

Petroleum Industry Guidelines for Reporting Greenhouse Gas Emissions

**Feedstock Substitutes, Energy Efficient Technology and
CO₂ Reduction for Petrochemical Products Workshop
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Brigitte Poot, Total**



IPIECA in Profile



- **NGO Founded 1974**
- **Category II NGO with UN ECOSOC**
- **Global Membership**
- **Focus on key global issues:**
 - Climate Change
 - Biodiversity
 - Social Responsibility
 - Oil Spill Preparedness & Response
 - Fuels and vehicles
 - Health

IPIECA's Aims



- **To provide and share information and latest thinking with membership**
- **To provide constructive industry input on environmental and social issues**
- **To foster dialogue between industry and governments, intergovernmental and non-governmental organizations**

Petroleum Industry Guidelines for Reporting GHG Emissions

**Background, rationale and
process**



Guidelines: Rationale



- **Objective: Develop a voluntary guideline for the oil and gas industry on measuring and reporting greenhouse gas (GHG) emissions**
 - **Reliable, efficient, cost effective, comparable, industry endorsed method**
 - **To assist members in:**
 - Corporate management and reporting of GHG emissions
 - Regulatory compliance
 - Emissions Trading
- Reliable inventories are fundamental for GHG management

Guidelines: Approach



- **Initial focus on operational emissions**
- **Build on existing efforts:
with comparison of existing protocols
and available emissions factors**
- **Seek to align with other emerging standards**
- **Regular review and update**

What have we done?



- **Developed reporting guidance for the petroleum industry**
 - Drafted by a team of company and association experts
 - Tailored to deal with industry specific issues
 - Incorporated extensive consultation inside and outside the industry
- **Taken into account and benefited from earlier work by API (Compendium) and WBCSD/WRI* (GHG Protocol)**
 - * The joint industry task force would like to thank WBCSD/WRI and their stakeholders for making available working drafts of the 2nd edition.

One part of a suite of tools available to the petroleum industry worldwide



- **IPIECA/OGP/API Guidelines**
 - Accounting and reporting principles
- **API GHG Compendium**
 - Estimation/calculation methodology specifically for our industry by experts

Guidelines: Divided into Seven sections



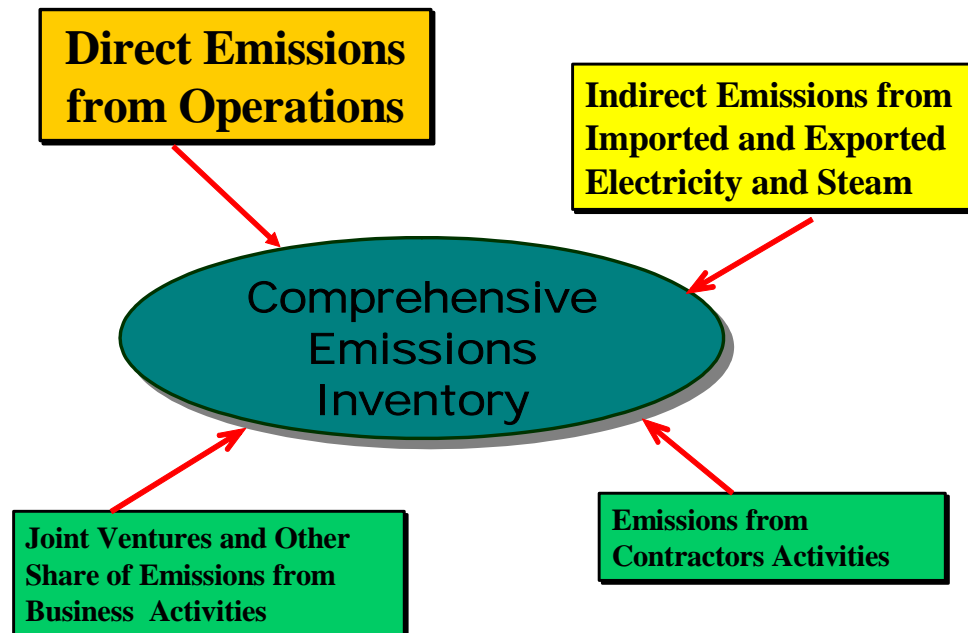
- **GHG accounting and reporting principles**
- **Boundaries for GHG emissions reporting**
- **Designing an inventory to monitor performance**
- **Identification of industry GHG emissions**
- **Evaluation of industry GHG emissions**
- **GHG emissions reporting**
- **Inventory assurance processes**

Key Issues



- Operational control vs. equity reporting
- Direct vs. indirect emissions
- Tiered approach

Inventory Scope



Boundaries for GHG emissions reporting



- **Control**
 - Selected operational control based on industry practice
- **Equity share**
 - Provide guidance/interpretation for complex partner issues such as Production Sharing Contracts PSCs.

Evaluation of industry GHG emissions



- **Tiered approach to entire facility emissions**
 - Different quality objectives
 - Considers cost-effectiveness and materiality of each source category to the facility total
- **Provide linkages to the API GHG Compendium**
 - Methodologies to calculate emissions appropriate to selected tier
 - Case studies justifying the exclusion of sources categories based on materiality

GHG emissions reporting 1



- **Minimum recommended**
 - Report on the basis of equity share or operated
 - Report direct emissions based on the selected boundary

GHG emissions reporting 2



- **Optional but recommended**
 - Indirect emissions from the import (consumption) of electricity, steam or hot water
 - Should be reported separately from direct emissions
 - Report on equity share and operated basis

GHG emissions reporting 3



- **Optional where relevant**

- Other indirect emissions

- Should be reported separately from direct emissions and indirect emissions from energy use
 - Consumption of imported hydrogen
 - Third party transport of crude oil and products up to the point of custody transfer
 - Contracted operations such as drilling, well maintenance
 - Toll manufacture/processing by third parties

Next Steps



- **A number of IPIECA member companies began using the Guidelines already in 2004**
- **Many petroleum companies and associations use the guidelines and compendium in discussions with**
 - Regulators regarding emerging requirements
 - Standards organizations
 - IPCC on their 2006 Inventories Guidelines
- **Hope to avoid needless, conflicting reporting standards**
- **IPIECA, API and OGP promote awareness of the Guidelines and encourages their use**

Future Revisions



- **Guidelines will be reviewed periodically by the IPIECA Climate Change Working Group to identify essential changes required to:**
 - take into account regulatory changes, industry experience, scientific, technical developments and stakeholder comments
 - ensure documents continue to meet needs of members
 - maintain consistency, where relevant to the Sector, between the documents and nationally or internationally recognised GHG Inventory standards/ guidelines
- **Revisions will address essential changes recognising the need for continuity and the effort to implement changes**

Availability




Guidelines are freely available online through IPIECA, OGP and API websites


- www.ipieca.org/reporting/ghg.html
- www.api-ec.api.org
- www.ogp.org.uk


Or hard copy on request from the IPIECA secretariat

- info@ipieca.org
- **API GHG Compendium is available to download at:**
- www.api-ec.api.org

**Petroleum Industry Guidelines
for Reporting
Greenhouse Gas Emissions**

 **IPIECA**

 **OGP**

 **API**

International Petroleum Industry Environmental Conservation Association
International Association of Oil and Gas Producers
American Petroleum Institute