Alberta Environment and Parks

Regulatory and Compliance Branch
12th Floor, Baker Centre
10025 – 106 Street
Edmonton, Alberta T5J 1G4
Canada
Telephone: 780-427-5200
www.alberta.ca

Memorandum

Date: November 18, 2019

From: Justin Wheler
Executive Director

To: Alberta Emissions Offset System Stakeholders

Subject: **Additionality Assessment of the Quantification Protocol for Conservation Cropping (Version 1.0) (Conservation Cropping Protocol)**

The purpose of this memorandum is to:

- Provide stakeholders with an update on the additionality analysis of the conservation cropping protocol under the Alberta emission offset system, and
- Solicit feedback from stakeholders on supplementary barriers to uptake of activities credited in the conservation cropping protocol.

Additionality is a fundamental concept applied to ensure the integrity and credibility of offset systems, both in Alberta and around the world. Additionality promotes policy efficiency by ensuring offsets are only provided for activities which are not common practice and would not have occurred in absence of the offset opportunity.

Alberta Environment and Parks (AEP) in 2018 published the Technical Guidance for the Assessment of Additionality, which provides specific guidance to stakeholders when assessing the additionality under the Alberta emission offset system. In the guidance, a penetration rate is defined, which refers to the rate at which an activity, technology, or practice has been adopted by a given sector. In Alberta, the penetration threshold is 40 per cent uptake within a given sector. Based on the latest available data, the net penetration rates (i.e., level of adoption) of no-till agriculture in the Parkland and Dry Prairie regions are 62.9 per cent and 74.9 per cent respectively, exceeding Alberta's 40 per cent threshold.[i]

The application of a penetration rate threshold is utilized as a proxy to determine if an activity is business as usual and whether it would continue to occur in absence of an offset opportunity. However, there are cases in which more information beyond the penetration rate threshold is required to determine additionality of an activity. To provide this flexibility, the next step in the process is to identify any supplemental barriers to the activity. The supplementary barrier analysis looks at whether there are significant and demonstrable barriers to uptake of emissions reduction technology and practices, such as lack of information or scarcity of capital. Barriers are primarily tested on technological, financial and other types of limitations. As outlined in the Technical Guidance for the Assessment of Additionality, at least one

significant barrier must be identified and supported by documentation in order to satisfy the supplementary barriers test.

As a stakeholder in the offset system, we are inviting you to provide input to support our assessment of whether there are demonstrable supplementary barriers to this emission reduction activity. Please submit any supplemental barriers or comments you have using the 'Comments Table for Additionality Assessment of the Conservation Cropping Protocol' on our website.

If the conservation cropping protocol is determined to be non-additional through this assessment, the Standard for Greenhouse Gas Emission Offset Project Developers outlines that existing projects will be permitted to continue generating emission offsets until the end of their offset crediting period. In the case of conservation cropping projects, this means that fields included in currently registered conservation cropping master planning sheets will be permitted to continue generating offsets until expiry of the protocol on December 31, 2021. If the conservation cropping protocol is determined to be additional, all projects under this protocol will be subject to protocol updates, including updated emission factors, upon release of an updated Quantification Protocol for Conservation Cropping.

Comments are due no later than December 20, 2019. If you have any questions please contact our office at AEP.GHG@gov.ab.ca

Sincerely,

Original signed by:

Justin Wheler, P.Eng.
Executive Director, Climate Change Regulatory and Compliance
Policy Division

[i] 2016 Canada Census of Agriculture data indicated 65.3 per cent and 77.0 per cent uptake of no-till agriculture in the Parkland and Dry Prairie regions, respectively. These values then underwent an adjustment using results from a study by Roger Andreiuk (2011), indicating that not all farms which report no-till agriculture to Statistics Canada for the Canada Census of Agriculture may implement no-till agriculture to the level required by the conservation cropping protocol.