

ENERGYCAP

Carbon Accounting 101



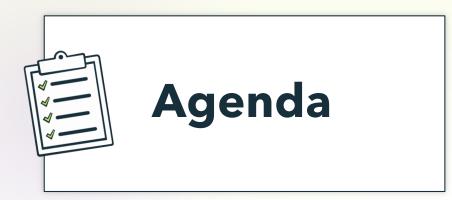
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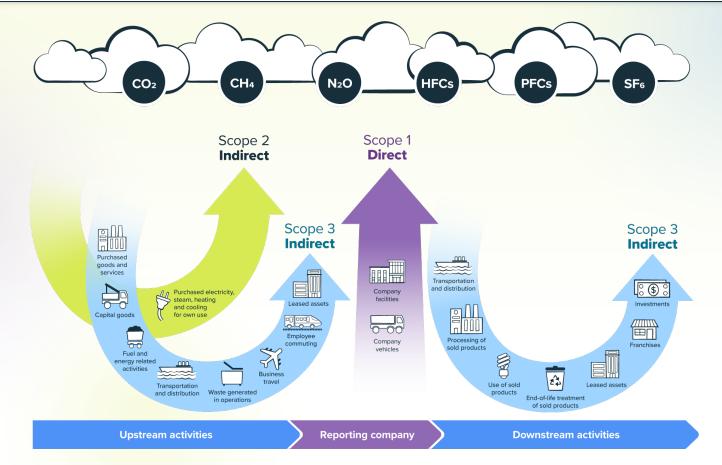




- What is carbon accounting?
- Why does it matter?
- Exploring the journey to decarbonization
- Energy & Sustainability ERP
- IDEA Carbon Count
- Q&A

What is carbon accounting?

What is carbon accounting?



Why does it matter?

Regulations // Local Law 97 NYC

- Passed in April 2019
- Buildings over 25k sq ft (Effective 2024)
 - Energy efficiency requirement
 - GHG emissions limits
- Stricter limits coming into effect in 2030
- Reduce emissions from the largest buildings
 - by 40 percent by 2030
 - By 80 percent by 2030
- Established *Local Law 97 Advisory Board and Climate Working Groups* on how to meet these aggressive goals.

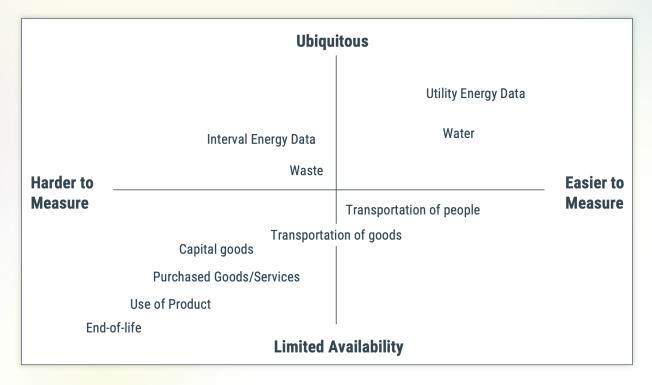
Regulation - State of Washington

- Washington Climate Commitment Act (CCA) 2021
 - Reduce emissions by 45% below 1990 levels by 2030
 - Continue reduction to net-zero by 2050
- Businesses that produce more than 25k metric tons of CO₂e annually
 - Fuel suppliers
 - Natural Gas and Electric Utilities
 - Waste-to-energy facilities (starting in 2027)
 - Railroads (starting in 2031)
- Cap & Invest market-based program limit on total emissions
- Every business impacted or participating in Cap & Invest needs to report emissions

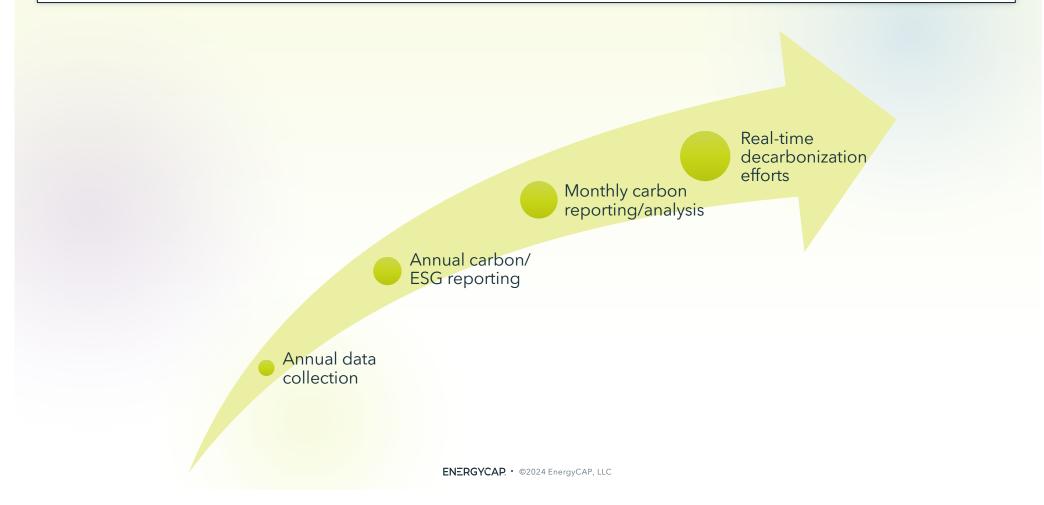
Journey to decarbonization

Getting started

Identify and collect data that supports your organization's goals and reporting needs.

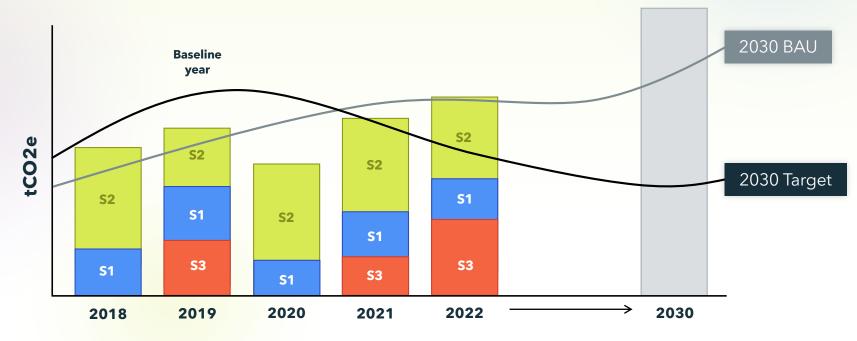


The Decarbonization Data Journey



Journey to decarbonization

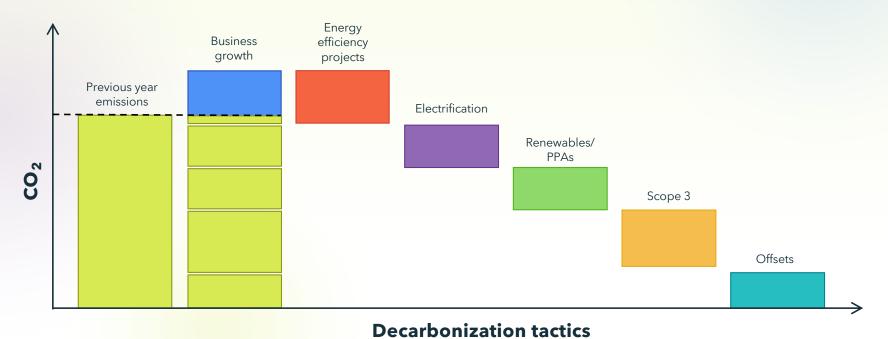
Once you are able to report on annual emissions and establish targets, you should assume emissions increases with business growth



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Journey to decarbonization

There are a multitude of tactics to decarbonize your operations



Energy and sustainability ERP

Evolution from spreadsheets to ERP software // Carbon accounting

The status quo

Manual utility bills, meter reads, data collation in spreadsheets

Automatically captures data

Auditable, financial-grade

Real-time updates

Reduces/eliminates manual labor

Reduces error

Better collaboration

Scalable, reportable, and reliable

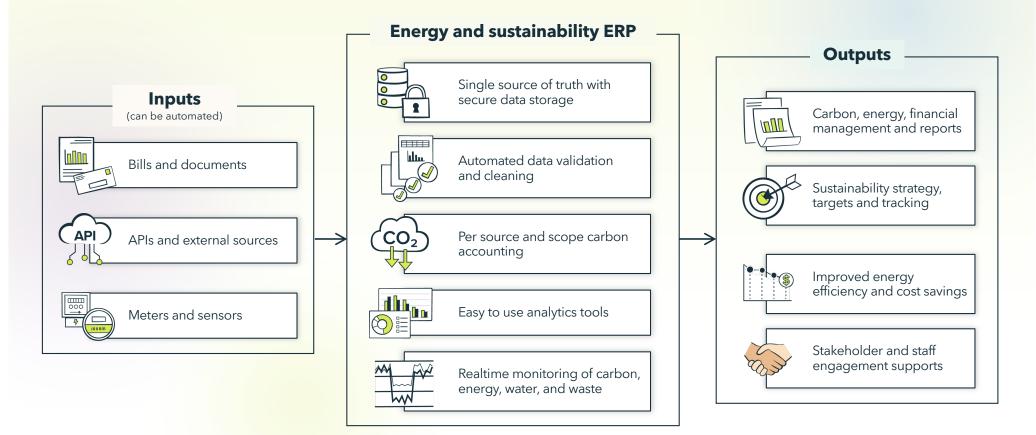
Proactive: Monitor and respond in real time

Using software

Energy and sustainability ERP

Occurs annually Difficult to access data Manual labor Hard to maintain and update High chance of error Data silos Reactive reporting

Use an energy and sustainability ERP to streamline carbon accounting



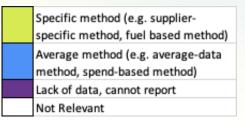
Scope 3 Calculation: Practical Guidance



https://www.epa.gov/climateleadership/scope-3-inventory-guidance

Scope 3 calculation method improved and boundary expanded over time

Categories	Year 1	Year 2	Year 3	Year 4	Year 5
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					



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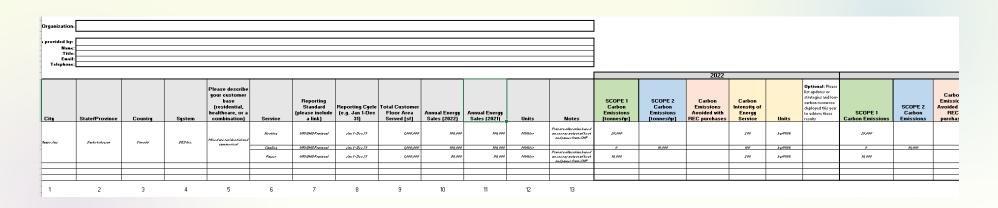
IDEA Carbon Count

IDEA Carbon Count

- Catalogue IDEA member decarbonization strategies
- Demonstrate carbon reduction solutions through aggregation of connected buildings
- Plot industry wide decarbonization over time
- Establish methodology for comparing district energy decarbonization to local electric grids and on behalf of connected customers
- Develop a toolkit for educating customers and policy makers on the decarbonization potential and progress of district energy systems



IDEA Carbon Count Phase 1: Manual Accounting



Pros

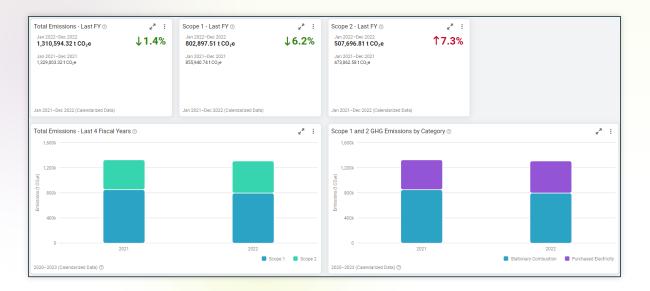
- Flexibility for systems with established carbon accounting programs
- ✓ Easy to develop and access
- ✓ Collected decarbonization strategies

Cons

- Required existing carbon accounting knowledge
- Produced results that couldn't easily be compared
- If scaled up would become too complex to manually analyze

IDEA Carbon Count Phase 2: Carbon Accounting System Implementation

- ✓ Maintains flexibility for systems with established carbon accounting procedures
- ✓ Does not require accounting background, participating systems can submit simple commodity quantities
- ✓ Allows program managers to convert between accounting protocols
- ✓ Scalable







Thank you!