



Investing in Canada Infrastructure Program Green Infrastructure - Climate Change Mitigation CleanBC Communities Fund - Intake 3

Preliminary Greenhouse Gas (GHG) Assessment Methodology Guidance

Guidance on Providing an Accurate Preliminary GHG Assessment

Context

A Preliminary Greenhouse Gas (GHG) Assessment with calculations will be required as part of the application process for the <u>CleanBC Communities Fund (CCF)</u> and will be an important factor upon which projects are evaluated. If the project receives provincial approval in principle, a full Climate Lens must be conducted as it is a requirement for federal approval. For the Climate Lens a complete description of the estimation and methodology approach including details on assumptions and calculations will also be required. Guidance on this federal requirement can be found <u>here</u>.

Completing a Preliminary GHG Assessment will assist applicants in determining the GHG emissions impacts of the proposed project. It is desired that, in the long term, opportunities to reduce GHG emissions will be considered in infrastructure investment decisions and operations.

The Preliminary GHG Assessment is required as a part of the CCF application and will provide an initial estimation of the net increase or decrease in GHG emissions anticipated by the project. If the project receives provincial approval in principle, this Assessment will provide the foundation to complete the federal Climate Lens requirement. In defining the Preliminary GHG Assessment boundaries, applicants are encouraged to consider and identify all direct and significant indirect emissions sources associated to a project, but should exercise judgement if the quantification would require considerable efforts and onerous data collection procedures that could render the preliminary assessment to be prohibitively costly. The Preliminary GHG Assessment is being accepted at the application stage so that applicants do not need to expend the additional costs and effort on a more comprehensive Climate Lens assessment, until they have certainty that the project has will been shortlisted for provincial approval in principle.

The Preliminary GHG Assessment requires completion of the GHG mitigation assessment table in the application under the Outcome-specific questions section (annotated example in Appendix 1). A document showing the methodology used to determine these calculations (outlined below in the Estimation Approach section) must also be uploaded as part of the application.

Tools and Resources

A significant number of tools and resources exist that may be useful in conducting the Preliminary GHG Assessment. They range from project specific calculators, to protocols, to methodology documents. The list of seven resources below is not exhaustive but provides a foundation to quantify GHG emissions for projects that meet any of the four outcomes of the CCF. Table 1 presents potential solutions for individual outcomes.

Note that all of these resources use different approaches and methodologies and the onus will be on the applicant to modify them appropriately to be pertinent to their individual baseline and project scenarios. This includes employing BC specific emissions factors identified in the BC Best Practices Methodology for Quantifying Greenhouse Gas Emissions or in Canada's most recent National Inventory Report for Greenhouse Gas Sources and Sinks.

List of Resources

- 1. Infrastructure Canada's Climate Lens General Guidance Version 1.22 (March 11, 2021)
- 2. Verified Carbon Standard Methodologies
- 3. <u>California-based Greenhouse Gas Credit Exchange</u>
- 4. United Nations Framework Convention on Climate Change Approved Small Scale Methodologies
- 5. <u>International Standards Organization 14064 Part 2: specification with guidance at the project level for quantification, monitoring and reporting of greenhouse gas emission reductions or removal enhancements</u>
- 6. The Greenhouse Gas Protocol The GHG Protocol for Project Accounting

Table 1: Calculators and Resources – as relevant to CCF outcomes

Calculator/Resource	Outcome 1- Increase Capacity to Manage Renewable Energy	Outcome 2 - Increase Access to Clean Energy Transportation	Outcome 3 - Increase Energy Efficiency of Buildings	Outcome 4 - Increase Generation of Clean Energy
BC Organics Infrastructure Program	Yes	No	No	Yes
Greenhouse Gas Industrial Reporting and Control Act established protocols	Yes	No	Yes	Yes
Community Energy Leadership Program calculator	Yes	No	Yes	Yes
BC Carbon Neutral Local Government GHG Calculators: Low Emission Vehicles – Calculator/Guidance	No	Yes	No	No
BC Carbon Neutral Local Government GHG Calculators: Energy Efficient Building Retrofits and Fuel Switching - Calculator/Guidance	No	No	Yes	No
BC Carbon Neutral Local Government GHG Calculators: Solar Thermal (Hot Water) Retrofits - Calculator/Guidance	Yes	No	Yes	Yes
BC Carbon Neutral Local Government GHG Calculators: Household Organic Waste Composting - Calculator/Guidance	Yes	No	No	Yes

Estimation Approach

As part of the Preliminary GHG Assessment, a complete description of the estimation approach including methods, calculations and details on assumptions will be required. The key components that should be documented for both the Baseline* and Project Scenarios are:

- a. Boundary of the assessment
 - The required scope and/or limits of the assessment. In the context of a greenhouse gas assessment, specific elements could include the timescale of the assessment, what particular construction materials and/or activities are considered, etc.
- b. Greenhouse gases considered
 Greenhouse gases (GHGs) are gases that absorb and emit radiation at specific wavelengths within the
 spectrum of infrared radiation emitted by the Earth's surface, the atmosphere, and clouds. The seven
 GHGs tracked through the National Inventory Report are: carbon dioxide (CO2); methane (CH4);
 nitrous oxide (N2O); hydrofluorocarbons (HFCs); perfluorocarbons (PFCs); sulphur hexafluoride (SF6);
 and nitrogen trifluoride (NF3). These will be converted to tonnes CO2 equivalent for the purpose of the
 calculations. See resources on BC specific emissions factors on page 2 for guidance.
- c. Emission scopes
 - The scope of emissions as related to the project, typically represented by Scope 1: Direct emissions from sources owned or controlled by an applicant, such as boilers, furnaces or vehicles; Scope 2: Indirect emissions from sources that are owned or controlled by an applicant, such as purchased heat or electricity; Scope 3: Other indirect emissions form sources not owned or directly controlled by an applicant.
- d. Data collection and calculation procedures
 Information on surveys, modelling, algorithms, emissions factors, activity data, calculations or any
 other pertinent data sources used to inform your analysis. Formulas should be clearly documented as
 well as processes for the acquisition of data.
- e. Exclusions from the assessment
 Information or data that was intentionally omitted from the assessment with a rationale or justification for exclusion.
- f. Assumptions
 Assumptions that were used in place of known data or information.

The quantification process should adhere to the principles of: relevance, completeness, transparency, accuracy, conservativeness and consistency. For detailed information on these principles, please refer to the International Standards Organization 14064 – Part 2 Guidance.

At minimum, the scope and boundary of the calculations should include direct and significant indirect emissions as a result of operating the project over the life of the asset and in the year 2030, as indicated in the table in the application form (Appendix 1).

Supporting documents on calculations, protocols, proxies, methodologies, etc. should be appended as part of the Preliminary GHG Assessment document to ensure a full review can be conducted.

*Baseline Scenario - GHG reductions will need to be compared to a baseline scenario. This baseline scenario will look at the emissions as a result of what would have likely been built without including efficient design that reduces emissions in the project, based on typical industry practices, community business plans, local conditions, recently constructed facilities, compliance with applicable federal, provincial, or municipal regulations, and what would be constructed to meet any minimum standards or codes.

The baseline is a hypothetical reference case/description of what would have most likely occurred in the absence of a proposed project. In the case of existing facilities, historical information on the use of energy and emissions from at least 3 years prior to project implementation shall be used in the baseline calculations. For facilities less than 3 years old, any historical data available should be used (with a minimum of one year of data required).

Appendix 1: Preliminary GHG Mitigation Assessment Table

