



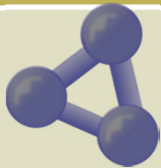
Designing Reporting Programs



Step 1: Determine Program Objectives



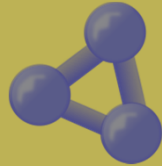
Step 2: Create an Enabling Environment



Step 3: Determine Program Structure and Requirements



Step 4: Conduct Program Review



Program Structure

Program coverage

- Who reports what

Emissions quantification

- How to calculate and monitor emissions

Reporting procedures and schedules

- What to report and how often

Reporting platforms and data disclosure

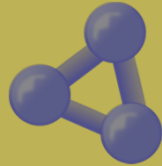
- Where to report and who has access to reported information

Quality control and assurance

- Who verifies what and how

Enforcement

- What measures to apply in case of non-compliance



Program Structure - Coverage

Reporting entity

- Facility/Company

Emissions to report

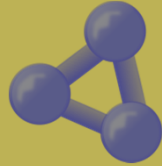
- Direct/Indirect

Program applicability

- Thresholds

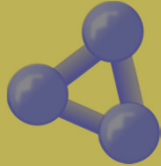
GHGs to report

- All Kyoto/Only CO₂/Others (e.g., black carbon)



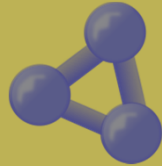
Reporting entity

- Facility and/or company
 - E.g., US, EU – Facility
 - France, UK – Company
 - Australia – Company with both facility and company data
- Define facility
- Define company (specify consolidation approach)



Facility vs company: How to decide

- Program objectives, for e.g.:
 - supporting ETS: decision should be aligned with who has the liability to comply under the ETS.
 - Often facility (EU ETS)
 - promoting company disclosure of risks and opportunities
 - Corporate level (UK and France)



Direct/Indirect emissions

Scope 1 (direct emissions)

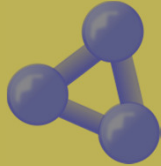
- Emissions from sources owned/controlled by the entity
- E.g., emissions from fuel combustion in a power plant, limestone processing in a cement manufacturing plant

Scope 2 (indirect emissions)

- Indirect emissions - result of reporting entity's activities but occur in sources not owned/controlled by the entity.
- Emissions from the generation of purchased electricity, heat, or steam

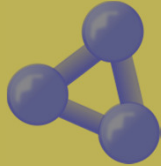
Scope 3 (indirect emissions)

- All indirect emissions in the value chain of entity - upstream and downstream
- E.g., those from disposal of the entity's waste, extraction of fuels used at the entity, production of materials purchased by the entity, transportation of materials purchased or sold by the entity, or use of products by consumers



Direct/indirect: How to decide

- Program objectives, for e.g.:
 - Inform energy efficiency policies: Scope 2 data reported by entities informs end use policies
 - E.g., Australia
 - Inform mitigation policies (low carbon fuel standards): Scope 3 data from fuel suppliers – for fuel supplied into the economy
 - E.g., US
- Consider reporting and administrative burden
- Avoid double counting

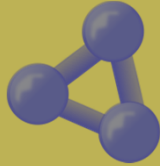


Applicability requirements

- *Which* facility/entity is subject to reporting
 - Every single entity not required to report (cost, capacity constraints, not needed)
- Deciding factors:
 - Program objectives
 - Cost to the reporter/administrator
 - Other reporting programs
 - Capacity of reporter/administrator



Applicability Requirement	Description	Example
Emissions Threshold	All entities emitting more than the defined threshold must report	Canada - Facilities that emit 50,000 mtCO _{2e} /year or more must report
Energy threshold	All facilities that use more than the defined threshold amount of energy must report	Japan - Entities consuming 1,500 kiloliters of oil equivalent or more must report
Source categories	All facilities within a certain sector/sub-sector must report	US - All facilities that produce aluminum and cement must report
Production tonnage	Threshold is defined in terms of production, particular to a sector	EU ETS: paper manufacturing facilities that produce more than 20 metric tons per day must report



Identifying GHGs to report

- Programs may require entities to report:
 - All Kyoto GHGs
 - Only CO₂
 - Others – e.g., black carbon
- Decision based on factors such as capacity, cost of reporting, administrative burden, program objectives



Jurisdictions	Level of Reporting	Scope 1	Scope 2	Scope 3
Australia	Corporate and facility	✓	✓	Encouraged
California	Facility (+corporate) ^a	✓		✓
Canada	Facility	✓		
European Union	Facility	✓		
France	Corporate	✓	✓	Encouraged
Japan	Corporate and facility	✓	✓	Optional
Mexico	Corporate and facility	✓	✓	
Turkey	Facility	✓		
United Kingdom	Corporate	✓	✓	Encouraged
United States	Facility (+corporate) ^a	✓		✓



Checklist

- Have program objectives been considered in determining the reporting entity?
- Has the program decided which type of indirect emissions should be reported taking into account the associated reporting burden and relevance of the reported data in supporting program objectives?
- Have applicability requirements been set to define program coverage after considering relevant factors such as cost to the reporter, cost to the administrator, and program objectives?
- Have relevant factors, such as cost of reporting and capacity levels, been considered when determining which GHGs to report?



Exercise: Determining program coverage

- Define coverage for a GHG reporting program in your jurisdiction by determining:
 - Whether facilities and/or companies will report
 - What kind of applicability requirement(s) will apply
- For each of the above decisions, explain what factors were considered, for example:
 - How did you consider existing reporting obligations under other policies
 - How did you consider capacity constraints in your decisions

Hint: Consult the checklist to help remind you of some of the factors that may influence the decision