



The Climate Registry

**Climate Registered Leadership Program  
Draft Accounting and Reporting Requirements**

The Climate Registry (The Registry) is conducting a pilot of its new Climate Registered™ leadership program. The following accounting and reporting requirements are provided in draft form. The Registry will draw upon the experience of the pilot and a formal public comment period prior to finalizing the parameters for this program. If you have any questions about these draft requirements, please contact Policy Manager, Peggy Foran at (213) 542-0291 or [peggy@theclimateregistry.org](mailto:peggy@theclimateregistry.org).

**Climate Registered Leadership Program Overview:**



Member must have a public GHG management and reduction plan in place that includes:

An absolute GHG emission reduction goal for scope 1 and scope 2 emissions.

A base year and the expected timeline to achieve the reduction target.

Demonstration of at least 5 best practices.

Member must meet all Climate Registered™ Silver requirements+

Member must demonstrate an absolute five percent reduction in scope 1 and scope 2 (scope 2 reductions may be demonstrated through adjusting for purchases of RECs) emissions in its total, entity-wide North American or global footprint against a base year.

Companies subject to mandatory requirements must demonstrate that they are going above and beyond mandatory requirements to reduce their emissions.

Member must meet all Climate Registered™ Gold requirements+

Member must demonstrate an absolute 20 percent reduction in scope 1 and 2 (scope 2 reductions may be demonstrated through adjusting for purchases of RECs) emissions in its North American or global footprint against a base year. 49% of the reduction can be met with Registry accepted offsets.

Companies subject to mandatory requirements must demonstrate that they are going above and beyond mandatory requirements to reduce their emissions.

## Draft Accounting and Reporting Requirements:

### Climate Registered Silver:

**Step 1:** Report complete GHG inventory in accordance with the GRP to become Climate Registered

**Step 2:** Develop public GHG management and reduction plan that includes:

- An absolute GHG emission reduction goal for combined scope 1 and scope 2 emissions.
  - Companies may optionally include additional reductions goals that include biogenic and scope 3 emissions
- A Base Year
  - Base Year inventory must be reported and verified in accordance with The Registry's requirements for complete reporting
    - This can be a non-consecutive year prior to the organization's first year publicly reporting through The Registry, provided it meets the requirements for complete reporting and is verified and reported through The Registry.
      - **Note:** *This will create a gap in data in the system; however, in an effort to recognize early climate action without overly-burdening Climate Registered Silver, Gold and Platinum Members, The Registry feels that this is acceptable.*
- The expected timeline to achieve the emission reduction goal
- Demonstration of the implementation of at least five best practices
  - Registry [list of best practices](#)
  - Member-developed best practices
    - Best practices developed by Registry Members or others must meet the following criteria:
      - Result in or facilitate the ability to achieve quantifiable reductions of energy or GHG emissions; and,
      - Consist of full implementation in at least one facility
    - Members must demonstrate that best practices have met the objective criteria.
      - Registry oversight activities will include review for a sample of Member-developed best practices
  - Documentation of implementation of best practice must be provided
    - For the pilot, Charter Members must submit whatever documentation they feel is appropriate (such as invoice and/or attestation; audit report; recycling program procedure, training records, LEED certificate, etc.) as well as provide The Registry with a list of additional evidence (e.g. monitoring equipment records, preventative maintenance records, production records, tracking spreadsheets, etc.) that is available for review or onsite inspection upon request. In finalizing the program The Registry will draw on this experience to provide more documentation guidance.

**Step 3:** Submit Climate Registered Application Form

- Public GHG Reduction Plan must be attached

**Step 4:** Reapply to Maintain Status and demonstrate additional best practices

**Climate Registered Gold:**

**Step 1:** Meet Climate Registered Silver Requirements

**Step 2:** Demonstrate absolute (not intensity-based) five percent reduction in scope 1 and scope 2 emissions in your total, entity-wide North American or global footprint against a base year. Companies may optionally include additional reductions goals that include biogenic and scope 3 emissions.

- Quantifying Emission Reductions Against a Base Year
  - Structural changes to your boundary over time can lead to perceived increases and decreases in GHG emissions. In order to ensure that emission reductions recognized by The Registry are the result of actions taken to fight climate change, you must comply with the following requirements:
    - If the any of the following activities cumulatively result in a change of five percent or larger in your entity's total base year emissions (scope 1 plus scope 2 on a CO<sub>2</sub> equivalent basis), you must adjust your base year:
      - A structural change in your organizational boundaries (i.e., merger, acquisition, or divestiture),
      - A change your entity's calculation methodologies or emission factors, or
      - You discover a significant error or a number of cumulative errors
    - Adjusted base years must verified.
      - The Registry recommends including your base year adjustment verification in the scope of your current year's verification activities.
  - Using Renewable Energy Certificates to Adjust Scope 2:
    - Up to 100 percent of a Member's adjusted scope 2 reductions may be met through purchase of Renewable Energy Certificates (RECs). REC purchases beyond the total scope 2 total will not be recognized as reductions in the Climate Registered leadership program. Members who purchase excess RECs are encouraged to disclose that information as an information item.
    - Qualifying RECs:
      - Criteria:
        - Certificates must be purchased from an entity that is different and distinct from your own organization (i.e., not included within your organizational boundaries).
        - RECs must be sourced from solar electric, wind, geothermal, certified [low-impact](#) or [EcoLogo](#) hydropower, pipeline or irrigation canal turbine hydropower, biomass (woody waste, agriculture crops or waste, animal

and other organic waste, energy crops, landfill gas and wastewater methane and municipal solid waste that has first been converted to a clean burning fuel), biodiesel (B100) or hydrogen-powered fuel cells.<sup>1</sup>

- RECs can be used only once and cannot be claimed by more than one party.
  - The renewable facility must have begun operations within 15 years of the REC date of sale.<sup>2</sup>
  - RECs must have been generated in the year the RECs are reported, up to six months before the reporting year, or up to three months after the reporting year.<sup>3</sup>
  - RECs delivered as part of a utility green power program can only be accounted for through the use of a utility-specific emission factor reported to The Registry in accordance with the [Electric Power Sector \(EPS\) Protocol](#) or, for years prior to 2011, The California Climate Action Registry in accordance with the [Power Utility Protocol](#). Utility-specific emission factors must represent electricity generated no earlier than one year before the inventory being reported.
- Acceptable REC Certification Programs:
    - [Green-e](#)
    - [EcoLogo](#)
    - Other equivalent program or RECs meeting equivalent standards
  - REC Reporting Requirements
    - **Note:** *The Registry seeks specific feedback on the information that organization may be able to provide that can transparently demonstrate that reported RECs meet the required criteria. Pilot participants may provide whichever back-up documentation they feel demonstrates compliance with the required criteria. The Registry will be conducting a preview of pilot program reports to determine if supplied materials are sufficient.*
- Scope 2 Total Adjustment for RECs:
    - **Note:** *The Registry views the purchase of a REC in a corporate inventory as a means of contractually demonstrating the consumption of one MWh of zero emissions power. While there is not a guarantee that a REC constitutes a reduction of global carbon, when purchased by an organization it can*

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<sup>1</sup> Green-e Energy, National Standard Version 2.0. July 15, 2010. [http://www.green-e.org/docs/energy/Appendix%20D\\_Green-e%20Energy%20National%20Standard.pdf](http://www.green-e.org/docs/energy/Appendix%20D_Green-e%20Energy%20National%20Standard.pdf)

<sup>2</sup> Ibid.

<sup>3</sup> "Climate Leaders Greenhouse Gas Inventory Protocol Optional Modules Methodology for Green Power and Renewable Energy Certificates (RECs)," Climate Protection Partnerships Division, Office of Atmospheric Programs, U.S. Environmental Protection Agency, November, 2008, Version 2.1.

[http://www.epa.gov/stateply/documents/greenpower\\_guidance.pdf](http://www.epa.gov/stateply/documents/greenpower_guidance.pdf)

*demonstrate a reduction in corporate responsibility for indirect emissions. The Registry's EPS Protocol provides direction for electric power utilities to develop utility-specific emission factors (including emission factors for green power products that include RECs) that their customers can use to quantify scope 2 emissions instead of relying on U.S. EPA eGRID or Canadian province/territory emission factors. In the EPS Protocol, RECs are used exclusively to adjust emission factors that can then be used by customers. Another approach for quantifying scope 2 adjustments by assigning a displaced MWh emission factor to each REC has been used in other programs. However, The Registry has proposed a simplified method for accounting for RECs that asserts that with the purchase of a REC, the consumption of a MWh of power will be granted a zero emissions rate in an adjusted scope 2 total. The Registry is very interested in feedback on its proposed approach. If pilot participants feel that another approach is more accurate or appropriate, you may use that provided you include an explanation and justification for your method. This is an aspect of the Climate Registered program that The Registry intends to review thoroughly after the pilot program.*

- Sum MWh consumption by default emission factor region (eGRID, Canadian Province/Territory) and/or utility providers with Registry-recognized utility-specific emissions factors.
- Subtract RECs from MWh consumed by default emission factor region or eligible utility beginning with the region with the lowest emission factor progressing region by region as emission factors increase.
- **Note:** *If enough RECs are claimed through The Registry's programs to result in a significant change of more than five percent of any regional emission factor, The Registry will develop adjusted emission factors to avoid double counting of REC resources within The Registry's emission database.*
- Mandatory Reduction Requirements:
  - Companies subject to mandatory reduction requirements must demonstrate that corporate inventory reductions used to qualify for the Climate Registered program are above and beyond mandatory requirements to reduce their emissions.
    - Indicate if subject to mandatory reduction requirement
    - Indicate how much of footprint reduction is a result of mandatory reductions

**Step 3:** Submit Climate Registered Reductions Assessment Form

**Step 4:** Reapply to Demonstrate Additional Reductions and Maintain Status

## Climate Registered Platinum:

**Step 1:** Meet Climate Registered Silver Requirements

**Step 2:** Demonstrate absolute 20 percent reduction in scope 1 and 2 emissions in its total, entity-wide North American or global footprint against a base year.

- Scope 2 Total Adjustment for RECs:
  - Same requirements as in gold.
- Using Offsets to Achieve Reductions:
  - Offsets can be used for up to 49 percent of your corporate-wide reduction.
    - This threshold does not include adjustments from purchased RECs.
  - Qualifying Offsets:
    - Criteria:
      - Offsets must be purchased from an entity that is different and distinct from your own organization (i.e., not included within your organizational boundaries).
      - Offsets can be used once and only once.
      - Offsets must be retired prior to the date on which you wish to apply them, and this must be reported to The Registry. The vintage may be from six months after the end of the emissions year being reported or from any year prior to that.
      - Offsets must demonstrate additionality by being surplus to regulation and achieving a level of emission reductions or removals that is significantly better than business-as-usual.
      - Offsets must have been appropriately validated and verified to a standard that ensures reproducible results by an independent third party that is subject to a viable and trustworthy accreditation system.
      - Offsets must have documentation of project activities, ownership and outcomes.
      - Offsets must be publicly and transparently registered to document offset generation and transfers.
    - Examples of Acceptable Offset Programs:
      - State, province or federal regulatory agencies in North America
      - [Clean Development Mechanism](#)
      - [Climate Leaders](#)
      - [Climate Action Reserve](#)
      - [Voluntary Carbon Standard](#)
      - [Gold Standard](#)
  - Offset Reporting Requirements:
    - Protocol used to generate the offset
    - Verification report

- Proof of retirement in a registry system
- Year/vintage
- Emissions Total Adjustment for Offsets:
  - Quantify GHG emissions according to The Registry's reporting requirements
  - Sum the total avoided or suppressed emissions value of your purchased and retired offsets
  - Subtract avoided and reduced emissions from scope 1 and/or scope 2 totals
  - Report resulting footprint as adjusted scope 1 and/or scope 2
- Mandatory Reduction Requirements:
  - Same requirements as in gold.

**Step 3:** Submit Climate Registered Reductions Assessment Form

**Step 4:** Reapply to Maintain Status