



New Greenhouse Gas Reporting Guidelines

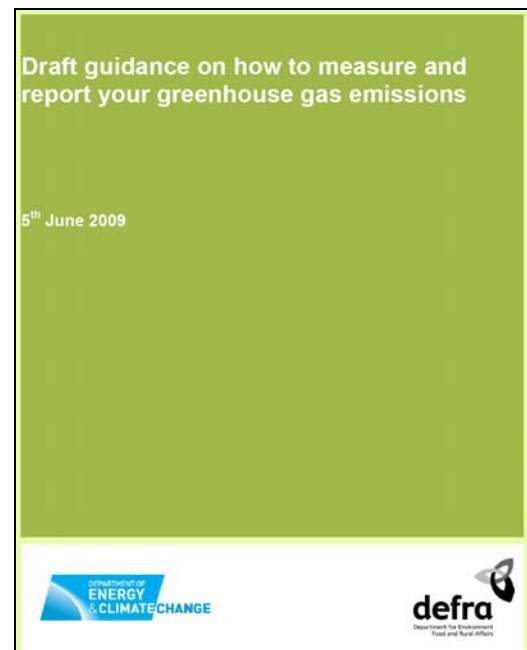
The UK's Climate Change Act 2008 included a wide range of measures to address climate change, including requirements for the government to publish guidance on voluntary GHG reporting by October 2009, review the contribution that reporting makes to emissions reduction in 2010 and consider mandatory GHG reporting for all companies by April 2012. Defra published draft guidance on GHG reporting in June 2009 and has been holding a series of consultation workshops since then.

Why Encourage GHG Reporting?

The government sees GHG reporting as a means to engage companies; measuring and reporting is seen as a first step towards emissions reduction, the key objective of the initiative. The government also wants to encourage consistency in reporting.

Who is the Guidance Aimed At?

The guidance is aimed at any size of company in any sector. It acknowledges that many larger companies are already reporting at least some of their emissions, either as required by legislation for those subject to Climate Change Agreements, the EU Emissions Trading Scheme or the forthcoming Carbon Reduction Commitment, or as part of corporate environmental/CSR reporting. However, many larger organizations have not adopted comprehensive organisational level GHG reporting. The guide also includes examples aimed specifically at SMEs, who may be new to GHG quantification and reporting.



Summary of the GHG Reporting Guidance

The draft guidance ([click here to download](#)) is based on the [Greenhouse Gas Protocol](#), a well-respected and globally-recognised initiative developed by the World Resources Institute and the World Business Council for Sustainable Development (WRI/WBCSD). The GHG Protocol website provides a series of free-to-download guides and tools for calculating emissions from various activities and sources, and with some tools tailored to specific sectors. The Defra guidance echoes much of the approach taken by the GHG Protocol, including:

- Adopting the same methods for defining organisational boundaries;
- Classifying emissions according to Scope 1 (direct emission of GHGs), Scope 2 (indirect emissions from the purchase of energy) and Scope 3 (other indirect emissions in the supply chain); and
- Embracing the five core GHG Principles of Relevance, Completeness, Consistency, Transparency and Accuracy.



Benefits and Disadvantages of the New Guidance

Although following the approach of the GHG Protocol, there are some distinct benefits for UK companies in the Defra measuring and reporting model. Defra has developed a spreadsheet-based tool ([click here](#)), incorporating its own GHG emission factors. This converts activity data (such as fuel consumption, miles travelled by vehicle type, etc.) into emissions of carbon dioxide, plus methane and nitrous oxide, and then aggregates all emissions as carbon dioxide equivalence. At this level, the spreadsheet tool appears to provide an effective mechanism for organisational GHG quantification.

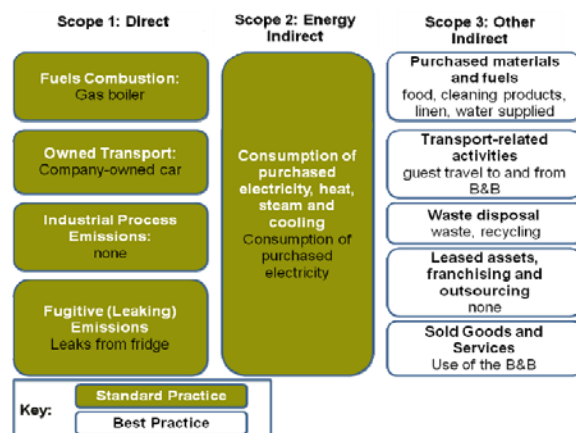
However, one of the strengths of the guidance, its comprehensiveness and depth, may be daunting to those unfamiliar with the GHG Protocol or GHG reporting in general. Much of the guidance relating to organizational boundary-setting and the instructions for incorporating on-site generation, trading and off-setting is likely to be irrelevant to many smaller companies, certainly initially, and this should be emphasized to avoid confusion. It will be difficult enough for many environmental or energy managers to persuade their directors of the benefits of GHG reporting, without struggling to explain unnecessary complexities.

On the basis of the information provided at one of the consultation workshops, it is evident that Defra is aiming for the UK to take a lead in GHG reporting. Defra is in consultation with the WRI/WBCSD regarding the development of additional guidance for target setting and delivering emissions reductions. This, together with the existing GHG Protocol and new Defra tools, could provide the basis for a new, possibly mandatory, internationally standardised approach to organisational GHG reporting.

CRA's GHG Accounting and Reporting Services

CRA has an extensive track record in working with organisations in:

- Carbon and GHG footprinting and the development of GHG accounting process;
- Energy efficiency and energy management;
- Training in carbon and GHG accounting;
- Carbon trading (CDM, EU ETS)
- Web-based data collection and management;
- Process control and optimisation;
- Managing emissions using an EMS; and
- Renewable energy projects.



Contact Details

For more details of our GHG reporting and CRC support services, please contact Nigel Leehane, at CRA, on 0115 965 6700, or by e-mail to nleehane@cra.co.uk. Details of these and our other consultancy services are available at our website: www.cra.co.uk.

The final version of the GHG reporting guidance is due to be published in October 2009

CRA also offers a two-day carbon accounting and management training course, based on the GHG Protocol, and approved by the IEMA. Details are available on our website or from carboncourse@cra.co.uk.

