# Appendix C ICLEI Reporting Requirements

*Version 1 (September 2008)*

## About ICLEI

ICLEI- Local Governments for Sustainability (ICLEI) is a membership association of local governments committed to advancing climate protection and sustainable development. Since its inception in 1990, ICLEI's membership has grown to include more than a 1,000 communities worldwide. More than 500 of them are in the United States.

ICLEI USA's mission is to build, serve, and drive a movement of local governments to advance deep reductions in greenhouse gas emissions and achieve tangible improvements in local sustainability.

## ICLEI's Five Milestones for Climate Protection

The Five Milestones for Climate Protection provide a simple, standardized means of calculating greenhouse gas emissions, of establishing targets to lower emissions, of reducing greenhouse gas emissions and of monitoring, measuring and reporting performance.

## ICLEI's Five Milestone Methodology

The Five Milestones are designed to chart a course for local governments to set and meet their climate mitigation goals:

1. **Conduct a baseline emissions inventory and forecast**
   The local government first calculates greenhouse gas emissions for a base year (e.g., 2005) from all municipal operations (e.g., city owned and/or operated buildings, streetlights, transit systems, wastewater treatment facilities). It then selects a future year by which it wishes to reach an emissions reduction goal and estimates emissions for that future year presuming Business As Usual (BAU) growth of emissions from the base year. In other words, this is what would be expected if the local government pursues no further measures.

   NOTE: Local government working with ICLEI typically conduct inventories of both government operations and of the whole community which they govern. Additional guidance on community emissions inventories will be developed and provided in 2009.

2. **Adopt an emissions reduction target for the forecast year**
   The local government adopts an official reduction target defined as a percent reduction in annual emissions rate below the level reported in the base year (i.e. 20% reduction in emissions from 2005 baseline by 2020). The target fosters political will and creates a framework that guides the planning and implementation of measures.

3. **Develop a Local Climate Action Plan**
   Next, a local government develops a Climate Action Plan, a set of policies and measures designed to meet the emissions reduction target by the target year. Because emissions tend to grow over time, the Climate Action Plan must contain enough reductions to reduce emissions from the amount expected under business as usual to the desired target rate. These plans must include a timeline, a breakdown of actions and estimated benefits of each action compared to the baseline, a description of financing mechanisms, and an assignment of responsibility to departments and staff. Developing this plan is a multi-stakeholder process and most planning processes also incorporate public awareness and education efforts.

4. **Implement policies and measures**
   The next milestone is an ongoing effort to implement the Climate Action Plan. Typical policies and measures include energy efficiency improvements to municipal buildings and water treatment facilities, streetlight retrofits, public transit improvements, installation of renewable power applications, and methane recovery from waste management.

5. **Monitor and verify results**
   Monitoring and verifying progress towards target and status on the implementation of measures is a critical part of the milestone process. As part of this step, local governments will also need to conduct regular inventories to effectively gauge progress against the baseline.

## ICLEI Requirements for Reporting Emission Inventories (Milestones 1 and 5)

ICLEI requires that emissions inventories, for whatever year they represent, meet at least a specified level of rigor and quality. ICLEI recognizes that that not all jurisdictions will be immediately able to meet all of the recommended methods outlined in the Local Government Operations Protocol, and that in many cases time and resources allocated to inventorying emissions may limit the time and resources available to implement emissions reduction actions. ICLEI will therefore accept two levels of GHG inventory reports to satisfy completion of Milestone 1 or monitoring inventories. These are designated the ***ICLEI Comprehensive Report*** and the ***ICLEI Quick Action Report***. See below for detailed descriptions of these inventories. Members reporting an inventory to ICLEI must disclose which type of report they are producing

When reporting emissions, reports must be formatted as laid out in Chapter 13 with each Scope reported separately. A jurisdiction can feel free to add a narrative report as they see fit, but official reporting will reflect the format outlined in Chapter 13.

NOTE: ICLEI does not disclose the details of reports that our members submit to us without explicit permission from them to do so.

## ICLEI Comprehensive Report

This is the preferred inventory report and represents a complete accounting of GHGs. Required sources, accounting methods, and significance thresholds meet standards similar in rigor to those employed by the California Climate Action Registry and The Climate Registry. The ICLEI Comprehensive Report also requires specific Scope 3 items that are policy relevant to a local government. The requirements for this type of inventory are:

- **Required reporting of all 6 Kyoto Gases as described in Section 2.1 of the Local Government Operations Protocol**

- **Required reporting of all Scope 1 and 2 sources:**
  - Direct emissions from stationary combustion (Chapters 6 and 8)
  - Indirect emissions from electricity use, imported steam, and district heat and cooling (Chapter 6)
  - Direct emissions from mobile source combustion (Chapter 7)
  - Direct process and fugitive emissions (Chapters 9,10 and 11)

- **Required reporting of Scope 3 Employee commute.**
  ICLEI's experience working with local governments indicates that this data is relatively easy to collect data and is particularly policy relevant as local governments can directly reduce

emissions from their employee's vehicles. ICLEI strongly encourages local governments to account for and include other scope 3 sources where possible and appropriate.

- **The significance threshold for reporting emissions by the Protocol methods is five percent**. One hundred percent of emissions of required gases must be reported and acknowledged. Ninety-five percent of reported emissions (by $CO_2e$ weight) must be computed using the methods and emission factors in the Protocol that are identified as suitable for third party verification standards to the CCAR standard.

  The remaining sources, which cumulatively equal less than five percent of the total emissions in Scope 1 and 2 of the inventory, should be identified and can be computed with a best available approximation. Where possible, the estimation methodologies should be the alternate methodologies identified in the Protocol.

## ICLEI Quick Action Report

This reporting option is available for local governments that have limited staff time and resources, or lack sufficient data to complete a Comprehensive Report. This level of report is not as exhaustive, but offers the benefits of being simpler, more flexible, capturing a majority of the emissions from the local government's operations, and focusing on emissions from those sources that can be effectively influenced through policy. This enables the jurisdiction to maximize its efforts to curb climate change and keep time and investment of resources focused on taking action in the most critical areas. It is also intended to allow local governments with limited data sets to finish and publish an inventory while continuing to refine and improve their data collection processes.

Many local governments will employ a Quick Action Report as a stepping stone toward eventual Comprehensive Reports. Inventories for the first several years may be Quick Action with increasing levels of detail and increased reporting of optional sources as the local record keeping improves. ICLEI strongly encourages jurisdictions to actively improve record keeping methods to improve the quality of the inventories, as well as provide other benefits for the jurisdiction. The requirements for the Quick Action Report are:

- **Required reporting of $CO_2$, $CH_4$, and $N_2O$ only.** Other Kyoto gases may be reported optionally. Local governments completing a quick action report may report only total CO2e in each scope and sector rather than by individual gas.

- **Required reporting of the following Scope 1 and 2 sources:**
  - Direct emissions from stationary combustion (Chapters 6 and 8)
  - Indirect emissions from electricity use, imported steam, and district heat and cooling (Chapter 6)
  - Direct emissions from mobile source combustion (Chapter 7)
  - Direct fugitive emissions from landfills and wastewater treatment (Chapters 9 and 10)
  - Any other significant sources of emissions – local governments should consider their operations and determine if there are any other sources of emissions that are unique to their profile which would constitute more than 5% of the total inventory and account for those sources. e.g. a local government that operates the community's natural gas distribution system should include fugitive emissions from this source.

- **Recommended reporting of appropriate Scope 3 sources**
  In particular, ICLEI's experience indicates that information relating to employee commutes is generally easy to calculate and is of particular policy relevance.

- The significance threshold for reporting emissions is five percent. One hundred percent of Scope 1 and Scope 2 emissions of required gases (CO2, CH4, and N2O) must be reported and acknowledged. Ninety-five percent of reported emissions (by CO2e weight) must be computed using either the recommended or alternative methods and emission factors in the Protocol.

  The remaining sources, which cumulatively equal less than five percent of the total emissions in Scope 1 and 2 of the inventory, should be identified and can be computed with a best available approximation.

## Baseline Inventories

### Establishing a Baseline Year Inventory

ICLEI's members first establish a greenhouse gas inventory for a baseline year, which will then be used to set emissions reductions targets and track progress towards their climate protection goals. Participants should select their baseline according to the year that best represents their standard emissions profile, as well as a year for which they have the most complete data.

After establishing a baseline ICLEI members should report emissions inventory results at least every five years. ICLEI considers the best practice to be annually reporting.

### Limitations of Baseline Inventories in Monitoring

Since baseline inventories represent estimates based upon the available data and inventory methods at the time, local governments will be faced with the challenge of how to deal with baseline inventories that are not up to date and may not be directly comparable to future inventories. This is especially true of local governments that have completed emissions inventories previous to the release of the Protocol. In these cases, ICLEI provides two suggestions: baseline updates or baseline year changes.

Generally, local governments will conduct baseline updates or establish new base years at the same time as they conduct re-inventories. ICLEI does not expect or require baseline updates immediately upon the adoption of the Protocol.

When it is time to conduct a routine re-inventory, ICLEI members should do so in accordance with the reporting standards in the Protocol and in this chapter. ICLEI stresses that local governments should not claim credit for apparent emissions reductions which are really the result of a change in emissions calculation methodology. Nor should they be held responsible for apparent emissions growth resulting from inclusion of additional sources in their re-inventory or changes in emissions factors used.

### Updating a baseline

ICLEI considers it good practice, as part of a standard re-inventory process, to recalculate the existing baseline using the most up to date methodology and simultaneously recalculate any established reduction targets as a percentage of the recalculated baseline.

Example 1: Anytown, USA completed an inventory of 2000 and set a reduction target of ten percent below 2000 levels by 2015. In 2005 they re-inventoried using the same methods employed in 2000. In 2010 they intend to re-inventory, this time using the ICLEI Comprehensive Report. In order to determine whether they are approaching their goals, they should recalculate their 2000 inventory using the same methods and including the same sources as in their 2010 report. Their target remains ten percent below 2000 levels by 2015, but is applied to the recalculated 2000 figure.

Example 2: Othertown, USA completed an ICLEI Quick Action report in 2008 and established a reduction target against this base year. They are now doing a re-inventory in 2010, this time including all six Kyoto

gases and more accurate methodologies for a number of the calculations. In order to be able to compare the two inventories to each other, they should recalculate the 2008 inventory to include all 6 gases and use the recommended methodologies for the 2008 inventory as well.

### Establish a new baseline year

Due to the fact that in many cases data availability for a historical baseline is limited, many local governments will find it easier to establish a new baseline. Where the previous baseline included a reduction target, the new baseline should also establish a new reduction target and the level of that target should account for the previously established target.

Example 1: Anytown, USA has determined that they are not able to find all of the necessary information to update their 2000 baseline, but they do have adequate records to update their 2005 inventory to an ICLEI Comprehensive Report. They should recalculate their 2005 inventory and establish a new reduction target against 2005 emissions levels. The new reduction target should take into account the old target (ten percent below 2000 levels by 2015). For the parts of the 2000 and 2005 inventories that are comparable, the emissions levels declined by one percent. This means that the new target should be at least nine percent below 2005 levels by 2015 so that the old target can be achieved even though the city is now using a new baseline.

Example 2: Othertown, USA does not have the staff time or funding to complete all of the calculations to update their 2008 inventory to the same standard as the 2010. They have opted instead to establish a new baseline. The comparable sections of the inventory show that their emissions increased by two percent from 2008 to 2010. This means that in order to encompass the old reduction target, the new target, established against 2010 emissions levels should be two percent greater than the old.

## Rolling up Annual Emissions into a Single Number

Using either report format, a local government may be interested in using a single number to represent its emissions in its reports, target setting and action plan. This number can vary greatly based on what has been included and, consequently, is not comparable to other local governments.

While ICLEI believes that the most accurate description of emissions requires separate accounting of emissions by scope, we recognizes that many local governments find it useful for public awareness and target setting to frame emissions this way. To be accepted by ICLEI, the local government must first report emissions by scope using the Comprehensive or Quick Action Report, and then (2) within that report they *must* include a statement to explain precisely what the basis of the roll up number is and offer an explanation as to why they chose this basis. Every time the local government references the roll up number they should include a short description of the basis of the roll up.

For example, in Year 2005 a local government has followed the Comprehensive Report and wishes to report aggregated emissions of 300,000 tones for its baseline. The report must include a statement and formula explaining this number. Below are three examples.

#### *Example 1: Emissions = All Scope 1*

In this roll up the LG is counting direct sources only. This is robust and ensures no double counting, but it also misses significant policy relevant GHG sources. For example, the impact of electricity efficiency measures will not be measured under this roll up. They could say “our *direct or scope one* emissions are 300,000 tonnes.” They should not report or publish this roll up number without at least this level of specificity.

#### *Example 2: Emissions = All Scope 1 – Scope 1 Grid Power Generation + All Scope 2 and emissions from power consumption reported as information items.*

In this example, the local government has opted to include scope 2 energy consumption. To avoid double counting, the local government subtracts grid-based generation. This roll up enables all forms of government, big and small, to assign itself some responsibility for electricity usage and enables them to target policy to reduce it. They could say "our *direct emissions and emissions from electricity consumption* total 300,000 tonnes." They should not report or publish this roll up number without at least this level of specificity.

***Example 3: Emissions = All Scope 1 – Scope 1 grid power generation + Scope 2 + emissions from power consumption reported as information items. + Scope 3 employee commute and employee business travel.***

In this example a local government has also included several key scope 3 sources against which it intends to take action. Now the impacts of these reduction measures will be apparent in future inventories conducted by the local government. In this case the government could say "*our direct emissions, emissions from electricity consumption and select other indirect sources* total 300,000 tonnes." They should not report or publish this roll up number without at least this level of specificity.

At this time ICLEI does not recommend a specific roll up number as local circumstances and opportunities will differ significantly. However, we believe that many local governments will find that third example includes the most policy relevant sources without creating an excessive data collection burden.

Finally, the report should include a disclaimer of its roll up number clearly indicating that it should not be used for comparison purposes without careful analysis of the basis of the number. Contact your local ICLEI representative for help on defining and reporting a roll up emissions number.

## ICLEI Milestone Awards

ICLEI tracks achievements of its members through the Milestone award process. ICLEI recognizes members as officially reaching a milestone when they complete benchmarks associated with that level. Once a level has been reached by the local government, ICLEI endorses and encourages the local government to publicize this achievement.

**Milestone 1**: The local government must complete and submit to ICLEI a baseline GHG invent for BOTH community and local government operations and submit the reports, backup data, and software data to ICLEI.

**Milestone 2**: The local government must submit written documentation to ICLEI that a baseline year and target has been approved by the local government body. Long-term targets must include benchmarks (e.g. Target = eighty percent by 2050, Benchmark = two percent reduction/year). Alternatively, the target may be referenced in an approved emission inventory report.

**Milestone 3**: The local government must submit to ICLEI an official Climate Action Plan. The Climate Action Plan must contain enough reductions to reduce emissions from rate forecasted as Business As Usual to desired rate. These plans must include a timeline, a breakdown of actions and estimated benefits of each action compared to the baseline, a description of financing mechanisms, and an assignment of responsibility to departments and staff.

**Milestone 4**: The local government must demonstrate that fifty percent of the measures on the climate action plan have begun implementation. Each measure considered implemented or where implementation is beginning, should include a summary description of the implementation process and quantified results.

**Milestone 5**: The local government must submit a climate action plan status report that includes a re-inventory of emissions for any one or more subsequent years following the same reporting format used for the baseline or else applying the baseline adjustment guidelines discussed in this chapter, and a status update on all measures included in the original plan. The re-inventory must be undertaken within five years of the base year. Local Governments at Milestone 5 are also expected to submit annual progress to ICLEI on local climate activities that would be beneficial to the network.

## Software and Technical Assistance for GHG Management

ICLEI produces a number of tools and services to assist local governments with climate action planning. Our technical program staff is available to help our members through the 5 Milestones. We offer a combination of on-line resources, software tools, data collection forms, technical trainings and personal assistance.

The Clean Air and Climate Protection Software (CACPS) is a desktop software that can help local governments to compute Local Government Operations Protocol compliant GHG inventories. The Climate and Air Pollution Planning assistant (CAPPA) is a decision support tool to help select measures for a milestone 3, the climate action plan. ICLEI, along with Clinton Climate Initiative, Microsoft, and others, is a producing "Project 2 Degrees", a web-based GHG management system for local government worldwide to track and report GHGs in compliance with this Protocol and the International Local Government Protocol. Please contact your local ICLEI representative for more information on accessing ICLEI's tools and services.