

ADDENDUM TO THE GENERAL VERIFICATION PROTOCOL FOR VERIFICATIONS OF O&G E&P SECTOR MEMBERS

The guidance provided in The Registry's *General Verification Protocol* applies to all Verification Bodies, including those Verification Bodies approved for verification of Emission Reports submitted by Members operating in the oil and gas (O&G) exploration and production (E&P) sector. However, as specified in the Registry's Upstream Oil and Gas (UOG) Protocol, there are a number of reporting requirements specific to this sector that are in addition to, or otherwise differ from, the requirements presented in The Registry's *General Reporting Protocol* (GRP). Therefore, Verification Bodies performing verifications of E&P sector Emissions Reports must verify conformance with the reporting requirements specified in both the GRP and the UOG Protocol.

In this addendum, specific additions and/or modifications to the GVP are specified to reflect The Registry's reporting requirements for the E&P sector. Additions/modifications to the GVP are identified in this addendum by the section number in the GVP to which they apply.

2.7 Scope of Verification

As discussed in Chapter 5 of the UOG Protocol, Registry Members operating in the E&P sector are required to report all Scope 3 contractor emissions associated with the three activities of drilling, completions, and workovers. *All Scope 3 contractor emissions associated with drilling, completions, and workovers **must** be verified.* Other optional Scope 3 emissions should not be verified; only the Scope 3 emissions that leaseholders are *required* to report must be verified.

The Scope 3 contractor emissions associated with drilling, completions, and workovers should be combined with the Member's Scope 1 emissions for the purpose of determining whether or not the 5 percent materiality threshold has been exceeded. In other words, the Scope 1 materiality threshold must be expanded to include the mandatory Scope 3 sources (again, optional Scope 3 sources are excluded from the verification requirements). Scope 2 emissions should continue to be assessed separately against the 5 percent materiality threshold, as described in the GVP.

4.4 Core Verification Activities

The GVP requires Verification Bodies to confirm that not more than 5 percent of total emissions have been estimated using simplified methods not prescribed in the GRP. However, as discussed in Chapter 11 of the UOG Protocol, the Registry exempts certain E&P emission sources from the 5-percent threshold. Specifically, the Registry exempts

emissions from flaring and water ponds from the 5-percent threshold. In addition, the Registry exempts required Scope 3 (contractor) drilling, completion, and workover emissions, along with emissions from small combustion devices, *when the leaseholder cannot obtain the data needed to apply Registry-approved methods to these emission sources*. If the Member chooses to use the latter exemptions, the Verification Body should confirm that the Member attempted to obtain the data needed to apply Registry-approved methods but was unable to do so. Furthermore, if the 5-percent threshold has been exceeded, the Verification Body must verify that simplified methods were used *exclusively* to estimate emissions from sources meeting the Registry's criteria for exemption from the threshold. The 5-percent threshold can be exceeded *only* when emissions from exempt sources exceed 5 percent of the Member's total emissions; if exempt sources total less than 5 percent of the entity's emissions then the 5-percent threshold remains in effect.

As discussed in Chapter 6 of the UOG Protocol, a field is considered to be the equivalent of a facility for purposes of aggregating emissions from E&P activities. Section 4.4.4 of the GVP, and in particular Table 4.2, provides Verification Bodies guidance on determining the number of facilities to be visited during the verification process. The Verification Body should treat each field in which a Member has operations as equivalent to a single facility when selecting the sample of sites to visit. More specifically, the Verification Body should understand the term "facility" in Table 4.2 of the GVP to refer to either a standard facility (i.e., a single physical premises) or a field.

QUESTION FOR THE TWG: IS THE GENERIC GUIDANCE FOR SELECTING AN APPROPRIATE SAMPLE SIZE PROVIDED IN TABLE 4.2 OF THE GVP APPLICABLE TO THE O&G E&P SECTOR, OR SHOULD THE RATIO BETWEEN THE SAMPLE SIZE AND THE TOTAL NUMBER OF FACILITIES (FIELDS) BE ADJUSTED UP OR DOWN FOR THE E&P SECTOR?