

## ***Greenhouse Gas Industrial Reporting and Control Act Bulletin 020***

### **Emission report error correction requirements during the verification process**

*Greenhouse Gas Emission Reporting Regulation (GGERR)*

#### **Overview**

This bulletin provides information regarding amendments (OIC#702) to the Greenhouse Gas Emission Reporting Regulation ('the Regulation' or 'GGERR') that add requirements for operators of reporting operations to correct errors in emission reports noted by verification bodies during the verification process. In addition, it provides guidance on determining the materiality of errors in an emission report and on error correction requirements more generally.

Reporting operations, verification bodies and accreditation bodies should ensure they understand the requirements and provide notice of concerns or issues to the attention of the Compliance Unit for Industrial Reporting and Control at [GHGRegulator@gov.bc.ca](mailto:GHGRegulator@gov.bc.ca).

#### **Amendments to the GGERR**

Section 31(2) of the GGERR has been amended to strengthen error correction through the verification process by creating new requirements for both verification bodies and operators of reporting operations.

Generally, errors in an emission report that, taken together, result in a net misstatement of greater than the lesser of 1,000 tCO<sub>2</sub>e or 1% of the operation's total emissions, not including reporting-only emissions, must be corrected if the errors can be corrected in a reasonable amount of time and effort.

A verification body must not provide a verification statement unless:

- The verification statement contains as few qualifications as possible,
- Any errors, omissions and misstatements in the emission report have been corrected if possible, in a reasonable amount of time at a reasonable effort, and
- Any errors, omissions and misstatements do not result in a net overstatement or understatement that exceeds the lesser of:
  - 1,000 tonnes CO<sub>2</sub>e, not including reporting only emissions,
  - 1% of the total emissions attributable to the reporting operation during the reporting period, not including reporting-only emissions, or
  - If applicable, an amount specified by the director that is less than the lesser of the amounts in subparagraphs noted above.

Verification bodies should consider the facts, circumstances, and any guidance from the regulator, and exercise professional judgment in determining, in consultation with operators, whether an error can be

corrected in a reasonable amount of time at a reasonable effort for the purpose of submitting an accurate and complete emission report. Verification bodies are required to document all errors in the verification statement, whether they are corrected or not, that are identified through the verification process. Please contact our office with any questions, concerns or to request additional guidance in this process.

Operators of reporting operations are responsible for exercising due diligence to minimize the potential for errors and omissions in the emission report, for providing the verification body with full and timely access to all records relevant to the verification, and for making necessary revisions to comply with the requirement to correct errors in the emission report.

## **Applicability**

Emission reports for the 2021 reporting period and going forward must comply with these amendments.

## **Determining the materiality of an error, inaccuracy, or omission in an emission report**

Inaccuracies, omissions, or changes in an emission report are considered material if:

Section 18 (3) - The change in total emissions attributable to the reporting operation, not including reporting-only emissions, exceeds the lesser of:

- 1,000 tCO<sub>2</sub>e
- 1% of the total attributable emissions, not including reporting-only, as reported in the most recent emission report for the same reporting period.

OR

Section 18(4)(a) - The change has the effect of increasing total attributable emissions, not including reporting-only, to 25,000 tCO<sub>2</sub>e or more (verification then required).

OR

Section 18(4)(b) - The change in the total attributable reporting-only emissions exceeds the lesser of:

- 3,000 tCO<sub>2</sub>e
- 3% of the total attributable emissions, as reported in the most recent emission report for the same reporting period. For clarity, reporting-only emissions are included in total attributable emissions.

Inaccuracies, omissions, or changes in an emission report are considered immaterial if:

Section 18(5) - The inaccuracy, omission, or change is with respect to section 14 (2) (a) or (c) to (o) of the Regulation.

## **Errors identified during the verification process**

For the purposes of a verification, an emission report is deemed to have material errors, omissions, or misrepresentations if:

- The verification body concludes that total reported emissions, not including reporting-only emissions, attributable to the reporting operation during the reporting period are less than 95% accurate.
- The verification body concludes that the aggregate or individual effects of one or more errors, omissions, or misrepresentations related to the emission report make it probable that the judgment of a reasonable person, having knowledge of the business and greenhouse gas accounting, evaluating an assertion required to be in the report, would have been changed or influenced by the error, omission or misrepresentation.

A verification statement submitted as part of an emission report must include a statement that it is the opinion of the verification body that:

- assertions in the emission report are materially correct and are a fair and accurate representation of the reporting operation's total attributable emissions for the reporting period, and
- the emission report was prepared and the emissions reported in it were quantified in accordance with the GGERR.

When a verification body determines that an emission report contains errors that they deem material in accordance with s. 32 of the GGERR (a net misstatement that is greater than 5% of the operation's total emissions, not including reporting-only emissions), the verification body provides an adverse opinion to the operator of the reporting operation. If uncorrected by the due date for submission to the Ministry, the operator would be non-compliant with s. 3(2) of the GGIRCA.

When a verification body determines that an emission report contains errors that are deemed immaterial in accordance with s.32 of the GGERR (a net misstatement that is less than 5% of the operation's total emissions, not including reporting-only emissions), the verification body is required to document it in the verification statement in accordance with s. 31 of the GGERR.

## Requirements of a Supplementary Report

Once aware of errors in their emission report, an operator of a reporting operation is required by s. 3(3) and (5) of the GGIRCA and s. 18(3), (4) and (5) of the GGERR to correct material errors in a supplementary report. Section 3(5) of GGIRCA specifies that a supplementary report is not required for an inaccuracy, omission or change that is considered by the Regulation to be immaterial.

Section 18(1) of the GGERR describes what is included in a supplementary report and requires additional information to be submitted, including the required annex of changes and the quantification of the materiality of the errors, inaccuracies and/or omissions.

Section 18(2) of the GGERR requires that an operator submit a supplementary report within 60 days of discovery of the error. If an error cannot be corrected on this timeline, please contact our office for further guidance. The supplementary report should be submitted through the Single Window Reporting System (SWRS) and the additional information should be submitted to the Compliance Unit at [GHGRegulator@gov.bc.ca](mailto:GHGRegulator@gov.bc.ca).

Section 29 of the GGERR requires that a supplementary report that corrects an inaccuracy or omission be verified if:

- the change in total attributable emissions exceeds 5%, or if
- the change has the effect of increasing total attributable emissions, not including reporting-only emissions, to 25,000 tCO<sub>2</sub>e or more.

The verification may be limited to the correction of errors contained in the supplementary report.

### **Regulation is Determinative**

The above is not legal advice and is provided as an aid in understanding the Regulation. Operators are responsible for reviewing the Regulation to ensure compliance with it.

To view Order in Council No. 702, visit the [BC Laws website](#).