World Business Council for Sustainable Development

WORLD RESOURCES INSTITUTE

The Greenhouse Gas Protocol

Scope 3 Accounting and Reporting Standard

Comment Template

We are providing this template to streamline public comment submissions. To use this template, please follow the instructions below:

- This Scope 3 draft is open for stakeholder comment from November 11, 2009 through December 21, 2009.
- To provide written comments, please use the comment template provided, instead of sending comments in a separate file or e-mail, in order to streamline the comment process.
- When using the comment template, please organize comments by chapter/section and reference page numbers and line numbers.
- If you have questions during the public comment process, please email Holly Lahd at hlahd@wri.org.
- Submit comments as an attached MS Word file by email to Holly Lahd at hlahd@wri.org no later than **Monday, December 21st, 2009**. We appreciate any effort to submit written comments before the deadline.

Feedback from (name):__Peggy Foran____________________________________

Organization: __The Climate Registry________________________________

Chapter/Section	Comments
The outline and overall structure of the document	• Throughout: When referencing scopes by name, The Climate Registry capitalizes the word scope (i.e. Scope 1, Scope 2 etc.) In this document I have found it written both ways. What is WRI's official terminology? • Throughout: The Climate Registry agrees with the suggestion made at the DC Stakeholder meeting that reference to "companies" in the standard be changed to "organizations" as there are no issues addressed in the standard that would not also apply to government agencies and non-profit organizations. • Part 2: Several issues discussed in each of the chapters in Part 2 should be moved to a single location in Part 1 (i.e. description of data collection types, screening method, etc.) The chapters in part 2 should address only issues that are unique to each category. If there is not a sufficient amount of content to justify the chapters in Part 2, it should be removed.
Part 1	

1. Introduction	• P.7 L-2: Referring to current thinking about a corporate emissions footprint as containing Scope 1 and Scope 2 data could be misleading as there are certain emission categories (i.e. biogenic emissions) that are outside of the scopes according to WRI's definitions of the scopes but part of the corporate footprint. Therefore, I would recommend removing the reference to Scope 1 and Scope 2 and instead referencing either "the corporate inventory" or "direct Kyoto-defined GHG emissions and indirect emissions from purchased electricity, heat, steam or cooling." • P.7 L-9-15: It would be helpful to have a definitive statement or graphic representation of the difference between the value chain and a product footprint here. • P.8 L-34: See note above for P.7 L-2. • P.8 L-44: The example of consolidation methodology is difficult to grasp here for Scope 3 as the entire footprint involves sources you do not have control over and purchasing and selling decisions are the basis for determining a Scope 3 inventory. More discussion of this idea would be beneficial. Another example that would be more straightforward would be reporting for the same timeframe across Scope 1,2, and 3. WRI should also advocate for annual reporting as most of the screening methods in Part 2 are based on annual data. • P.10 L-7: While The Climate Registry understands the desire to put a limit on the percent of emissions from a value chain that need to be quantified in order to develop a supply chain inventory that is compliant with the Standard, doing so provides a disincentive for companies to ever report beyond that required amount (currently 80 percent). In practice, companies that are reporting supply chain inventories in compliance with the standard will market the inventory as their entire Supply Chain Footprint. It is unlikely to be clear to the public that as much as 20 percent of their indirect emissions may not be reported. Furthermore, if WRI sets the limit at 80 percent and requires organizations to acknowledge the emission sources present in that remaining 20 percent, reporting is essentially done for 100 percent of the footprint. The Registry feels that information about the remaining 20 percent will be central to the evaluation of accuracy and validity of organizations' emissions mapping exercises. Therefore, The Registry encourages WRI to define the supply chain footprint as 100 percent of the indirect emissions from the production use and disposal of the products and services they provide. As with The Corporate Standard, organizations should be able to omit certain emission sources provided they acknowledge that deficiency in their report and provide supplementary qualitative information regarding those sources. Requiring organizations to report 100 percent of their supply chain emissions is the only way to guarantee complete transparency and comparability while simultaneously allowing for the evaluation of the accuracy of the reported emissions. • P.10 L-9: It is unclear if the emissions from the use phase of sold products etc. are part of the proposed 80 percent of Scope 3 emissions or if they are additional to it. In fact, it is unclear why the second bullet goes beyond emissions from the use phase of all sold products. Is this because WRI would like these categories broken out in the final report? If so, We would encourage you to break out the requirements for accounting and reporting (even in this summary), as they mean different things. Furthermore, it seems that reporting use phase emissions of individual products (as opposed to a total for all products) would be the most helpful information to have in a report. The Climate Registry recommends requiring or recommending organizations disclose this information publically. • P.10 L-25: Is WRI asking for the six Kyoto gasses to only be reported by gas

	for Scope 1,2 and 3 together or should it be broken out within each scope? The Climate Registry recommends that totals of each Kyoto-defined GHG be reported by scope and by Scope 3 category publicly. • P.10 L-29: As the reporting template combines secondary data, extrapolated data and proxy data into the secondary data column, we would suggest that in the report the secondary data column be re-titled to something like "non-primary data." • P.10 L-38: Please expand on the justification for reporting separate totals for primary and non-primary data. In the illustrative reporting form the field for a qualitative assessment of data uncertainty is applied to all data mixed together. What benefit will there be in seeing separate totals? • P.10 L-1-39: This section is so close to the information provided in the following chapters that it makes the information seem very repetitive. It may be better to pull this out of the standard and present it as an FAQ or summary document.
2. Accounting & Reporting Principles	• P.13 L-13: Baseline is a term intended for use in accounting for GHG reduction projects. Base year would be the correct term to use here.
3. Business Goals & Inventory Design	•
4. Mapping the Value Chain	• P.14 L-24: It is not clear how double counting can be avoided when reporting Scope 3 emissions. For example, if an organization reports emissions from the generation of their purchased electricity (Scope 2) and the emissions associated with producing and transporting the fuel used to generate the electricity (Scope 3) then the utility that was generating the power would report the emissions associated with generating the power (Scope 1) and the emissions associated with the producing and transporting the fuel (also Scope 3). By definition, there is double counting in Scope 3. The Climate Registry recommends that WRI acknowledge that there will be double counting of emissions within Scope 3, or find a different way to approach reporting Scope 3 emissions that will result in a system where double counting can be avoided. • Chapter 4 Overall: This chapter would benefit from added specificity and examples.
5. Setting the Boundary	•
5.1 Prioritizing Relevant Emissions	•
5.2 Prioritizing Relevant Emissions Based on Size	• P.18 L-46: The most relevant emissions should be determined based on an analysis of each activity, which should be easier to determine if conducted from a product lifecycle perspective than it would be if each of the defined categories of emissions were estimated and then compared. Our understanding from the draft standard is that the top emitting activities/sources, and not categories, are what should be reported. If that interpretation is correct, the language on this page should be refined. On page 19, it says that each activity's emissions need to be compared to the total. It would seem that the total should simply be the estimates from all of the sources added together. Breaking it out by category does not seem useful. • P.19 L-10-14: Please see note for P.10 L-9. • P. 19 L-17: Based on the current definition of the Scope 3 inventory as 80 percent of the total Scope 3 footprint, this statement should be removed. If WRI has the standard define the Scope 3 inventory as 100 percent of the Scope 3 emissions then this sentence should remain and be expanded to describe what information should be reported about emissions that are not included in the inventory totals.

5.3 Prioritizing Relevant Emissions Based on Other Criteria	•
6. Collecting Data	•
6.1. Prioritizing Activities	•
6.2. Assessing Data Sources	• P.23 L-2: WRI should add greater clarity to the types of primary data that can be collected. Currently it is described as product-level or facility level data. The Climate Registry would encourage you to acknowledge source-level data (as this may be something obtainable from contractors) and also to address the allocation issue when discussing product level or facility level data. Does product level data here mean all of the emissions embodied with a single product or with that entire product chain? If it is the latter, the reporting company will have to be aware that they will need information about total products produced. With facility level data, there should be greater clarification given to how to apply that information to a consumer's inventory in a way that does not decrease the accuracy of the data –i.e. how do they allocate that facility level emission total to the goods or services that they produce or sell? The definition of primary data should be expanded in this section and the questions raised here should be addressed in section 6.3.1. At a minimum the need to allocate emissions when metrics on a product basis are not available should be identified and a reference to chapter 7 should be included. • P.23 L-1-13: As extrapolated data and proxy data are grouped with secondary data in the reporting template, we recommend that you include secondary, extrapolated and proxy data as different types of non-primary data. Also see comment for P.10 L-29.
6.3. Collecting data	• P.28 L-1-20: The content of section 6.3.1 should relate specifically to the collection of primary data. Guidance on using standardized data formats is more fitting as part of a discussion of a GHG management plan and could apply to both primary and noon-primary data. The Registry recommends that section 6.3.1 focus instead on what types of primary data can be collected and how to treat each type so that organizations are applying the guidance accurately and consistently. Also see comment for P.23 L-2. • P.29 L-11: Section 6.3.2 should be re-titled to non-primary data and follow a similar format to that suggested above for section 6.3.1 – address each category of non-primary data and describe its appropriate use. • P.29 L-12- P.30 L-20: Section 6.3.3 should be combined with section 6.3.2 which should be re-titled non-primary data because secondary data, extrapolated data and proxy data are all simply means of filling data gaps where primary data is not available. The Climate Registry recognizes that currently it may be difficult for organizations to obtain any primary Scope 3 data, however, in the development of a standard WRI is defining the principles of reporting that should continue to apply as data availability changes in the future. Therefore, WRI should refrain from making allowances based on current data constraints. Reporting organizations and reporting programs will need to address data constraints regardless of the content of the final Scope 3 Standard.
7. Allocating Emissions	• P.31 L-26: Section 7.2 exclusively addresses collecting primary data and should be moved to section 6.3.1 • P.32 L-8: It would be helpful if WRI could clarify that the physical allocation approaches and market value approaches can be applied to different sources within an inventory in order to avoid any confusion with these terms and

	operational control criteria. • P.34: The Climate Registry recommends that some examples or case studies be added to this chapter. • Chapter 7 Overall: This chapter should be greatly expanded by including much of the information currently found in Part 2 Chapter 1.
12. Assurance	• P.36: The Climate Registry is not aware of a shift in terminology away from 'verification' to 'assurance.' From this chapter it is not entirely clear if WRI is proposing that the terminology be changed or if assurance is considered to be a separate process. We strongly recommend that at a minimum WRI acknowledge that verification bodies will typically provide these assurance services so that organizations looking for external assurance will understand who they will need to contact. • P.36: If WRI is proposing that assurance and verification are the same, The Registry encourages WRI to review the language The Climate Registry has been using (for example 'statement' instead of 'opinion') as we have been working closely with ANSI and ISO to ensure correct terminology is used around verification. • P.42 L-25-37: This is an excellent paragraph. • P.45 L-48: WRI should not limit this mention of software tools to "life cycle assessment software." The criteria spelled out in this section can be met by other tools not considered life cycle assessment software such as GHG registries and third part GHG management software. WRI should broaden its mention of the types of tools here that will be needed for streamlined assurance/verification.
13. Reporting and Communication	• P.47 L-27: This bullet repeats the bullet on line 19. • P.48 L-49: Here WRI is stipulating that emissions be reported in CO2-e but on the previous page they are required to be reported by metric tons of each GHG. We recommend that you clarify here and on the reporting template that emissions need to be reported for each Kyoto-defined GHG separately. • P 49: Secondary data column should be re-titled "non-primary data." • P49: It seems inappropriate to report uncertainty information for both primary data and non-primary data by emissions category when uncertainty will apply to each data collection activity. The Climate Registry recommends that uncertainty be expressed differently on the report. • P49: The Climate Registry recommends that WRI develop a model report using real or example data collected as the standard dictates to see what report format will result in the greatest clarity.
Part 2	
1. Purchased Goods and Services- Direct (Tier 1) Supplier Emissions	• P.50 L-37: In order to properly account for government organizations etc. the relationship between Direct (Tier 1) suppliers and reporting organizations should be expanded to include other arrangements such as traded good and services or donated space/assets. • P.50 L-41: The Registry is not convinced that emissions reported as being from Direct (Tier 1) suppliers should include those suppliers' Scope 2 emissions – as those would be the direct emissions of a Tier 2 supplier. We encourage WRI to either remove these emissions from this category or to include an example to demonstrate how organizations will be able to consistently report emissions by the categories defined. • P. 51 L-8: As the screening assessment is a first step in determining which emissions to report across all reporting categories, it should be describe in Part 1 of the standard instead of being described in detail here in Chapter 1 of Part 2 and briefly mentioned repetitively in each of the remaining chapters in Part 2.

	• P.5 L-8-21: It seems that there should be a stipulation that only organizations reporting their Scope 1 and Scope 2 emissions according to equity share or financial control can use the screening method in the second bullet and those reporting according to operational control must use the screening method in the first bullet. This follows from the line of thought that those organizations trying to understand their GHG emission footprint from a financial perspective, should apply the same view to the calculation of their Scope 3 emissions and those viewing their GHG footprint as a result of their physical operations should based their screening on the physical characteristics of the purchased materials etc. • P.51 L-29: Given the current description of the financial screening method, The Climate Registry is not in favor of the use of this method for determining the relevant portion of emissions to include in an organization's Scope 3 inventory. It is not clear that there is any correlation between the financial value of products and services and their GHG emissions. • P.51 L-11: It is not clear if WRI is requiring that emissions from all direct suppliers be reported or if only a fraction of them, based on their relevance to the overall Scope 3 inventory total, are required to be reported. Here the text indicated that only relevant emissions *should* be reported and in line 1 on this page it says organizations *should* obtain data from all direct suppliers. Since according to the process outlined by WRI data is only obtained once relevant emission activities have been identified, it is unclear what WRI is asking for. • P.51 L-23-27: The options to use industry checklists of high-emitting materials do not appear to guarantee coverage of 80 percent of the emissions of the Scope 3 inventory. Therefore, The Registry encourages WRI remove these two bullets as screening method options and instead point to these resources as a good place for organizations to start when getting a handle on their own emissions. • P.52 L-22: The information in Box 1.1 is appropriate for inclusion in Part 2 as it is information that is specific to this category of emissions.
2. Purchased Goods and Services – Cradle-to-Gate Emissions	• P.54 L-8: There is no emissions category specific information in this chapter outside of a description of the sector. Category descriptions should be moved to Part 1, Chapter 13. • P.55 L-2: The Climate Registry would encourage WRI to refrain from describing the screening process by category and instead require that organizations evaluate relevance of emissions on a source by source basis so that organizations focus on obtaining data for their largest individual sources instead of categories where they might have a greater number of small sources. It is likely that organizations may be able to exert greater control over a smaller number of high-emitting sources than a large number of smaller emitting sources. For example, if an organization purchases a moderate amount of a raw material with a high GHG emitting production process but also does a great deal of business travel such that the category of business travel as a whole seems more relevant than the purchased goods and services (Cradle-to-Gate) category, it is possible that only the emissions from business travel will be reported in the Scope 3 inventory. However, it will likely be easier for the organization to consider sourcing a different type of raw material than make changes to each of their business trips and any resulting emission reduction may not be reflected in their inventory.
3. Energy-Related Activities Not Included in scope 2	• P.58 L-8: Category descriptions should be moved to Part 1, Chapter 13. • P.58 L-49: The examples of how to conduct the emission-based screening assessments specifically for energy-related emissions are helpful in this chapter.
4. Capital Equipment	• P.60 L-23: There is currently no emissions category specific information in this chapter outside of a description of the sector. Category descriptions should be

	moved to Part 1, Chapter 13. The remaining information should be removed as it is repetitive.
5. Transportation & Distribution (upstream/inbound)	• P.61 L-48: Category descriptions should be moved to Part 1, Chapter 13. • P.62 L-37: The examples of how to conduct the emission-based screening assessments specifically for transportation-related emissions are helpful in this chapter. • P.64 L-18: The examples of how to quantify emissions specifically for transportation-related emissions are helpful in this chapter. • P.65 L-26: Section 5.3.2 should be moved to precede 5.3.1 as it is the first step in calculating emissions.
6. Business Travel	• P.68 L-3: Category descriptions should be moved to Part 1, Chapter 13. • P.68 L-45: The examples of how to conduct the emission-based screening assessments specifically for business travel-related emissions are helpful in this chapter. • P.69 L-28: The examples of how to quantify emissions specifically for business travel-related emissions are helpful in this chapter. • P.69 L-45: The Climate Registry is currently developing a transportation metric for transportation agencies that should be a useful tool for quantifying Scope 3 emissions in this category. The final metric should be adopted by June 2010. We anticipate releasing the metric for public comment in the spring of 2010. Once the metric is finalized, we would advocate that WRI reference that metric here.
7. Waste Generated in Operations	• P.70 L-11: Category descriptions should be moved to Part 1, Chapter 13. • P.71 L-9: The examples of how to conduct the emission-based screening assessments specifically for waste-related emissions are helpful in this chapter. • P.71 L-39: The Climate Registry had compiled a list of best practices in GHG accounting for solid waste facilities here that might be helpful for completing section 7.3.
8. Franchises Not Included in Scope 1 and 2 (Upstream)	• P.71 L-46: Category descriptions should be moved to Part 1, Chapter 13. • P.72 L-33: The example of how to conduct the emission-based screening assessments specifically for upstream franchise-related emissions is helpful in this chapter.
9. Leased Assets Not Included in Scope 1 and 2 (Upstream)	• P.73 L-18: Category descriptions should be moved to Part 1, Chapter 13. • P.73 L-49: The examples of how to conduct the emission-based screening assessments specifically for upstream leased asset-related emissions are helpful in this chapter.
10. Investments Not Included in Scope 1 and 2	• P.74 L-39: Category descriptions should be moved to Part 1, Chapter 13. • P.75 L-32: The example of how to conduct the emission-based screening assessments specifically for investment-related emissions is helpful in this chapter.
11. Franchises (Downstream)	• P.77 L-10: Category descriptions should be moved to Part 1, Chapter 13. • P.77 L-43: The examples of how to conduct the emission-based screening assessments specifically for downstream franchise-related emissions are helpful in this chapter.
12. Leased Assets (Downstream)	• P.78 L-32: Category descriptions should be moved to Part 1, Chapter 13. • P.79 L-13: The examples of how to conduct the emission-based screening assessments specifically for downstream leased asset-related emissions are helpful in this chapter.
13. Transportation & Distribution (Downstream/ Outbound)	• P.80 L-3: Category descriptions should be moved to Part 1, Chapter 13. • P.80 L-39: The examples of how to conduct the emission-based screening assessments specifically for downstream transportation-related emissions are helpful in this chapter.

14. Use of Sold Products	• P.82 L-3: Category descriptions should be moved to Part 1, Chapter 13. • P.83 L-1: For the categories in the table that do not require "all in" reporting, emission-based screening methods should be added for emissions from the use of sold products. • P.84 L-3: It would be helpful if WRI expanded on the justification for associating total lifetime emissions of purchased and sold products with a single reporting period as this moves away from the idea of an emission footprint. This may need to be addressed in Part 1 and referenced here for sold products. • P.84 L-1: The identification of quantification methods and examples are helpful in this chapter.
15. Disposal of Sold Products at the End of Life	• P.86 L-18: Category descriptions should be moved to Part 1, Chapter 13. • P.86 L-47: The example of how to conduct the emission-based screening assessments specifically for sold product disposal-related emissions is helpful in this chapter.
16. Employee Commuting	• P.88 L-8: Category descriptions should be moved to Part 1, Chapter 13. • P.86 L-47: The example of how to conduct the emission-based screening assessments specifically for employee commuting-related emissions is helpful in this chapter. • P.89 L-43: The Climate Registry is currently developing a transportation metric for transportation agencies that should be a useful tool for quantifying Scope 3 emissions in this category. The final metric should be adopted by June 2010. We anticipate releasing the metric for public comment in the spring of 2010. Once the metric is finalized we would advocate that WRI reference that metric in section 16.3.
Glossary	•
Any other general comments or feedback	• Appendix A should be expanded to address the resources available to organizations looking to quantify and report their Scope 3 emissions. This should include a summary of the different types of tools available and links to any tools WRI supports, including WRI's own resources. • In chapters 1 and 2 of Part 2 it would be useful to have more suggested emission-based screening and quantification methods especially for purchased services. • The Executive Summary of the Scope 3 Standard is currently heavy and dense. We would recommend reformatting it into a higher-level summary that is something someone who is not familiar with the subject could digest (such as an executive deciding if this is something his or her company should undertake).