UC San Diego begins trading greenhouse gas credits on Chicago Climate Exchange

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The University of California, San Diego has become the first campus on the West Coast to join the Chicago Climate Exchange (CCX), North America's only voluntary, legally binding trading system to reduce emissions of greenhouse gases. UC San Diego is only the seventh university in the nation to join the climate exchange.

Joining the CCX is part of UC San Diego's aggressive program to conserve energy and reduce greenhouse gases (GHG). Trading in GHG contracts may become mandatory for large institutions in North America, as it already is in the European Union. By becoming the first West Coast university to begin GHG trading, UC San Diego gets a head start in what is becoming an important global sustainability mechanism.

"Because we've become much more energy efficient and generate most of our own power, our campus can now sell surplus greenhouse gas credits on an open market," said Steven Relyea, UC San Diego Vice Chancellor for Business Affairs. "This not only shows our commitment to green practices and reducing our carbon footprint, but also our commitment to employing innovative, leading-edge technology. In the future, many major institutions and corporations may be involved in climate exchange trading. As a major research university with a legacy of identifying the problems of climate change, we feel we need to be a leader in identifying solutions."

The university entered into a commitment with the Chicago Climate Exchange to reduce GHG emissions to baseline levels through 2010. UC

San Diego's co-generation facility, one of the largest and most efficient university-owned co-generation plants in California, should allow the campus to cut emissions beyond the baseline level, and then trade the excess on the CCX's open market. The commodity traded at the CCX is a contract that represents the equivalent of 100 metric tons of CO2.

The CCX is what's known as a "cap-and-trade" emission trading system, because it mandates an emissions limit or cap. An institution that goes below the limit can sell its surplus, while those above the limit can buy surplus credits from other traders. The system provides direct financial incentives for effective conservation and for new renewable energy technology.

UC San Diego operates a cogeneration facility that supplies about 90 percent of the campus's electricity, making it less reliant on commercial utilities. Cogeneration uses one fuel source -- natural gas -- to produce two forms of energy -- electricity and heat. The plant is equipped with state-of-the-art pollution controls that produce 75 percent less smog emissions than conventional natural gas power plants. In addition to saving approximately $8 million per year in energy purchases, UC San Diego's cogeneration plant helps reduce reliance on out-of -state coal-burning power generation.

UC San Diego's carbon-reduction program also includes installing over 1 megawatt of solar panels in 2008, developing ultra-clean hydrogen fuel cell energy, and exploring the use of cold sea water to reduce energy and fresh water use. The campus is developing a state-of-the-art micro weather station network to integrate with its energy management system. Because of its energy savings and cogeneration, UC San Diego was able to export over 3 megawatts of electricity to the region during the recent San Diego wild fires.

UC San Diego became the first university in California to be recognized

by the California Climate Action Registry as a “Climate Action Leader” for successfully measuring, certifying and reporting its greenhouse gas emissions to the Registry and the public.

Source: University of California - San Diego

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