

Briefing Background:

The University of California (UC/University) is committed to research, teaching and direct operational actions to address the climate crisis and to mitigate impacts on vulnerable populations. These policy updates describe UC's commitments to reduce its greenhouse gas (GHG) emissions as an early actor and leader in supporting California's aggressive climate goals. These goals build on the accomplishments and learning that occurred in taking action towards the previous policy target to have Scope 1 and 2 emissions be carbon neutral by 2025. Importantly, this policy limits the use of carbon offsets and establishes a 2040 sunset date for UCOP investment in the generation of biomethane to accelerate on-campus actions to directly reduce the on-site use of fossil fuels. This policy requires individual locations to set near- and long-term GHG reduction goals and sunset dates for most on-campus uses of fossil fuels, to be informed by decarbonization studies currently under development.

In addition, Policy Section III.B, Clean Energy, has proposed updates that intersect with the updates proposed to III.C. These updates include the following:

B. Clean Energy

The University of California is committed to reducing its greenhouse gas emissions by reducing energy use and switching to clean energy supplies.

1. Energy Efficiency

Each location will implement energy efficiency actions in buildings and infrastructure systems to reduce the location's energy use intensity by an average of at least 2% annually.

2. On-campus Renewable Electricity

Campuses and health locations will install additional on-site renewable electricity supplies and energy storage systems whenever cost-effective and/or supportive of the location's Climate Action Plan or other goals.

3. Off-campus Clean Electricity

By 2025, each campus and health location will obtain 100% clean electricity. The UC Clean Power Program first met this standard in 2019, and will continue to provide 100% clean electricity to participating locations.

4. Transitional Biomethane

By 2025, at least 20% of the natural gas historically combusted on-site at each campus and health location will be biomethane. These biomethane volumes will double by 2030 and then decrease over time as UC's supply contracts expire. UC's use of UCOP-supplied biomethane as a transition fuel to replace fossil gas will conclude before 2040.

New Proposed Policy Language:

III. POLICY

C. Climate Action

The University of California recognizes the urgency of the climate crisis and the responsibility of public universities to lead in reducing emissions. This policy describes UC's commitments to reduce operational greenhouse gas (GHG) emissions supporting California's aggressive climate goals to address the climate crisis while mitigating impacts on vulnerable populations. For purposes of this section, the term campus includes the related health location.

1. Total Emissions

- a. Locations will achieve at least a 90% reduction in total emissions (Scopes 1, 2, and 3) by no later than calendar year 2045 relative to a 2019 baseline year.
- b. After 2045, any residual emissions beyond the 90% reduction will be negated by carbon removal.

2. Scope 1 Emissions

UC will prioritize direct actions to reduce Scope 1 emissions:

- a. Informed by the decarbonization studies currently under development, before 2025, each UC location will set and submit to the UC Office of the President their own Scope 1 GHG reduction targets for calendar years 2030, 2035 and 2040. All percent-reduction targets will be set relative to a 2019 baseline year.
- b. Given the urgency of the climate crisis, locations will set the most aggressive targets feasible. Both collectively and individually, all locations will work to secure funding to meet the targets.
- c. While near-term targets are being developed for years 2030 and beyond, each location will incrementally reduce GHG emissions from the on-site combustion of fossil fuels relative to emissions in 2019. These reductions will be reported to the UC Office of the President annually.
- d. In lieu of purchasing voluntary offsets and to further accelerate on-site actions, beginning in 2025 through 2030, each campus and the UC Office of the President will allocate funds equal to \$25/MTCO_{2e} for all remaining Scope 1 and Scope 2 emissions. These funds will be used to achieve direct emissions reductions as described in the Procedures Section V.C.5 or to support climate justice or community benefit programs. The price per ton will increase by 5% each year beginning in 2026.
- e. Beginning in 2025, each campus and the UC Office of the President (UCOP) will use UCOP-procured biomethane as a transition fuel to partially replace fossil gas. UC's use of UCOP-supplied biomethane will conclude before 2040. UC will report annual Scope 1 emissions with and without the use of biomethane.

3. Scope 2 Emissions

- a. Campuses and the UC Office of the President will purchase 100% clean electricity beginning in 2025. Lawrence Berkeley National Laboratory will follow a separate federal requirement to source 100% of electricity from carbon-free sources by 2030.

4. Scope 3 Emissions

Locations will set Scope 3 emission reduction targets with respect to a 2019 baseline year, to include emission sources from business travel, commuting, and disposal and treatment of solid waste. At a minimum, Scope 3 emissions reduction targets will align with the State of California's goals and policies to achieve climate neutrality by 2045 or sooner.

5. Climate Action Plans

- a. Each UC location will prepare an updated climate action plan (CAP) to establish and achieve the above GHG emission reduction goals.
- b. The climate action plans will be adopted by campus leadership and submitted to the UC Office of the President prior to 2026, with implementation to begin immediately.
- c. In order to integrate environmental justice, each location will incorporate the "University of California's Framework for Incorporating Environmental & Climate Justice into Climate Action" and its evaluations into climate action planning. Climate action plans will also integrate adaptation and resilience considerations.
- d. Climate action plans will be updated as needed to incorporate new scientific insights and technological advances; reflect applicable laws, policies, and established global commitments; State and regional electricity supply issues; and address social and cultural shifts around climate action.
- e. Climate action plans will evaluate a broad range of climate solutions and will prioritize selected actions based on cost-effectiveness and climate justice considerations in addition to other location priorities.

6. Carbon Offsets

- a. The University will prioritize direct reductions of its covered scope 1, 2, and 3 emissions. Counting carbon offsets toward a location's GHG reductions goals will be limited to:
 - i. California Carbon Offsets purchased to meet regulatory requirements of the California Air Resources Board.
 - ii. Direct carbon removals used to negate residual emissions.Voluntary offsets purchased to meet obligations under the California Environmental Quality Act, the LEED green building certifications, or other purposes will not count toward a location's emissions reduction goals.
- b. The University will only use high-quality offset credits to meet goals beyond its requirements under California's cap-and-trade program and will draw on the

University's academic capacity to vet the quality of all voluntary offset credits it uses.

- c. To align its voluntary offset program with its research, education, and public service mission, the University will choose offset projects that demonstrate or advance scalable climate solutions aligned with a path towards deep decarbonization; prioritize projects that advance University research and support student education; prioritize projects with health and social justice benefits, and benefits to the UC community and communities surrounding the campuses; and prioritize projects with the potential for climate benefits well beyond the credited reductions, recognizing the urgency of near-term reductions. The University will analyze the ecological, health, social, and human rights impacts of its offset decisions to avoid negative outcomes for low-income communities, communities of color, and other marginalized populations and to prioritize projects that benefit these communities.
- d. The University will develop and implement its voluntary offset procurement strategy in a way that advances understanding of and models how institutions of higher education and in other sectors can use offsets as an effective climate mitigation strategy aligned with their institutional mission.

V. PROCEDURES

C. Climate Action

1. For purposes of this section, the term campus includes the related health location.
2. The Climate Change Working Group (CCWG) will continue to evaluate the inclusion of additional Scope 3 categories beyond those included in the Climate Action Policy III.C.4 at a future date. Any differences between the boundaries used for Scope 3 reporting and those used for Scope 1 and 2 reporting will be documented. Reporting for the listed Scope 3 emission categories will begin CY 2024.
3. Each campus and the UC Office of the President will determine the best mechanism to spend or earmark additional funds required by III.C.2.d. for direct emissions reduction, for example, infrastructure upgrades, and studies supporting those upgrades. Each campus and the UC Office of the President will report annual spending and progress to UCOP.
4. The UC will use The Climate Registry (TCR) General Reporting Protocol for GHG accounting, Lawrence Berkeley National Laboratory will continue to use a federally-required GHG accounting protocol. Locations will complete GHG emissions inventories annually. TCR inventories will be verified by a qualified third party. Each campus will maintain individual membership with TCR.
5. The CCWG, under the UC Sustainability Steering Committee and represented on the President's Global Climate Leadership Council, will monitor progress toward reaching the goals for GHG reduction and evaluate suggestions for strategies and programs to reach these goals.
6. Offsets

- a. For UC's limited use of voluntary offsets, only high-quality offsets that represent real, additional, quantifiable, durable, and enforceable emissions reduction or carbon removal that have undergone third-party verification will be used.
 - i. For the purposes of this section, offsets are considered:
 - 1. Additional, if the credited reductions would not have occurred were it not for the offset program or the University's climate protection policy. Additionality can be assessed for an individual project or for a project type.
 - 2. Durable, if there is a very high likelihood that they will remain out of the atmosphere for 40 years on-site or through commitments to replace credits.
 - 3. Enforceable, if the University is able to reasonably ensure that its quality standards are met.
 - ii. The University recognizes that not all offset credits available for purchase from projects registered in the major offset registries represent high-quality emissions reductions.
 - iii. The University will evaluate the quality of each offset project it uses. These reviews will evaluate individual projects, or types of projects, against the University's offset quality criteria. These reviews are in addition to third-party verification.
 - iv. Credits are considered to be real if the quantity of credits generated and used by a project, or a project type, does not exceed conservative estimates of the actual effect of the project, or the set of projects of the project type, on emissions. When there is uncertainty in emissions reduction/removal estimates, estimates are conservative when they are more likely to under-represent than to over-represent actual emissions reductions/removals achieved. Evaluations will take into account the following factors: project additionality, conservativeness of methods used to estimate emission reductions, including the baseline, and effects outside of project boundaries such as through leakage.
 - v. The University may develop and maintain additional criteria, guidelines, and procedures for evaluating offset projects.
 - vi. The University recognizes the quality and mission benefits of implementing its own offset projects. UC-initiated offset projects give the University greater knowledge about the project with which it can ensure the projects' additionality and have confidence in the emission reduction estimates. UC-initiated offsets can also support the University's mission by researching, testing, and refining climate mitigation solutions and supporting student education which can have climate mitigation benefits far beyond the reduction from the credited offset project. The University system and its individual campuses and units will prioritize offset projects with active University involvement.

- vii. Decisions affecting offset procurement will be made in the context of the location's climate action plan while following the offset requirements set forth in this Policy.