The Climate Registry

State Agency Reporting to The Climate Registry

Currently 30 state agencies, as well as two state governments in their entirety, have committed to voluntarily report their annual greenhouse gas (GHG) emissions to The Climate Registry (TCR).

For many state agencies, participation in the Registry will be the first time they will prepare a greenhouse gas emission report, which may be an unprecedented exercise in multi-agency cooperation and coordination. Completing the program requirements for data collection, third-party verification, and then using the inventory to develop a reduction plan represents a unique collaborative opportunity across many state agency sectors, as well as various distinct challenges.

Key issues for states to consider in undertaking the inventory, verification and reductions process include:

Reporting

- **Calendar Year Reporting**. Most states collect and store data on a fiscal year, yet the program accepts emissions data on a calendar year basis only. Each year of a state's GHG emissions inventory will require data from two fiscal years.

- **Obtaining Resources**. Each state must balance limited resources with competing priorities. Reporting to TCR constitutes an annual commitment of time and money and often requires changes in business as usual practices. A successful program needs executive support and outreach that make the annual reporting process a priority.

- **Overlapping Boundaries**. Many states rely on a general services agency that maintains financial and/or operational control over real property and vehicles for multiple agencies. Agencies also frequently share state resources, for example, multiple agencies may share building occupancy without individual metering of their electricity usage in occupied space. The state may also maintain a central motor pool from which multiple agencies access vehicles on a short- or long-term basis. Many states will find it most useful to report under operational control instead of financial control in order to understand the footprint of individual agencies; however establishing boundaries that separate agency resources and data can be difficult. Agencies may not have official "leases" that can clearly define their organizational boundaries (e.g., operational or financial control of an occupied office space) and use of these resources is often based on reimbursement, rather than legal documents. Because of the shared properties among multiple agencies, e.g. buildings, cars, equipment, etc., sorting through these overlapping boundaries and avoiding double-counting in emission reports can be an involved process. Reporting clearly and consistently under either financial or operational control may possibly place a disproportionate (new) responsibility on one agency.

- **Need for new data management systems**. Building a GHG inventory may require new accounting systems, to track vehicle records, provide separate electric and heat meters for buildings occupied by more than one agency, and/or incorporate maintenance information for building HVAC and vehicle refrigerant usage, among others. Emissions data, such as miles driven or utility bills, may be collected by individual agencies or by one agency on the behalf of others and existing management systems may not presently perform the functions necessary for the necessary data collection. Agencies will need to aggregate these types of information for all subsidiary departments, commissions, etc; States will need to aggregate this information across all agencies. A certain degree of flexibility and creativity may be needed to meet the requirements of The Climate Registry's robust Reporting program.

- **Points of contact**
  The official and technical contacts for a state or state agency are the main points of communication with the Registry regarding a state or agency's GHG reporting. These contacts should have a firm grasp on the guidelines outlines in the General Reporting Protocol and be able to coordinate an agency or state's efforts, ensuring that several facilities and/or agencies' data sets are collected and entered.

Verification

Efficient contracting. Program participants are required to have their scope 1 and 2 emissions verified on an annual basis by a single Verifying Body.

Defining nature of verification service: Verification represents a new type of service may not be established in existing contracting language and procedures – is it consulting? Is it auditing? Is it information management? Because this is a new service how verification fits into existing processes will vary. The first step in preparing a contract for verification services is understanding how to classify the type of work required.

Opening a new contract: States may not have pre-established contracts already in place with Verification Bodies and opening contracts with a new vendor can take time (estimates range from 3-9 months) *and* money. Where contracts are in place, services that have been provided in the past may represent a conflict of interest and inhibit pre-approved verifiers from delivering objective services to participating agencies. These administrative steps may make it difficult to meet program deadlines and can add to the overall (perceived) cost of participating in The Registry. Opening a Master Services Agreement with multiple verifiers to streamline the ability of multiple agencies to obtain these services is one possible solution.

Emissions Reductions

- **Implementing reduction strategies**. Each agency needs to consider who has responsibility for emissions management and who can effect future reductions when outlining how the program will be implemented. How can the benefits of participation be shared to ensure that the ultimate goal of reporting, reducing emissions is realized? For example, if a general services agency has the operating control to implement reductions, but an occupying agency reports them?

Case Study

Currently 27 cabinet-level agencies and associated boards, departments and offices are members of the California Climate Action Registry. Many of these agencies have buildings and facilities that they

own or lease independently, either through the Department of General Services (DGS) or other property managers. DGS specifically owns, manages, or leases about half of the state's buildings and about 15% of the state's vehicles on behalf other agencies. Some of these buildings are occupied by individual agencies; many are occupied by multiple agencies and/or non-government tenants. Building utility data and vehicle fuel usage is tracked and paid through DGS; individual agencies do not directly receive invoices or bills. This overlap makes it extremely difficult and time-consuming to strip out data and assign it to individual agencies. It makes practical sense that DGS reports all of its managed facilities (DGS owned and leased) on a financial control basis; however it is most useful for the State to understand each agency's individual footprint, requiring the agencies to report on an operational control basis. Other agencies reporting under operational control creates a significant burden on DGS to provide them data in a timely fashion and to assign emissions from buildings in which no individual metering exists.

DGS also provides procurement services for the state of which there are several different options, some which can allow for a more rapid contracting process. Currently there are obstacles to using the streamlined procurement process, California Multiple Award Schedule (CMAS) or a Multiple Awards Schedule (MSA) because of pre-existing contract language and specific schedules. Putting out an open Request for Bids (RFB) is time and effort consuming for all agencies, particularly for small departments who do not have their own procurement office.

The California's Climate Action Team, which consists of Deputy Secretaries from most state agencies, supports the work of those agencies that are reporting to the California Climate Action Registry and are present to weigh in on policy decisions.

California's state agencies represent a pilot program through which TCR can identify areas where other states may have similar situations and challenges.

Conclusion

Challenges exist within pre-existing state management, accounting and procurement processes, but these allow for a remarkable opportunity to examine a state's building and fleets inventory and inter-agency collaboration and cooperation. Key elements to achieving the Registry's program milestones involve having executive support (Governor, Secretary, Commissioner) so that the annual reporting process is a priority and an organized approach to building a comprehensive data management system.

The experiences of the states and state agencies who are reporting to The Climate Registry will allow for the establishment of future guidance and best practices that can serve as a model for member states, provinces and native sovereign nations. These practices provide a tremendous opportunity to examine emissions sources, reflect on state climate change policies, and provide leadership in the fight against climate change.