

Annex 3 - Guernsey Green Fund Criteria

75% or greater of the Guernsey Green Fund's investments must fall within the following:

1. Renewable Energy

1.1 Electricity Generation

- Wind power
- Geothermal power (only if net emission reductions can be demonstrated)
- Solar power (concentrated solar power, photovoltaic power)
- Biomass or biogas power that does not decrease biomass and soil carbon pools (only if net emission reductions can be demonstrated)
- Ocean power (wave, tidal, ocean currents, salt gradient, etc.)
- Hydropower plants (only if net emission reductions can be demonstrated)

1.2 Heat Production or other renewable energy application

- Solar water heating and other thermal applications of solar power in all sectors
- Thermal applications of geothermal power in all sectors
- Wind-drive pumping systems or similar
- Thermal applications of sustainability/produced bioenergy in all sectors, incl. efficient, improved biomass stoves

1.3 Transmission systems, greenfield

- New transmission systems (lines, substations) or new systems

(e.g., new information and communication technology, storage family, etc.) and mini-grid to facilitate the integration of renewable energy sources into the grid

- Renewable energy power plant retrofits
- Improving existing systems to facilitate the integration of renewable energy sources into grid

2. Lower-carbon and efficient energy generation

2.1 Transmission and distribution systems

- Retrofit of transmission lines or substations and/or distribution systems to reduce energy use and/or technical losses, excluding capacity expansion

2.2 Power Plants

- Thermal power plant retrofit to fuel switch from a more greenhouse gas intensive fuel to a different, less greenhouse gas intensive fuel type
- Conversion of existing fossil-fuel based power plant to co-generation technologies that generate electricity in addition to providing heating/cooling
- Waste heat recovery improvements
- Energy efficiency improvement in existing thermal power plant, industrial energy efficiency improvements through the installation of more efficient equipment, changes in processes, reduction of heat losses and/or increased waste heat recovery

3. Energy efficiency

3.1 Brownfield energy efficiency in industry

- Installation of co/generation plants that generate electricity in addition to providing heating/cooling
- More efficient facility replacement of an older facility (old facility retired)

3.2 Brownfield energy efficiency in commercial, public and residential sectors (buildings)

- Energy efficiency improvement in lighting, appliances and equipment
- Substitution of existing heating/cooling systems for buildings by co/generation plants that generate electricity in addition to providing heating/cooling

- Retrofit of existing buildings: architectural or building changes that enable reduction of energy consumption

3.3 Brownfield energy efficiency in public services

- Energy efficiency improvement in utilities and public services through the installation of more efficient lighting or equipment
- Rehabilitation of district heating systems
- Utility heat loss reduction and/or increased waste heat recovery
- Improvement in utility scale energy efficiency through efficient use, and loss reduction

3.4 Vehicle energy efficiency fleet retrofit

- Existing vehicles, rail or boat fleet retrofit or replacement (including the use of lower-carbon fuels, electric or hydrogen technologies, etc.)

3.5 Greenfield energy efficiency in commercial and residential sectors (buildings)

- Use of highly efficient and architectural designs, energy efficiency and equipment, and building techniques that reduce building energy consumption, exceeding available standards and complying with high energy efficiency certification or rating schemes

3.6 Energy audits

- Energy audits to energy end-users, including industries, buildings and transport systems

4. Agriculture, forestry and land-use

4.1 Agriculture

- Reduction in energy use in traction (e.g. efficient tillage), irrigation and other agriculture processes
- Agriculture projects that do not deplete and/or improve existing carbon pools (reduction in fertiliser use, rangeland management, collection and use of bagasse, rice husks, or other agricultural waste, low tillage techniques that increase carbon contents of soil, rehabilitation of degraded lands, etc.)

4.2 Afforestation and reforestation, and biosphere conservation

- Afforestation (plantations) on non-forested land
- Reforestation on previously forested land
- Sustainable forest management

activities that increase carbon stocks or reduce the impact of forestry activities

- Biosphere conservation projects (including payments for ecosystem services) targeting reducing emissions from the deforestation or degradation of ecosystems

4.3 Livestock

- Livestock projects that reduce methane or other greenhouse gas emissions (manure management with biodigestors, etc.)

4.4 Biofuels

- Production of biofuels (including biodiesel and bioethanol)

5. Non-energy greenhouse gas reductions

5.1 Fugitive emissions

Reduction of gas flaring or methane fugitive emissions in the oil and gas industry

Coal mine methane capture

5.2 Carbon capture and storage

- Projects for carbon capture and storage technology that intend to prevent release of large quantities of CO₂ into the atmosphere from fossil fuel use in power generation and process emissions in other industries

5.3 Air conditioning and refrigeration

- Retrofit to existing industrial, commercial and residential infrastructure to switch to cooling agent with lower global warming potential

5.4 Industrial processes

- Reduction in greenhouse gas emissions resulting from industrial process improvements and cleaner production (e.g. cement,

chemical), excluding carbon capture and storage

6. Waste and wastewater

- Treatment of wastewater if not a compliance requirement (e.g. performance standard or safeguard) as part of a larger project that reduce methane emissions (only if net emission reductions can be demonstrated)

- Waste management and waste-to-energy projects that reduce methane emissions and generate energy (e.g. incineration of waste, landfill gas capture, and landfill gas combustion)

- Waste-recycling projects that recover or reuse materials and waste as inputs into new products or as a resource (only if net emission reductions can be demonstrated)

7. Transport

7.1 Urban transport modal change

- Urban mass transit
- Non-motorised transport (bicycles and pedestrian mobility)

7.2 Transport oriented urban development

- Integration of transport and urban development planning (dense development, multiple land-use, walking communities, transit connectivity, etc.) leading to a reduction in the use of passenger cars
- Transport demand management measures to reduce GHG emissions (e.g. speed limits, high-occupancy vehicle lands, congestion charging/road pricing, parking management, restriction or auctioning of licence plates, car-free city areas, low-emission zones)

7.3 Inter-urban transport

- Railway transport ensuring a modal shift of freight and/or passenger transport from road to rail (improvement of existing lines or construction of new lines)
- Waterways transport ensuring a modal shift of freight and/or passenger transport from road to waterways (improvement of existing infrastructure or construction of new infrastructure)

8. Low-carbon technologies

8.1 Products or equipment

- Projects producing components, equipment or infrastructure dedicated for the renewable and energy efficiency sectors

8.2 R&D

- Research and development of renewable energy or energy efficiency technologies

9. Cross-cutting issues

9.1 Support to national, regional or local policy, through technical assistance or policy lending, fully or partially dedicated to climate change policy or action

- Mitigation national, sectoral, or territorial policies/planning/action plan policy/planning/institutions
- Energy sector policies and regulations (energy efficiency standards or certification schemes; energy efficiency procurement schemes; renewable energy policies)
- Systems for monitoring the emissions of greenhouse gases

- Efficient pricing of fuels and electricity (subsidy rationalisation efficient end-user tariffs and efficient regulations on electricity generation, transmission or distribution)
- Education, training, capacity building and awareness raising on climate change mitigation/sustainable energy/sustainable transport; mitigation research
- Other policy and regulatory activities, including those in non-energy sectors, leading to climate change mitigation or mainstreaming of climate action

9.2 Other activities with net greenhouse gas reduction

- Any other activity not included in this list for which the results of an ex-ante greenhouse gas accounting (undertaken according to commonly agreed methodologies) show emission reductions

9.3 Financing instruments

- Carbon markets and finance (purchase, sale, trading, financing and other technical assistance). Includes all activities related to compliance-grade carbon assets and mechanisms, such as CDM, JI, AAUs as well as well-established voluntary carbon standards like the VCS or Gold

Exclusion Policy:

The Guernsey Green Fund cannot invest in any of the following:

Energy

- Uranium mining for nuclear power;
- Any fossil fuel-based power generation including: gas, 'clean' coal and other coal.
- Energy efficiency
- Efficiency upgrades to greenhouse gas intensive power sources – e.g. cleaner coal technology;
- Energy savings in fossil fuel extraction activities – emission reduction requirements require a rapid phase-out of all fossil fuel usage. Anything that helps to extend the life of fossil fuel usage is excluded.

Waste

- Landfill without gas capture;
- Waste incineration without energy capture.

Transport

- Rail lines where fossil fuels account for more than >50% of freight.

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