

### **ENERGYCAP**

## Carbon Accounting 101



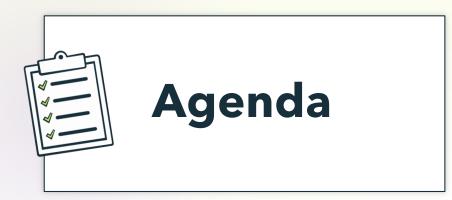
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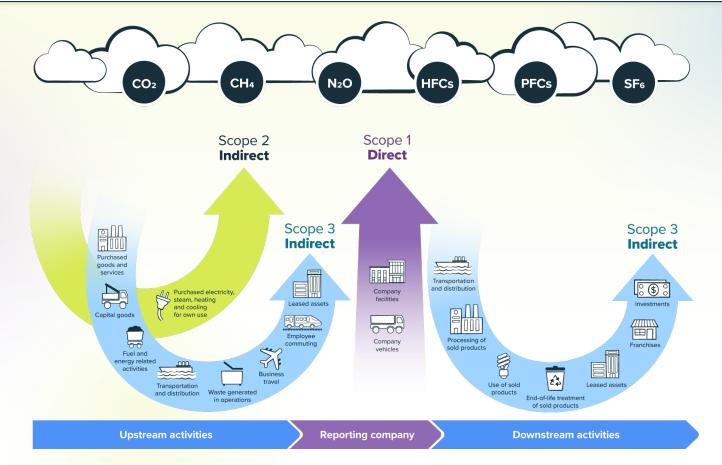




- What is carbon accounting?
- Why does it matter?
- Exploring the journey to decarbonization
- Energy & Sustainability ERP
- IDEA Carbon Count
- Q&A

## 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.

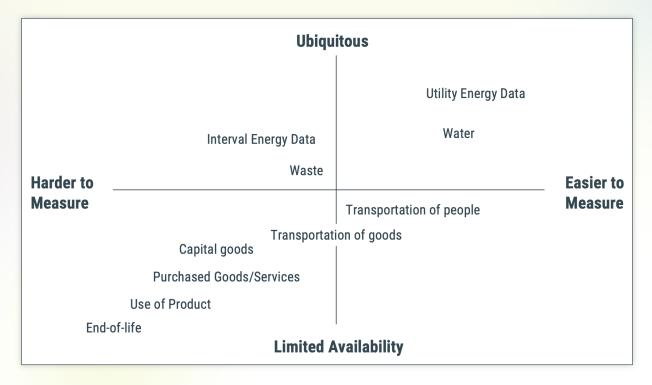
### **Regulation - State of Washington**

- 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 CO<sub>2</sub>e 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

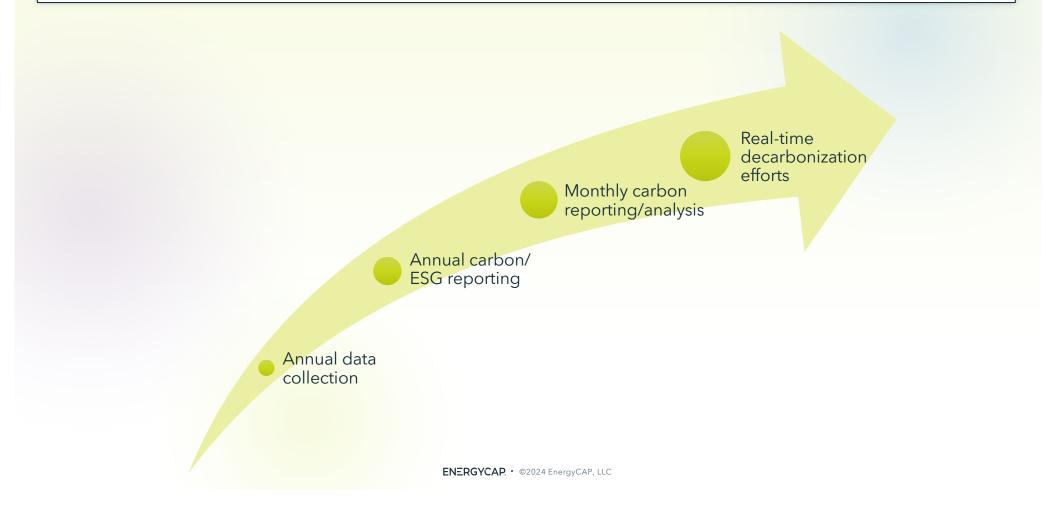
## Journey to decarbonization

### **Getting started**

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

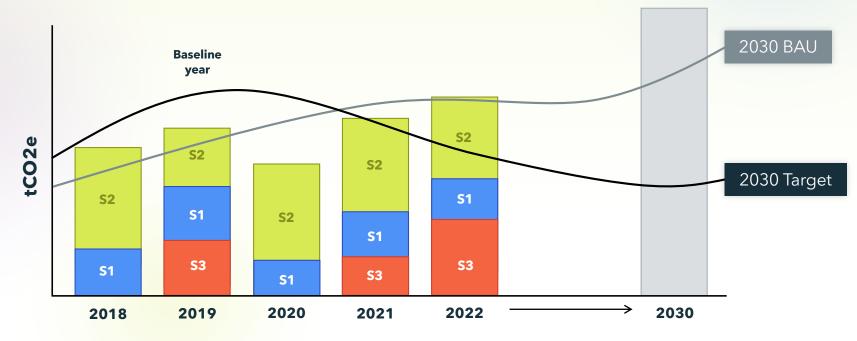


### **The Decarbonization Data Journey**



### Journey to decarbonization

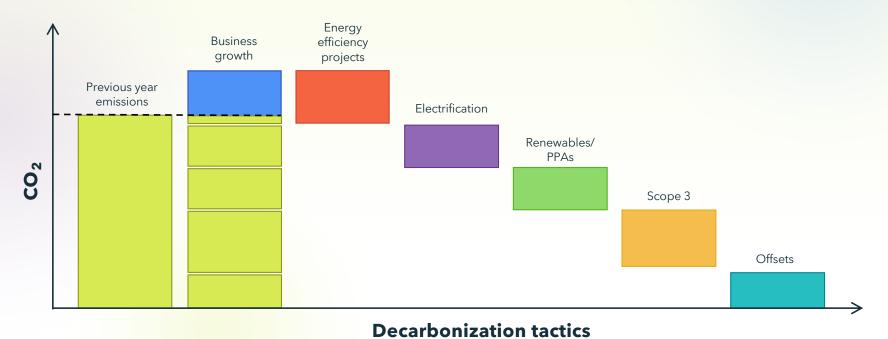
Once you are able to report on annual emissions and establish targets, you should assume emissions increases with business growth



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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

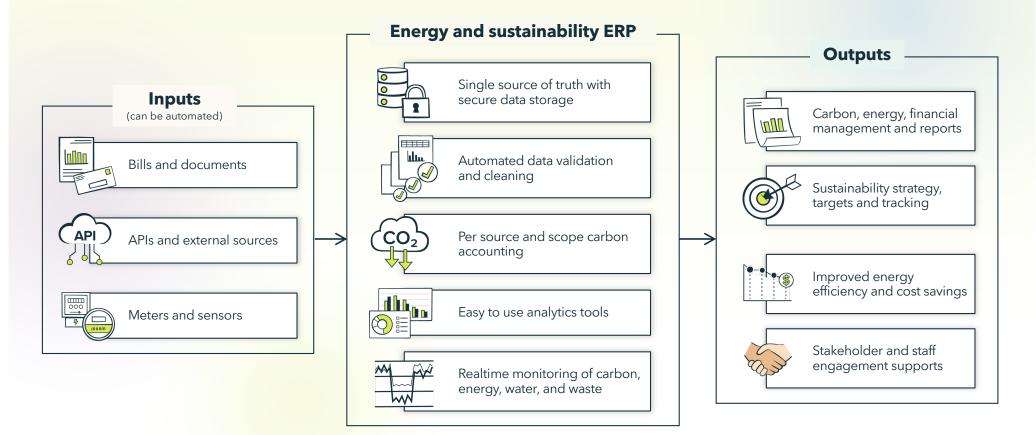
Proactive: Monitor and respond in real time

### 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



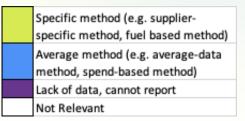
### **Scope 3 Calculation: Practical Guidance**



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					



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

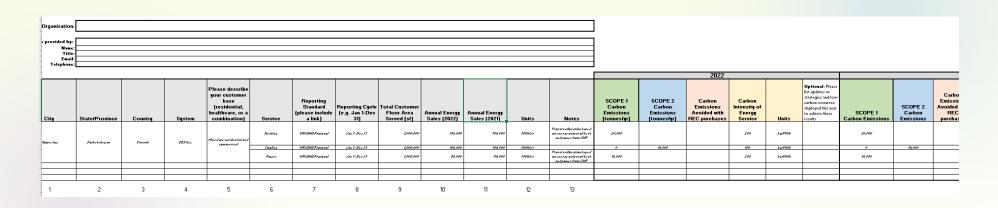
### **IDEA Carbon Count**

### **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

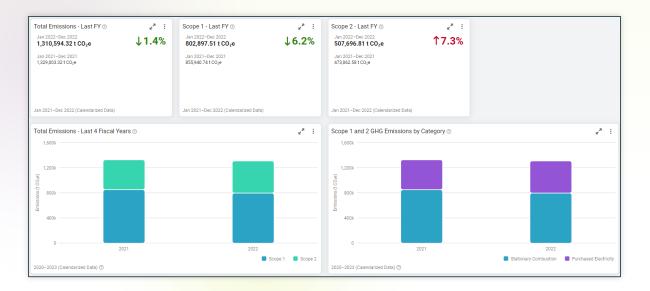
- Flexibility for systems with established carbon accounting programs
- ✓ Easy to develop and access
- ✓ Collected decarbonization strategies

#### 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!