



Climate Leaders Greenhouse Gas Inventory Protocol Optional Module Guidance:

Using Offsets to Help Climate Leaders Achieve Their GHG Reduction Goals

Appendix C: Climate Leaders Guidelines for the Submission of a New Accounting Methodology or Data Set

Appendix C includes guidelines and a project design document template for Partners that wish to develop and propose: 1) a project using a new accounting methodology based on a “performance standard” approach for a project type for which EPA has not yet developed a Climate Leaders Offset Project Methodology; or 2) propose a project using a new or different data set (e.g., either an alternate domestic dataset or data for a project outside the U.S.) for use with a Climate Leaders Offset Project Methodology. Partners should be aware that the review and approval process for a new project accounting methodology or data set is likely to be more time and data intensive for Partners than the use of a Climate Leaders Offset Project Methodology.

To ensure that the GHG emission reductions from offsets are credible, Partners must ensure that the reductions meet four key accounting principles:

- ***Real:*** The quantified GHG reductions must represent actual emission reductions that have already occurred.
- ***Additional:*** The GHG reductions must be surplus to regulation and beyond what would have happened in the absence of the project or in a business-as-usual scenario based on a performance standard methodology.
- ***Permanent:*** The GHG reductions must be permanent or have guarantees to ensure that any losses are replaced in the future.
- ***Verifiable:*** The GHG reductions must result from projects whose performance can be readily and accurately quantified, monitored and verified.

C.1 Template for Proposing a Project Using a New Accounting Methodology

This template is for use by Partners to propose an accounting methodology for a project-type for which no pre-approved EPA methodology exists.¹

¹ See <http://www.epa.gov/climateleaders/resources/optional-module.html> to download pre-approved methodologies.



I. Participants in the Project

- 1) Climate Leaders Partner and others involved in the project
- 2) Project ownership
- 3) Contact person for the project, if different from above
- 4) Address, telephone number, fax, and e-mail of the contact person

II. Project Information

- 1) Brief summary of the project including project type (e.g., landfill methane collection and combustion project)
- 2) Precise geographic location of the project. If a site has not been selected, please provide information for each of the alternative sites for the project.
- 3) Dates and or significant milestones:
 - a. dates for starting or completing significant phases or stages of the project including, but not limited to: studies, feasibility studies, development (including construction and/or getting up on-site offices), and beginning operations (starting management practices, distributing information, training, operating equipment, etc.)
 - b. date that the specific measures to reduce or sequester greenhouse gas emissions began or will begin reducing or sequestering greenhouse gas emissions from sources and sinks.
 - c. anticipated project lifetime: period, in years, over which the specific measures are expected to reduce or sequester greenhouse gas emissions.
- 4) Provide a detailed description of the physical components (e.g., equipment used in operating the project, carbon pools, acreage) of the project, including project boundaries.
- 5) Identify all greenhouse gas sources and sinks associated with the offset project and to be included in the emissions baseline/reference case.
- 6) Provide a description of the specific measures being taken to reduce or sequester greenhouse gas emissions initiated as a result of the proposed offset project.

III. Regulatory Eligibility

- 1) Identify Federal, State, and local laws, regulations, and ordinances related to the project activity.
- 2) Demonstrate that the specific measures to reduce or sequester greenhouse gas emissions would not have occurred as a result of these requirements.



IV. Additionality and Baseline Setting: Greenhouse Gas Emissions and Sequestration

- 1) All pre-project estimates of project performance (emissions and reductions) should be provided.
- 2) EPA principles and methodologies should be used as guidance in preparing estimates.
- 3) Describe the argument for additionality based on the EPA performance standard approach including a specific description of the test that will be used: an emissions rate, a technology standard, or a practice standard.
- 4) Provide all data (cited by source), methodologies, and calculations used to establish additionality, set the baseline, and estimate emissions reductions and carbon sequestration.

V. Monitoring Greenhouse Gas Emissions and Updating Emissions Estimates

- 1) Describe the process to be used to monitor the greenhouse gas emissions reductions, including the specific method that will be used to monitor greenhouse gas emissions and greenhouse gas emissions reductions/sequestration. This will include
 - a. the proposed data collection procedures, including a description of the sampling methodologies, emissions monitoring equipment, and methodologies for estimating emissions/sequestration, and
 - b. how leakage and permanence of reductions will be addressed (if applicable).

VI. Non-greenhouse Gas Impacts of the Project

- 1) Describe any significant non-greenhouse gas impacts, both positive and negative, anticipated as a result of the specific measures to reduce or sequester emissions.
- 2) Describe the potential positive and negative non-environmental effects of the project, including but not limited to: economic development, cultural and gender effects, sustainability, technology transfer, public participation, and capacity building.

VII. Reporting

- 1) Provide information on any other voluntary or mandatory programs to which the reductions or removals from the offset project may be applied.
- 2) Provide evidence of any cancellation or application of the reductions to any other programs.



- 3) Provide evidence of registration on a comprehensive and transparent registry system of the project's reductions or removals.

VIII. Other Information

- 1) If a Partner would like a specific project purchase or investment to be evaluated for overall compliance with EPA offsets guidelines, please provide additional project-specific detail as described in the Climate Leaders offset program overview document, *Using Offsets to Help Climate Leaders Achieve Their GHG Reduction Goals*.²

C.2 Template for Proposing a New Data Set

This template is for use by Partners that are using a Climate Leaders Offset Project Methodology but wish to propose a new data set for determining additionality and setting a baseline (e.g. a commercial boiler retrofit outside the U.S.).

I. Project Information

- 1) Brief summary of the project including project type (e.g., landfill methane collection and combustion project)
 - a. Identify the EPA pre-approved methodology upon which the project is based.³
 - b. Describe the need for, and applicability of, substituting a new data set for the existing EPA data set (e.g., geographic location of the project is outside the U.S.)

II. Data

- 1) Provide all data, methodologies and calculations used to establish additionality and set the baseline
 - a. Follow existing format in EPA methodologies, found in an Appendix at the end of each methodology. This may include developing tables of current practices, summarizing published studies, defining a spatial area and temporal range for the data set, and developing tables justifying the chosen performance threshold.
 - b. Include all source citations
- 2) Describe how the data set will be updated
- 3) Identify local laws, regulations, and ordinances related to the project activity

² Please visit <http://www.epa.gov/climateleaders/resources/optional-module.html> to download the overview document.

³ See <http://www.epa.gov/climateleaders/resources/optional-module.html> to download pre-approved methodologies.



that are currently outside the scope of the EPA methodology (e.g., country-specific mandates outside the U.S.).

- a. Demonstrate that the specific measures to reduce or sequester greenhouse gas emissions would not have occurred as a result of these requirements.