



## GHG Accounting Protocols

A greenhouse gas (GHG) accounting protocol is a manual that provides standards and guidance for companies and other organizations to inform development of a GHG emissions inventory. The goal of using a protocol is to insure that emission reports are transparent, accurate, consistent over time and comparable between companies.

Protocols may support specific regulatory or policy goals (establish a baseline, monitor emissions reductions over time) or may be policy neutral, collecting information transparently to inform regulators and the public of GHG emission sources.

The international standard for GHG accounting is the framework developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), the *GHG Protocol* ([www.ghgprotocol.org](http://www.ghgprotocol.org)).

The GHG Protocol directs that corporate inventories include accounting and reporting of the six greenhouse gases covered by the Kyoto Protocol -- carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF<sub>6</sub>). The GHG Protocol also provides definitions and core accounting principles with respect to establishing the scope of an inventory and defining boundaries. For instance, it directs that emissions should be categorized by activity or Scope (Scope 1-direct emissions, Scope 2-electricity indirect emissions, and Scope 3-other indirect emissions). The GHG Protocol includes some examples of approaches, and identifies minimum elements that should be included in an inventory.

Other protocols built on the principles of the GHG Protocol may provide more of a user's guide to implementing its principles. For instance, the California Climate Action Registry's General Reporting Protocol provides a step by step approach, specifying calculation methodologies and emission factors to be used for calculating direct and indirect emissions. By following the GHG Protocol principles, complementary protocols help to ensure consistency and thus comparability of information collected in different reporting programs.

Reporters may include businesses, government agencies, NGOs, universities – any type of organization that would like to understand its carbon footprint. Reporters using these protocols find value in collecting the information to manage and reduce their emissions, and/or assess their competitiveness relative to other organizations.

### Industry-Specific Protocols

Protocols may be general in nature and may not address considerations unique to an individual sector. In the interests of promoting consistent reporting, particularly within large-emitting sectors (e.g., electric power generation), or organizations with common emission sources (office-based organizations), industry-specific guidance has been developed to address sources or activities unique to a certain sector. For instance, with respect to refineries, any particular refinery may have unique processes and activities – an industry-specific protocol could develop a common definition of a source within that sector.

*Developed as background material for use at the Scoping Meeting on GHG Accounting Issues for Oil & Gas Exploration & Production and Natural Gas Gathering & Processing held Thursday, October 25, 2007 in Santa Fe, New Mexico.*