

GHG Mandatory Reporting Regulation

Surviving GHG Verification



Chemical Safety Day

March 19, 2015



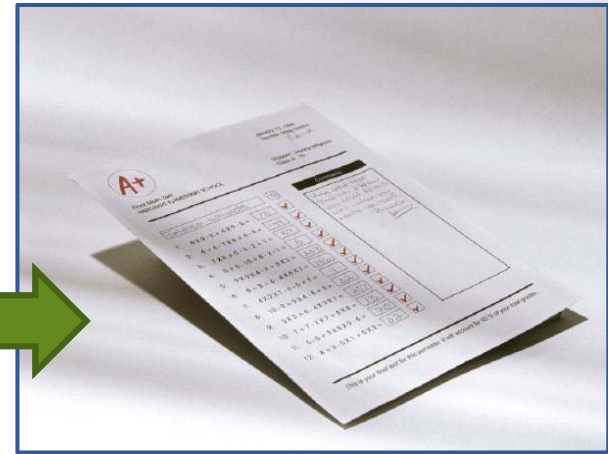
The GHG Overall Process (Logical)



Monitoring



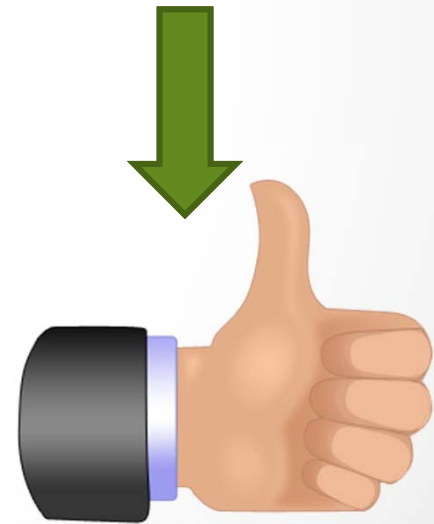
Data
Collection



Reporting



<http://www.epa.gov/captrade/>










Verification

MRR - Verification

- 3rd party audit of covered emissions report and covered product data
- Focuses on accuracy of report and conformance of monitoring, data collection, emissions calculation methods to the regulation
- Need positive verification – C&T



MRR – Verification Outcomes

Verification Statement	No material misstatements?	No nonconformances?
Positive		
Qualified Positive		
Adverse		 / 

- Nonconformance: does not meet requirements of the regulation
- Material misstatement: greater than or equal to $\pm 5\%$ error

Consequences of Failing Verification

- Financial Implications
- Reputational Loss
- Loss of allocations in Cap and Trade



Example

Facility	Facility A	Facility B
Actual Emissions (MT CO ₂ e/yr)	500,000	500,000
Reported Emissions (MT CO ₂ e/yr)	500,000	500,000
Verification Statement	Positive	Adverse
Verified Emissions (MT CO ₂ e/yr)	500,000	750,000
Allowances Cost through 2020	\$4,106,000	\$28,546,000

Compliance is important!

Slide 6

SS1

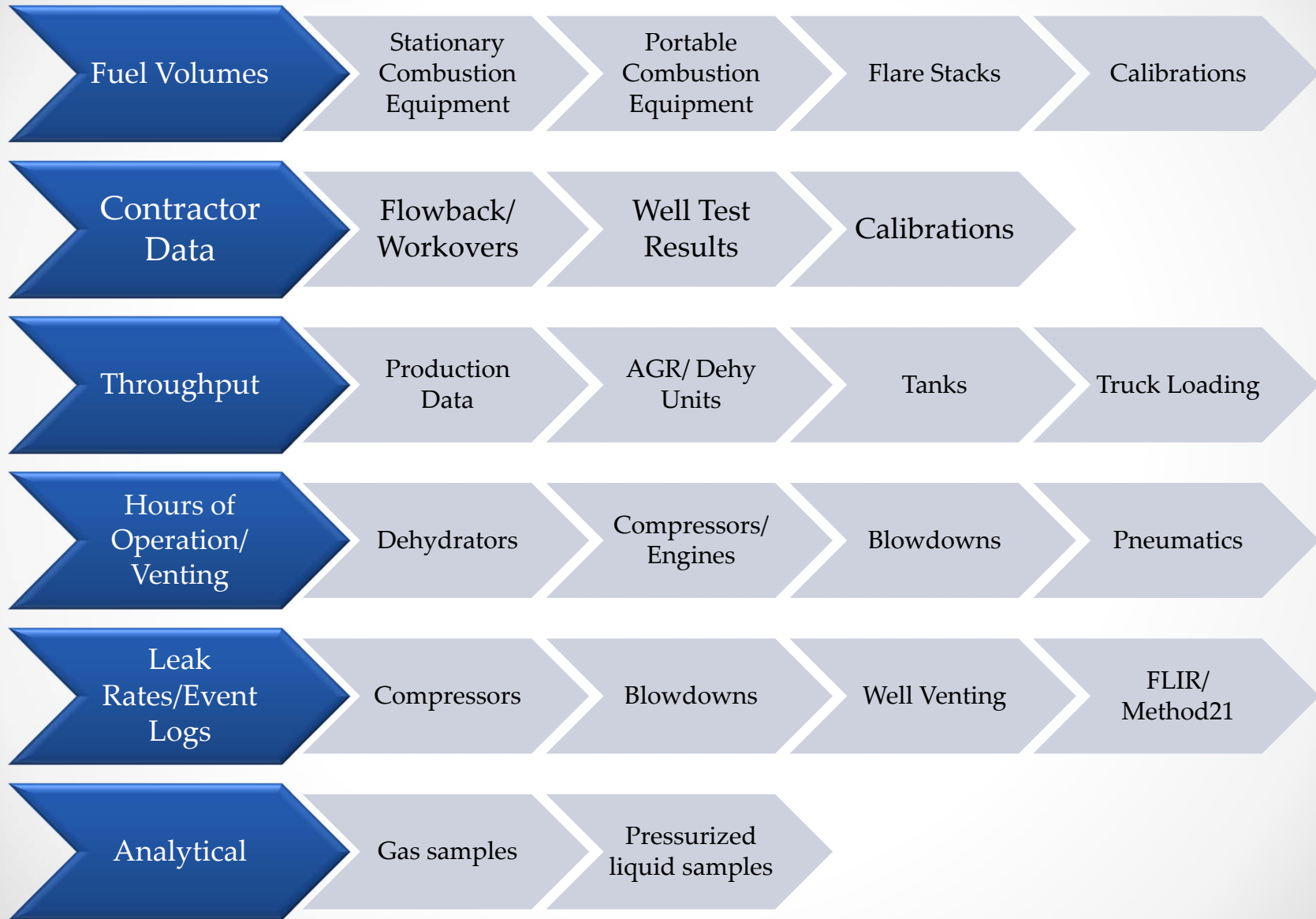
This should be checked.

Sharanya Shanbhogue, 12/6/2013

Recap – AB32 Mechanics



Data Types



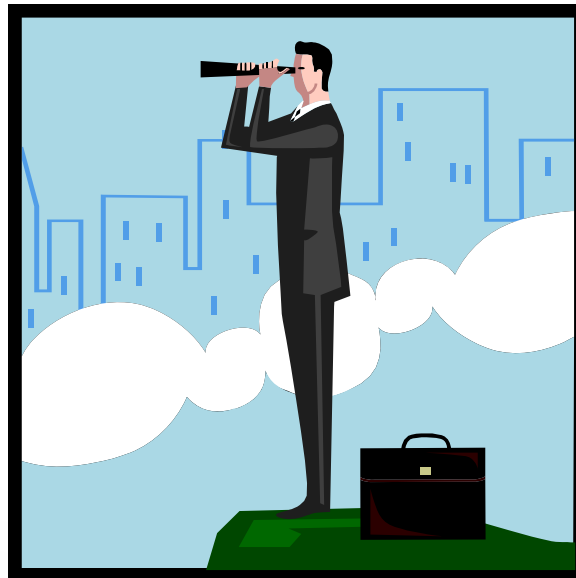
Verification Lessons Learned

- Data is not enough
- Quality Assurance
 - Sources of Data
 - BMM and reasonable assurance
- Quality Control
 - Audit Trail
 - Human Intervention/Training
- Compliance Assurance
 - Documentation/Standard Operating Procedures
 - Monitoring Plan



What the Verifier is Looking For

- Data integrity
- Repeatable processes for securing data
- Data transfer points
- Every point of possible error
- Over or under representation of reported data



One Key to Passing



One Key to Passing

PREPARATION



Maximizing Your Chances for Success

- Documentation



Maximizing Your Chances for Success

- Documentation
- Employee training



Responding to the Verifier

- Answer the question as directly as possible
- Limit unwanted details as much as possible
- Do NOT bring attention to possible weak spots
- Be succinct
- Do not be evasive
- If you are not the expert, ask someone else



Verifier Scenarios



Scenario 1

The verifier asks for a clarification on the report

Where did this piece of equipment come from?
It is not accounted for in the emission calculations.



That particular piece of equipment was added this year, and will be in the report for this year's emission calculations.

Don't worry about it. It was added after the year was over.

The GHG team probably overlooked it.



Scenario 2

The employee is unsure of the answer.

How do you account for production data? How do you ensure you are not double counting streams?



I am not sure, but if I do not know, the company and I will look bad.

Well, there are precautions and procedures to ensure they are not.

I am not sure, but the Production team would know.

This question would be better answered by the Production team.



Scenarios Review



Quick Tips

- Keep your answer short and to the point
- Only answer the question asked
- If you don't know, don't guess
- You can ask for more time to answer
- Plan out who will answer what questions



Things to Avoid

- Phrases such as “I think,” and “Maybe.”
- Don’t share political opinions
- Be objective, not subjective
- I would like to tell you more “but instructed not to divulge too much!”
- Don’t panic



Questions?

