

Comments on Draft Local Government Protocol

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Part 1, Purpose, p. 9

Several local governments have signed up for the ClimateSmart program, whereby they offset the emissions associated with their government facilities' electricity and natural gas use. The LGOP should note that emission reductions from the ClimateSmart program are different from offsets from GHG mitigation projects that would need to be quantified through a separate project protocol. ClimateSmart emission reductions have already been quantified according to approved CCAR protocols, verified by a third-party, and registered in the Climate Action Reserve. Emission reductions from the ClimateSmart program can be accounted for through the calculation of indirect emissions from electricity consumption (p.41) and direct emissions from natural gas consumption by subtracting the number of kWh and/or therms that were offset through the ClimateSmart program from the total amount of kWh and/or therms that a facility used.

3.5 Autonomous Departments, Municipal Utilities and Joint Powers Authorities, p. 20

This section states the conditions under which a municipal utility should report its emissions as part of its local government's GHG inventory. Since municipal utilities in California are responsible for 25-30% of electric sector emissions in the state, they need to report in a way that allows independent observers the capability to compare their emissions with other power generators in California. Therefore, PG&E submits that municipal utilities should not be considered within the scope of the Local Government Protocol or within the organizational boundary of a local government, and that they should instead report their emissions in a separate inventory using other more relevant voluntary protocols such as the CCAR General Reporting and the CCAR Power/Utility Protocol (PUP).

This is especially important because a portion of a municipal utility's electricity is often purchased from other generators, and this protocol does not provide a methodology for accounting for or reporting the emissions from this purchased electricity. The PUP spreadsheet, for example, provides a framework for reporting these emissions.

6.2.4 Green Power and Renewable Energy Certificate Purchases, p. 45-46

This section notes that REC purchases may not be deducted from a local government's Scope 2 emissions. However, the CCAR GRP (v.3) allows for a line-item adjustment of indirect emissions from electricity consumption to reflect the impact of renewable energy purchases, and notes that this approach is consistent with EPA's current draft guidance for reporting purchases of green power and renewable energy certificates.¹ Therefore, REC purchases should be able to be deducted from Scope 2 emissions. By extension, ClimateSmart emission reductions should also be able to be deducted from Scope 2 emissions, especially since they are in fact real, verified emission reductions, as opposed

¹ CCAR General Reporting Protocol, v.3, p.35.

to RECs, which do not necessarily represent actual reductions in greenhouse gas emissions.

Chapter 11 Other Process and Fugitive Emissions, p. 104

There are in fact a number of existing methodologies for calculating fugitive emissions from natural gas transmission and distribution facilities, such as those found in the [API Compendium of Greenhouse Gas Emissions Methodologies for the Oil and Gas Industry](#).

13.1.2.4 Information Items, p. 113

This section states that carbon offsets or RECs may not be deducted from Scope 1 or Scope 2 emissions due to the fact that a complete accounting framework which accurately and credibly tracks the ownership and retirement of these credits has not yet been established. In the case of ClimateSmart, ClimateSmart emission reductions are reliably tracked through the CCAR Climate Action Reserve, and should therefore be able to be deducted.