific]

### **SECTION 8 MONITORING & VERIFICATION PLAN & REPORTS**

- 8.1. [Project specific]
- 8.2. The Climate Trust will retain an independent third party to assist in its review and approval of each Annual M&V Report.

### **SECTION 9 REPRESENTATIONS & WARRANTIES REGARDING ANNUAL CARBON DIOXIDE OFFSETS**

- 9.1. Neither [Project implementer] nor any Intermediate Party has granted or transferred, or promised to grant or transfer, to any third party any right, title, interest, including a security interest, or ownership in the Annual Carbon Dioxide Offsets.
- 9.2. Neither [Project implementer] nor any Intermediate Party or End

User/Owner/Operator has registered, enrolled, claimed credit for, made any filing with, or otherwise submitted the Carbon Dioxide Offsets under this Agreement to any Certifying Entity or pursuant to any Mechanism.

- 9.3. No third party has asserted or threatened to assert any right, title, interest, including a security interest, or ownership in the Annual Carbon Dioxide Offsets.
- 9.4. The Annual M&V Report is accurate in all material respects.

**SECTION 10            ADDITIONAL REPRESENTATIONS, WARRANTIES AND COVENANTS AS FOLLOWS:**

- 10.1.        [The Project Implementer] represents and warrants that it is a \_\_\_\_\_ with power and authority to enter into this Agreement and to perform its obligations under this Agreement; and
- 10.2.        The Climate Trust represents and warrants that it is an Oregon nonprofit corporation with power and authority to enter into this Agreement and to perform its duties under this Agreement, and the execution of and performance under this Agreement have been duly authorized by its Board of Directors;
- 10.3.        Each of the Parties represents and warrants to the other that neither it nor any of its representatives has had or will have any contacts, communications or dealings with any broker or finder who could claim a commission or fee with regard to this transaction. If any broker or finder perfects a claim for a commission or a finder's fee based upon any such contact, dealings or communications, the party through whom the broker or finder makes his claim shall be responsible for such commission or fee and shall indemnify and hold harmless the other party from all claims, costs, and expenses (including, reasonable attorneys' fees and disbursements) incurred by the indemnified party and defending against the same.

**SECTION 11            DISBURSEMENT OF PROJECT PURCHASE PRICE FUNDS**

- 11.1.        [Project specific...]

**SECTION 12            DISCLOSURES REGARDING CARBON DIOXIDE OFFSETS**

- 12.1.        [in case of power savings or generation] In any and all sales of power from a Project by [Project implementer], an Intermediate Party or End User/Owner/Operator, as the case may be, such seller shall specifically exclude, in writing to the buyer(s) of such power, all the Carbon Dioxide Offsets generated from the Project during the Term of this Agreement and shall disclose in writing that The Climate Trust, and its assignees, if any, own the Carbon Dioxide Offsets associated with the Project.
- 12.2.        [in case of energy savings, we are likely to require, at least, that the seller of offsets inform the supplier/generator of the electricity which is being reduced that the seller of offsets has claimed or taken ownership of the offsets and transferred them]

- 12.3. To any person who requests information relating to the ownership of the Carbon Dioxide Offsets or to the environmental attributes of a Project or the electricity generated by a Project, [Project implementer] shall disclose, and shall direct any Intermediate Party or End User/Owner/Operator to disclose, as appropriate, that The Climate Trust, and its assignees, if any, own the Carbon Dioxide Offsets associated with the Project.
- 12.4. [Project implementer] shall disclose that The Climate Trust, and its assignees, if any, own the Carbon Dioxide Offsets associated with a Project to any local, state or federal regulatory body under whose purview the Project falls, as well as any electricity supplier whose load will be reduced by the power supplied by a Project.
- 12.5. Any brochures, pamphlets and bulletins and any web pages describing a Project or implementing a Project shall state, whenever possible, that all Carbon Dioxide Offsets provided for herein have been transferred to The Climate Trust, and its assignees, if any.

### **SECTION 13 MISCELLANEOUS**

- 13.1. Indemnification. [Project implementer] shall hold harmless, indemnify and defend The Climate Trust from and against all liabilities, penalties, costs, losses, damages, expenses, causes of action, claims, demands, or judgments including, without limitation, reasonable attorney's fees ("Claims"), arising from personal injury or property damage connected with this Program; provided that The Climate Trust shall not be entitled to indemnification to the extent of any loss caused by its own negligence. [Project implementer] shall hold harmless, indemnify and defend The Climate Trust from and against all Claims arising out or related in any way to [Project implementer] conduct of its business, or [Project implementer] breach of any representation, warranty and/or covenant provided to The Climate Trust under this Agreement. [Project implementer] shall hold harmless, indemnify and defend The Climate Trust from and against all Claims relating to interest in, ownership of or title to the Carbon Dioxide Offsets that are transferred to The Climate Trust under this Agreement. In the event indemnification is proper, The Climate Trust shall give [Project implementer] prompt notice in writing of such Claim. [Project implementer] shall have control of the defense of any such Claim. The Climate Trust shall provide any information and assistance reasonably requested by [Project implementer] (at [Project implementer] expense). No settlement of any Claim shall be made without the prior written approval of The Climate Trust, which approval shall not be unreasonably withheld.
- 13.2. Insurance. [Project implementer] shall, at its expense, provide errors and omissions insurance, which will cover the Program. [Project implementer] shall provide annual proof of insurance coverage to The Climate Trust. [Level of insurance

coverage is project specific].

- 13.3. Confidentiality. Each party acknowledges that, in the course of its performance under this Agreement, it may be exposed to certain information relating to the other party's business which is confidential and proprietary ("Confidential Information") including without limitation, technical and business information relating to the other party's technology, products, research and development, production, manufacturing and engineering processes, computer software, business plans, finances, pricing and employees. The parties each agree that all Confidential Information shall remain the sole property of disclosing party, and the receiving party will not use any Confidential Information of the other except in accordance with the provisions of, and to fulfill its respective obligations and responsibilities under, this Agreement. Notwithstanding the above, neither party shall be prohibited from disclosing Confidential Information to its attorneys and accountants, or pursuant to compulsory process, in which event the receiving party will immediately notify the disclosing party of such compulsory process.
- 13.4. Intellectual Property. The Climate Trust shall be the exclusive owner of all rights (including, without limitation, trademark, copyright, patent, trade secret and other intellectual property rights) in all works, reports, forms, and procedures [Project implementer] prepares, develops, or makes (whether alone or jointly with others) while performing the Agreement ("Deliverables"). Without limitation, The Climate Trust shall have the exclusive right to publish, reproduce, commercialize and make derivative works of the Deliverables. All Deliverables, in whole and in part, shall be deemed works made for hire of The Climate Trust for all purposes of copyright law, and copyright shall belong solely to The Climate Trust. [Project implementer] shall assist The Climate Trust or its nominees (at The Climate Trust's expense) to obtain copyrights, trademarks, or patents for all such Deliverables in the United States and any other countries, and to transfer to The Climate Trust all of its right, title and interest in and to such Deliverables. [Project implementer] also agrees not to assert any moral rights under applicable copyright law with regard to such Deliverables.
- 13.5. Assignment. [Project implementer] may not assign this Agreement or any of its rights hereunder including without limitation its rights to Carbon Dioxide Offsets, to any person or entity with the prior written consent of The Climate Trust.
- 13.6. Other Misc. Sections. Attorney's Fees, Notices, Survival, Final Agreement, Amendments, Choice Of Law, Partial Invalidity, Time Of The Essence, Interpretation, Counterparts, Dispute Resolution, And Exhibits

## **Appendix C: Bill of Sale**

### **CARBON OFFSET BILL OF SALE**

In exchange for valuable consideration, the undersigned, hereby irrevocably assigns and transfers to The Climate Trust, an Oregon nonprofit corporation, all present and future claims, right, interest and title to all the Carbon Dioxide Offsets ("the Carbon Dioxide Offsets") resulting from the project described below ("Project") during the term of the Project ("Project Term").

#### **Description of Project:**

[Insert a description of the Project.]

**Location of Project:** [Insert Project location.]

**Project Term:** [Insert Project Term, as stated in the Agreement.]

The undersigned, agrees to execute such further documents as may be reasonably requested by The Climate Trust to confirm this transfer of the Carbon Dioxide Offsets<sup>1</sup> to The Climate Trust, including annual Certificate of Verified Carbon Dioxide Offsets during the Project Term, or such other documents as may be required to assign to a third party or to enroll, claim credit for or make any filing with or otherwise submit the Carbon Dioxide Offsets to any Certifying Entity<sup>2</sup>.

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

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1 "Carbon Dioxide Offset" means the results of an action implemented to avoid, sequester or displace emissions of carbon dioxide, and the term includes a carbon dioxide offset, carbon dioxide emissions reduction credit, or similar term which is certified, recognized or granted credit by any Mechanism or any Certifying Entity

2 "Certifying Entity" means (1) an agency, instrumentality, department or other entity now or in the future established, accredited or recognized by a "Mechanism" as having legal authority to certify Carbon Dioxide Offsets that are entitled, or may or will be entitled, currently or in the future, to recognition by a Mechanism for compliance determination purposes; (2) any other agency, instrumentality, department or other entity now existing or that comes into existence in the future that undertakes to certify, on its own authority, Carbon Dioxide Offsets that will or may be recognized by a Mechanism or that will or may have commercial value. "Mechanism" means an agreement, arrangement, program, agency, instrumentality, department or other entity currently established or established in the future pursuant to international and/or domestic law, including the laws of the United States and/or the laws of individual states, with authority to certify, recognize and/or grant credit for Carbon Dioxide Offsets or greenhouse gas offsets for purposes of determining compliance by the owner or holder of the Carbon Dioxide Offsets or greenhouse gas offsets with international or domestic greenhouse gas emissions limitations, obligations or commitment, voluntary or otherwise. Mechanism includes the program established by Section 1605(b) of the United States Energy Policy Act of 1992 as well as those created by the Kyoto Protocol and developed by the United Nations Framework Convention on Climate Change, including but not limited to the Clean Development Mechanism, Joint Implementation, and International Emissions Trading programs

## **Appendix D: Certificate of Verified Carbon Dioxide Offsets**

### **CERTIFICATE OF VERIFIED CARBON DIOXIDE OFFSETS**

In exchange for valuable consideration and pursuant to a Bill of Sale executed by the undersigned on [insert date] in favor of The Climate Trust, the undersigned, hereby confirms and verifies its irrevocable transfer to The Climate Trust, an Oregon nonprofit corporation, of all present and future claims, rights, interest and title to the Verified Carbon Dioxide Offsets<sup>1</sup> listed below. These Verified Carbon Dioxide Offsets are the result of the Project described below.

**Description of Project:**

[Insert a description of the Project.]

**Location of Project:** [Insert Project location.]

**Project Term:** [Insert Project Term, as stated in the Agreement.]

<b>Year Offsets Were Generated</b>	<b>Volume of Verified Offsets</b>
[Insert calendar year]	[Insert volume of offsets quantified in M&V Report]

These Verified Carbon Dioxide Offsets have been quantified and verified pursuant to the Monitoring and Verification Plan for the Project, which was approved by The Climate Trust.

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<sup>1</sup> “Carbon Dioxide Offset” means the results of an action implemented to avoid, sequester or displace emissions of carbon dioxide, and the term includes a carbon dioxide offset, carbon dioxide emissions reduction credit, or similar term which is certified, recognized or granted credit by any Mechanism or any Certifying Entity.

## **Representations and Warranties**

This Certificate of Verified Carbon Dioxide Offsets transfers to The Climate Trust good, clear and marketable title to all the Carbon Dioxide Offsets referenced therein.

Neither the undersigned nor any Intermediate Party or End User/Owner/Operator has granted or transferred, or promised to grant or transfer, to any third party any right, title, interest, including a security interest, or ownership in the Carbon Dioxide Offsets.

Neither the undersigned nor any Intermediate Party or End User/Owner/Operator has registered, enrolled, claimed credit for, made any filing with, or otherwise submitted the Carbon Dioxide Offsets under this Agreement to any Certifying Entity<sup>2</sup> or pursuant to any Mechanism<sup>3</sup>.

To the undersigned's knowledge, no third party has asserted or threatened to assert any right, title, interest, including a security interest, or ownership in the Annual Carbon Dioxide Offsets.

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

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<sup>2</sup> "Certifying Entity" means (1) an agency, instrumentality, department or other entity now or in the future established, accredited or recognized by a Mechanism as having legal authority to certify Carbon Dioxide Offsets that are entitled, or may or will be entitled, currently or in the future, to recognition by a Mechanism for compliance determination purposes; (2) any other agency, instrumentality, department or other entity now existing or that comes into existence in the future that undertakes to certify, on its own authority, Carbon Dioxide Offsets that will or may be recognized by a Mechanism or that will or may have commercial value.

<sup>3</sup> "Mechanism" means an agreement, arrangement, program, agency, instrumentality, department or other entity currently established or established in the future pursuant to international and/or domestic law, including the laws of the United States and/or the laws of individual states, with authority to certify, recognize and/or grant credit for Carbon Dioxide Offsets or greenhouse gas offsets for purposes of determining compliance by the owner or holder of the Carbon Dioxide Offsets or greenhouse gas offsets with international or domestic greenhouse gas emissions limitations, obligations or commitment, voluntary or otherwise. Mechanism includes the program established by Section 1605(b) of the United States Energy Policy Act of 1992 as well as those created by the Kyoto Protocol and developed by the United Nations Framework Convention on Climate Change, including but not limited to the Clean Development Mechanism, Joint Implementation, and International Emissions Trading programs.

**Attachment E: Confidentiality Agreement**

**CONFIDENTIALITY AGREEMENT**

This Confidentiality Agreement (the “Agreement”) is between The Climate Trust (the “TRUST”) and \_\_\_\_\_, a company responding a Climate Trust Request for Proposals (the “PROPOSING COMPANY”).

The PROPOSING COMPANY has disclosed and/or will disclose to the TRUST certain confidential information relating to the PROPOSING COMPANY's business (the “Confidential Information”). The Confidential Information is valuable because aspects of it are not generally known. Accordingly, the TRUST agrees that the Confidential Information is proprietary and confidential and that the TRUST (a) shall not disclose the Confidential Information to any other persons; (b) shall use the Confidential Information solely in connection with TRUST's work on reviewing the PROPOSING COMPANY's submission in response to the Request for Proposals and for no other purpose; (c) shall use at least the same degree of care with the Confidential Information which the TRUST would exercise with his or her own proprietary or confidential information, but in no event less than reasonable care; and (d) shall promptly return to the PROPOSING COMPANY upon its request the Confidential Information and all copies thereof.

Documents and communications containing Confidential Information must be clearly marked as such. The Confidential Information shall not be deemed to be confidential or subject to this Agreement if and to the extent such information:

- (i) is or becomes generally known or available to the public other than as directed result of a disclosure by the TRUST; or
- (ii) was known to the TRUST on a non-confidential basis prior to its disclosure to the TRUST by the PROPOSING COMPANY; or
- (iii) is required to be disclosed by the TRUST to comply with any legal or regulatory requirement or with any subpoena or other legal process.

This Agreement shall be effective for three (3) years, after which the TRUST shall have no obligation hereunder. This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon.

IN WITNESS WHEREOF, the parties here have executed this Agreement this \_\_ day of \_\_\_\_\_, \_\_\_\_.

THE CLIMATE TRUST	[PROPOSING ORGANIZATION]
By:	By:
Title:	Title: