The Climate Registry

Draft General Reporting Protocol Version 2.1

Public Comment Template

The Climate Registry (TCR) is pleased to release General Reporting Protocol (GRP) Version 2.1 for public comment. Please refer to the redline draft of GRP v. 2.1, as well as the cover memo that explains the major changes. We ask that you submit your feedback using the template below and reference sections and page numbers where possible. Comments should be submitted as an attached Word file to policy@theclimateregistry.org by **December 23, 2015**. (Note that your comments may be publicly posted by TCR unless you specifically request that TCR does not reveal your identity/organization.)

Feedback from (name): ____Todd Jones_____

Organization (if applicable): ____Center for Resource Solutions (CRS)_____

☐ *Please check here if you would like your feedback to remain confidential.*

We would greatly appreciate specific feedback on the draft GRP v. 2.1, on the targeted questions listed in the table below. You are welcome to provide feedback on some or all of the questions below.

Targeted Questions

Section	Page	Question	Feedback
5.3	39	See Box: "Reporting Emissions from Leased Assets." In order to be in conformance with the GHG Protocol, Members are now required to report emissions from purchased heating and cooling, for example, for natural gas in leased spaces. Previously, reporting these emissions was optional. Please describe any reason these emissions should not be mandatory for complete reporting.	
7.2	53	A base year must be adjusted if there is a significant change (cumulative change of five percent or larger in an entity's total base year emissions on a CO_2e basis). Significance must be evaluated by	

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		calculating base year emissions separately for each Scope 2 method, so that a five percent change in base year emissions from either method would trigger a base year adjustment. Do you think evaluating significance in this way is acceptable, or do you have any concerns or suggestions?	
14.1	106-112	Chapter 14 introduces the location-based and market-based methods for Scope 2 reporting and includes an emission factor hierarchy for each. Are these presented in a clear and logical way? If not, how could TCR revise this section to be more approachable? Please note that TCR will develop resources prior to the 2016 reporting season to help Members understand this update and transition to reporting two Scope 2 totals in CRIS.	CRS has comments on the Market-B category of the market-based emissions factor hierarchy. See below.
14.1	111	See Box: "Clean Energy." Contractual instruments for clean energy must be generated using TCR-recognized resources and technologies. These include wind, solar, geothermal, nuclear; hydroelectric and biomass. Are these broad definitions acceptable, or should there be additional specificity? If yes, please include proposals for added specificity in your response.	It is unclear why it is necessary to specify that contractual instruments for clean energy be generated using specific TCR-recognized resources and technologies (pg. 111). All electricity can be differentiated and sold as specified using contracts, which would be relevant to market-based method if they meet the quality criteria. If certificates are issued/required for use claims for that generation or in that market, then that is the basis of the emissions factor used, according to the hierarchy. The quality criteria do not restrict resource/technology types for RE. As far as we are concerned, the Clean Energy box on pg. 111 could be removed.

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			If TCR nevertheless wants to list eligible clean technologies, Green-e's list of eligible renewable technologies is stakeholder-driven and may be appropriate to use, though this is not necessarily equivalent to "clean" or to zero-carbon (e.g. biomass has emissions but it renewable, nuclear has no CO2 emissions but is not renewable and is arguably not "clean" from other perspectives). Nuclear will not generate RECs, since it's not renewable. But certificates can be issued for nuclear in all-generation tracking systems.
14.1	113-114	Chapter 14 introduces the new TCR Eligibility Criteria. Are these presented in a clear and logical way? If not, how could TCR revise this section to be more approachable?	CRS has comments on criterion 4. See below.
15	118-130	The location-based and market-based methods introduced in Chapter 14 apply to indirect emissions from steam, heat, and cooling. What additional guidance can we provide in Chapter 15 to support the calculation of both scope 2 totals?	
17.4	144	Which, if any, updates (additions or deletions) should be made to TCR's list of recognized offset programs?	We recommend that Climate Leaders be removed from the list of recognized programs, as it is now defunct. CRS supports reference to Green-e Climate as a retail standard for carbon offsets. Reference of this standard is an effective way to promote the use of high-quality, verified GHG reductions, and it will ensure that GHG accounting reflects purchases of carbon offsets

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			in which high-quality project standards are used, the chain-of-custody has been audited, and the retailers involved in the transaction are subject to Green-e's strict marketing and accountability requirements.
17.4	145	How should offsets be applied to two Scope 2 emissions totals from the location-based and market-based methods? Should they be applied to both totals, or one or the other?	Carbon offsets must be applied as a net adjustment to a gross emissions figure that is the sum total of scope 1, 2, and 3. The gross emissions total will be calculated using either the location-based or market-based method for scope 2 calculations for a single inventory total (in which case the figure used should be disclosed) or using both scope 2 figures for two inventory totals, as determined by the reporting entity or TCR: "For companies adding together scope 1 and scope 2 for a final inventory total, companies may either report two corporate inventory totals (one reflecting each scope 2 method), or may report a single corporate inventory total reflecting one of the scope 2 methods. If reporting a single corporate inventory total, the scope 2 method used should be the same as the one used for goal setting. Companies shall disclose which method was chosen for this purpose" (pg. 60). Carbon offsets should be applied as a net adjustment to the single inventory total or to both inventory totals.
17.4	144-145	Which, if any, specific documentation supporting offsets applied to a Member's adjusted inventory should be required to be publicly reported?	Members should provide proof of carbon offset purchase that includes information related to the quantity purchased, vintage of the reductions, project type(s), project location(s), project verification

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			standard and registry used (e.g. VCS, GS, CAR, ACR, etc.), seller name, product name (if applicable), project name(s) (if known), date of purchase, and product certification (if applicable) (e.g. Green-e Climate).
19.5	155	For verification, the draft GRP 2.1 proposes that Scope 2 materiality threshold will be evaluated by calculating entity-wide emissions separately for each Scope 2 method total, so that a five percent or greater understatement or overstatement of emissions by either Scope 2 method will exceed the materiality threshold. Is this method for evaluating Scope 2 materiality acceptable, or do you have concerns or suggestions?	
Glossary	173	For the definition of commercial buildings, are there additional non-industrial sources that should be added to this list? Additionally, what types of facilities (that are sufficiently similar to TCR's current definition of commercial buildings from a GHG emissions standpoint) should be allowed to be aggregated?	

We would also appreciate general feedback on the draft GRP v. 2.1. You are welcome to make any number of general comments, technical or editorial, and add rows to the below table as necessary. Please be as specific as possible and suggest edits or clarifications, where appropriate.

General Feedback

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14.1	109-111	Technical	**Market-based Method Emission Factor Hierarchy** We understand that you have received some feedback that the description of the Market-B Emission Factor, taken nearly verbatim from the Scope 2 Guidance, is problematic, particularly

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			the use of the phrase "silent on attributes." We feel that additional clarity can be provided. However, we also feel that the existing qualifying statements are generally sufficient to prevent double counting between contracts for electricity from a renewable facility and renewable energy certificates (RECs): • "where electricity attribute certificates do not exist or are not required for a usage claim;" • "but where attributes are not otherwise tracked or claimed." For renewable energy (RE) in the U.S., certificates for RE certainly exist and are required to make a RE usage claim,[1] although certificates may not be issued in an electronic tracking system or referenced in a particular contract for electricity with a given facility. As a result, we believe that WRI's and TCR's proposed language means that contracts for power from RE in the U.S. without certificates could not be used, under either the Market-A or Market-B emissions factor categories. Nevertheless, additional or repeated placement of clarifying qualifiers such as "where attributes are not otherwise tracked or claimed" or "where attributes or certificates are not required to claim use and are not transacted in any other way, either for that resource or in that market" could be helpful. In addition, TCR could simply state definitively that RECs are required for market-based Scope 2 calculations for RE in the U.S., provided they meet quality criteria. Another argument that we have heard is that for electricity contracts with non-RE generators that are silent on attributes, the non-renewable attributes are being counted in the regional residual mix, on the assumption that no one is claiming them, and that therefore allowing/requiring the electricity contract holder use the electricity contract as a proxy for the emissions factor (under Market-B) would result in double counting. Though this is true, we feel that this outcome is likely *de minimis*, conservative, and nevertheless preferable to the alternative of allowing those with contracts for specified non-RE power to report using a system mix emissions factor rather than the specified dirty power for which they have a contract. In reality,

[1] See Jones, T. *et al*. (2015) *The Legal Basis of Renewable Energy Certificates*. Center for Resource Solutions. Available online at: http://www.resource-solutions.org/pub_pdfs/The%20Legal%20Basis%20for%20RECs.pdf.

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			contracts for non-RE cannot be removed from the residual mix without tracking non-RE at scale, for example with certificates, which it is not in most places in the U.S. If we must make a choice between allowing those with a contracts for dirty power to claim the system mix because these specified purchases cannot be removed from the residual mix and requiring those reporters to report their specified dirty power and accept that it will be double counted in the residual mix, the latter is clearly preferable—the result is a residual mix that is slightly dirtier than it should be, but that is a conservative outcome. One proposal that we have heard is to redefine the Market-B emission factor category to include contracts that explicitly and exclusively convey the generation attributes. It is our opinion that such a change would effectively make Market-B the same as Market-A, in which attributes are tracked by contractual instrument (certificate or contract), and eliminate the possibility of use of any other power contract. In so doing, specified purchasers of dirty power in areas without all-generation tracking would not have to report those contracts and would get to claim system mix. We do not feel that this is an appropriate outcome. Instead, we recommend refining the language for Market-B further to refer to contracts where attribute ownership is not explicit, but where the contract can nevertheless serve as a proxy for attributes due to reasonable certainty that the attributes are not otherwise conveyed. Historically, we have described that Market-B category as including contracts for electricity that are silent on attributes, *where attributes or certificates are not required to claim use and are not transacted in any other way, either for that resource or in that market*. In the US, that would include contracts for non-RE outside of all-generation tracking regions like NEPOOL, PJM and NY. Certificates are needed to convey the attributes (emissions factor) of all power in these areas. Outside of these areas, there are no certificates for non-RE (fossil power), but since attributes are not transacted in any other way, the contract for that specified power is a proxy for the attributes in that case, even if they're not specified in the contract. Market-B would not include contracts for renewable power without RECs. RECs are required for all RE claims in the U.S., so if a member has a contract for power with a renewable facility but the RECs are not included, then they cannot claim the renewable emissions factor; it has to be reported as residual/system mix.

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			Market-A category includes all purchases that include certificates where certificates are required to claim use. RECs are required for all RE in the U.S., which means that Market-A would include all RE purchases that include RECs: self-generation (owned) with RECs, PPAs with RECs, community renewables with RECs, utility green pricing program based on RECs, competitive supplier products based on RECs, CCAs based on RECs, and unbundled RECs. Certificates are also required for all power where there is all-generation tracking (NEPOOL, PJM, and NY), which means that Market-A would also include all non-RE purchases in these areas that include certificates for the power. Where certificates are not included in these areas, they again have to use the residual mix and the contract for power alone will not suffice to claim specified power. **Recommended edits** Pg. 109

Market-B. Contracts for resources or in markets without attribute trading	*Direct contracts between two parties for electricity, and contracts from specific sources, where electricity attribute certificates do not exist or are not required for a usage claim. and are not transacted or claimed in any other way, either for that resource or in that market.*	*PPAs or ~~C~~contracts for electricity from specific non-renewable sources (e.g. coal, nuclear)[44] in the U.S. outside of regions where all-generation tracking systems are in operation.* *~~Contracts for power that are silent on attributes, but where attributes are not otherwise tracked or claimed~~*

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Market-B. Contracts for resources or in markets without attribute trading
Contracts, such as PPAs, can convey electricity generation attributes where energy attribute certificates do not exist or are not required for a usage claim and where attributes are not

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			transacted or claimed in any other way, either for that resource or in that market. These may apply to specified sources of electricity, from both renewable and fossil-fuels.
14.1	113	Technical	**TCR Eligibility Criterion 4. Be of Recent Vintage** Criterion 4, Be of Recent Vintage, on pg. 113, refers to the vintage of generation or of the certificate, not the date of initial operation of the generation facility.[2] Consumers can certainly buy/use power from facilities that are older than 15 years, and this should certainly still be reflected in their scope 2 emissions. It is for this reason that there is no quality criterion for operation date in the Scope 2 Guidance. Green-e enforces a 15-year new date requirement in order to drive the market forward for RE. It is a policy preference, not a requirement for accurate accounting. We recommend that this second bullet next to Criterion 4 be removed. Regarding the first bullet on generation vintage, the quality criterion in the Scope 2 Guidance requires only that the generation occur close in proximity to the use or reporting year: • *"Be issued and redeemed as close as possible to the period of energy consumption to which the instrument is applied" (p.60 of Scope 2 Guidance).* • *"In order to ensure temporal accuracy of scope 2 calculations, this criteria seeks to ensure that the generation on which the emission factors are based occurs close in time to the reporting period for which the certificates (or emissions) are claimed. This timing should be consistent with existing standards for the market where the contractual instruments exist. Contractual instruments should clearly display when the underlying electricity was generated" (p.64 of Scope 2 Guidance).* For this criterion, the draft GRP currently requires that the generation "have been generated within a period of six months before the emissions year to up to three months after the emissions year." This is consistent with Green-e's 21-month vintage requirement for sales. TCR may choose to utilize this 21-month window as a requirement for end-use claims and Scope 2 reporting, since there doesn't appear to be a commonly-accepted vintage window for claims. However, this was not its

[2] See pg. 64 of the Scope 2 Guidance: "Vintage reflects the date of energy generation from which the contractual instrument is derived. This is different from the age of the facility."

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			original intended use and Green-e does not necessarily enforce a similar vintage window for claims.
13.2	96	Technical	In the Emissions from Biofuels box on pg. 96, the draft GRP now includes the following: *"If a Member has a contractual instrument specifying its fuel supply as biogenic, it should consult the TCR Eligibility Criteria to evaluate if the Member can claim the instrument in its inventory (see Chapter 14). If it can, the Member should report using the most specific emission factor available to them in market-based emission factor hierarchy (see Chapter 14). If not, the Member should report using the appropriate default emission factor in the location-based emission factor hierarchy (see Chapter 14)."* As a result, TCR is choosing to apply the same quality criteria developed for contractual instruments for electricity use to use of biofuels and calculation of associated direct emissions. Apart from the fact that the quality criteria in Chapter 14 were not developed for this purpose, we foresee several potential challenges in implementing this list of criteria for contractual instruments for biofuel use. For example, do these instruments explicitly convey attributes? Are there tracking systems or third-party certifications available to ensure contractual retirement? Are there residual mix calculations available? If contractual instruments are to be accepted as proof of use of an eligible fuel in TCR, we recommend that eligibility criteria for these instruments be developed for this purpose considering the current landscape and form of such available instruments.
14.1	110	Technical	Under the description of Market-A. Energy Attribute Certificates, the following statement has been added: "Unbundled REC purchases that are applied to the market-based Scope 2 total must be TCR-recognized products." It is unclear where this list of recognized products is located and on what basis recognition is granted by TCR. We are assuming that it is the list of "Clean Energy" resources listed in the box on the following page, but again this is not clear. If this is the case, it is also unclear why all unbundled RECs that meet the quality criteria would not be eligible. Finally, it is unclear why unbundled RECs in particular would be subject to additional requirements beyond the quality criteria, whereas other types of contracts would not.
14.1	114	Technical	We recommend additional clarification for the following addition under Step 3 on pg. 114: "Members must disclose the type of contractual instruments(s) used to calculate the market-based method (e.g., RECs, PPAs, utility-specific emission rates, etc.).

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			You must also disclose if there were any GHGs that were reported that did not have an associated contractual instrument, and if so, which GHGs this applies to." Since PPAs can include RECs and qualify as a Market-A emissions factor, the list of contractual instruments provided is slightly confusing. We recommend that this list be revised or be removed. We assume that some proof of purchase/contract/program enrollment is required as a part of verification of use of a contractual instrument or utility-specific emissions factor (though we were unable to find where this is discussed in the draft GRP), which will show the type of purchasing instrument used, but if this statement in fact requires that the specific type of instrument be disclosed publically, beyond Market-A, Market-B, etc., it is not clear why additional specificity within each of these categories is relevant public information.
17.3	143	Technical	The final piece of optional additional information regarding scope 2 emissions data is: "Role of Member's procurement in driving new projects." It is unclear what this means and how a Member might evaluate this. Is there a consistent methodology that TCR is providing? We are not sure how useful this optional reporting will be if no more specificity can be provided or if too much subjectivity is permitted in evaluating this impact. This list does not appear to line up with the instrument features and policy context in the Scope 2 Guidance.