



Cash for carbon offsets from logging equipment

A new carbon offset program from B.C.'s Central Interior Logging Association offers contractors potential fuel savings for their equipment--and cash in their pocket from selling the carbon offsets that result from the more efficient equipment operations.

By Jim Stirling

What's a logging association doing in the carbon credit trading business? Making a lot of sense, actually.

Central Interior Logging Association (CILA) members joining the Carbon Offset Aggregation Co-op of B.C. will help their pocketbooks and promote a clearer conscience. Participants in the co-op can save considerable money and discover ways to get better performance from their logging equipment while doing something positive to help the environment.

The ground-breaking initiative was the timely brainchild of MaryAnne Arcand, the association's executive director, member services.

The carbon offset co-op was quick to gain support from the CILA's board of directors, its government partners and--as it continues gathering momentum--from other groups and sectors involved in the resource industries in the region, elsewhere in Canada and into the U.S. The contractors' co-op is on a roll of major proportion.

Arcand sees the carbon credit co-op move more as an extension than a change in the CILA's core business. "The CILA's mandate is to help its membership be viable, profitable and competitive. This is a way to capture savings for them," summarizes Arcand.

One of the neat aspects of the carbon offset co-op is it marries shaving operating costs with good old, can't lose common sense.

Heavy equipment and trucks consume diesel in the billions of litres and in so doing emit millions of tonnes of greenhouse gases. And they've been fingered as major villains in the climate change debate.

Reducing fuel consumption delivers multiple benefits. It reduces greenhouse gas emissions and produces carbon offsets as a byproduct. But the way the co-op is being set up, it will also help the participants' bottom line through reduced operating costs, increased operating efficiencies and, hopefully, a superior return on investment.

The first step toward garnering that potential is for companies operating heavy equipment to sign on with the co-op. That format was chosen because a co-op is a familiar and transparent model, explains Arcand. The carbon offsets will be produced through the installation of measuring equipment and devices into the operator's cab of each participating machine. These devices include the means to track fuel consumption; cab heaters to reduce idling time--a major fuel waster; fuel meters; and thermostatic controls on fans and coolers and reversible fans.



The co-op has contracted The Forest Engineering Research Institute of Canada (FERIC) division of forest industry research organization, FP Innovations, to track fuel consumption electronically and collect the data. The Delphi Group, an Ottawa-based protocol developer, has created performance standards for each class of machine and ensures the offsets meet validation requirements.

The resulting reductions in fuel consumption will be converted to carbon offsets by a transparent formula, says Arcand. The total carbon offsets produced by the co-op's members will be added together and sold exclusively to the Pacific Carbon Trust, a B.C. Crown Corporation.

Pacific Carbon Trust, in turn, sells the carbon offsets to companies, governments and others in the market so they can comply with caps on carbon dioxide amounts they are allowed to emit.

Proceeds from the offsets are returned to the co-op member producing them in form of a dividend, less administration costs for the co-op.

It's not the dividends themselves that will create significant cash. "The big news is on the savings," says Arcand.

When the fuel measuring and other technologies are installed into the operator's cab of each machine, FP Innovations people will be on hand to explain the hardware and help educate operators on the benefits of running equipment in an efficient and smooth manner. That contributes not only to reducing fuel consumption, but better machine performance and can help provide an improved resale value when a contractor decides to update.

The CILA has figures produced by FPInnovations on the potential cost savings from fuel reduction alone for each of the log harvesting machines commonly found on interior B.C. logging shows. The findings for a feller buncher demonstrate the exponential savings potential evident for all a contractor's equipment fleet, the kind of money that stays in a contractor's wallet.

It was assumed a feller buncher requires 40.4 litres of diesel per hour while operating a 10-hour day. That amounts to 48,480 litres during a typical 120 day operating season for the north-central B.C. region.

Taking a 10 per cent fuel cost savings with the new on-board equipment and a conservative cost of a dollar a litre, those 48,840 litres equates to a cost savings of \$4,848. Add in the offset credit through the co-op, based on the formula of 1000 litres of diesel fuel being equal to three tonnes of greenhouse gas emissions (carbon dioxide equivalent), and the annual savings on that one buncher is more than \$5,000.

That, in turn, translates to more than \$26,000 during five years and \$52,000 in 10 years. Again, those potential cost saving figures are based on diesel costing just \$1 a litre. Everyone knows diesel prices will only increase. Experts predict diesel will be \$3 a litre by 2013, effectively doubling potential savings, adds Arcand.

Whatever the cost of the fuel, the savings and the benefits available for contractors through membership in the co-op initiative are real, significant and long lasting.