

GHG accounting and verification in a Copenhagen Accord world

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Yesterday

- We heard that
 - A Global Market needs a global price
- But we also heard that
 - The market is fragmenting
- But that leaves a question:
 - Is global price possible in a fragmented market?

How can Monitoring, Reporting and Verification help?

Why Monitoring, Reporting, Verification (MRV)?

- Program Accounting Rules
 - Sources and gases (Inclusions/exclusions)
 - Boundaries (geographic, organizational, operational)
 - Baselines
 - Calculation methodologies
 - Equipment requirements (eg metering)
- Data quality
 - Equipment calibration and maintenance
 - Data collection and management
 - Quality control
 - Reporting



- AND....Verification to confirm
 - Compliance
 - Quality

eg: MRV principles vary

	CDM	ISO14064:2	EU ETS	TCR
Accuracy	yes	yes	yes	yes
Completeness	yes	yes	yes	yes
Consistency	yes	yes	yes	yes
Transparency	yes	yes	yes	yes
Relevance	yes	yes		yes
Credibility	yes			
Reliability	yes			
Impartiality	yes			
Confidentiality	yes			
Conservativeness	yes	yes		
Cost effectiveness			yes	
Materiality			yes	yes
Faithfulness			yes	
Continuous improvement			yes	
Trueness			yes	
Uncertainty			yes	

Assurance provided by verification varies..

- Basics of the verification may look the same, but the detail can vary widely, for example
 - sample size,
 - depth of evidence,
 - training and competence
 - reporting requirements
 - COI
 - materiality
-and of course the requirements of the accreditation body on the organisation

Limited
Assurance

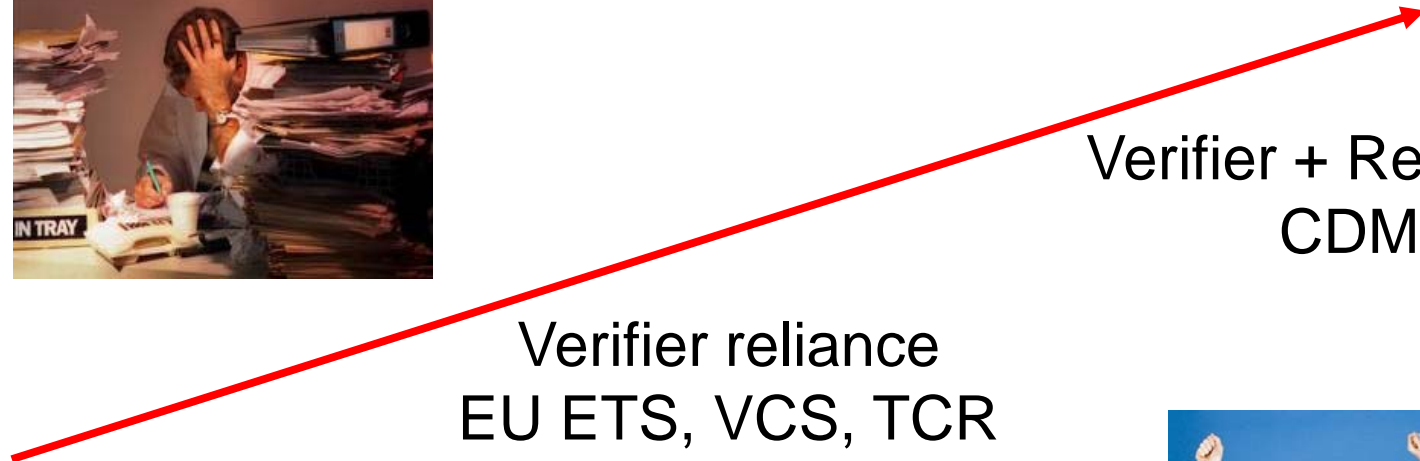
Reasonable
Assurance

*Absolute
Assurance*

Oversight varies...



- Level of assurance?
- Reliability?
- Expertise?
- Liability?
- Cost?



Verifier + Regulator
CDM

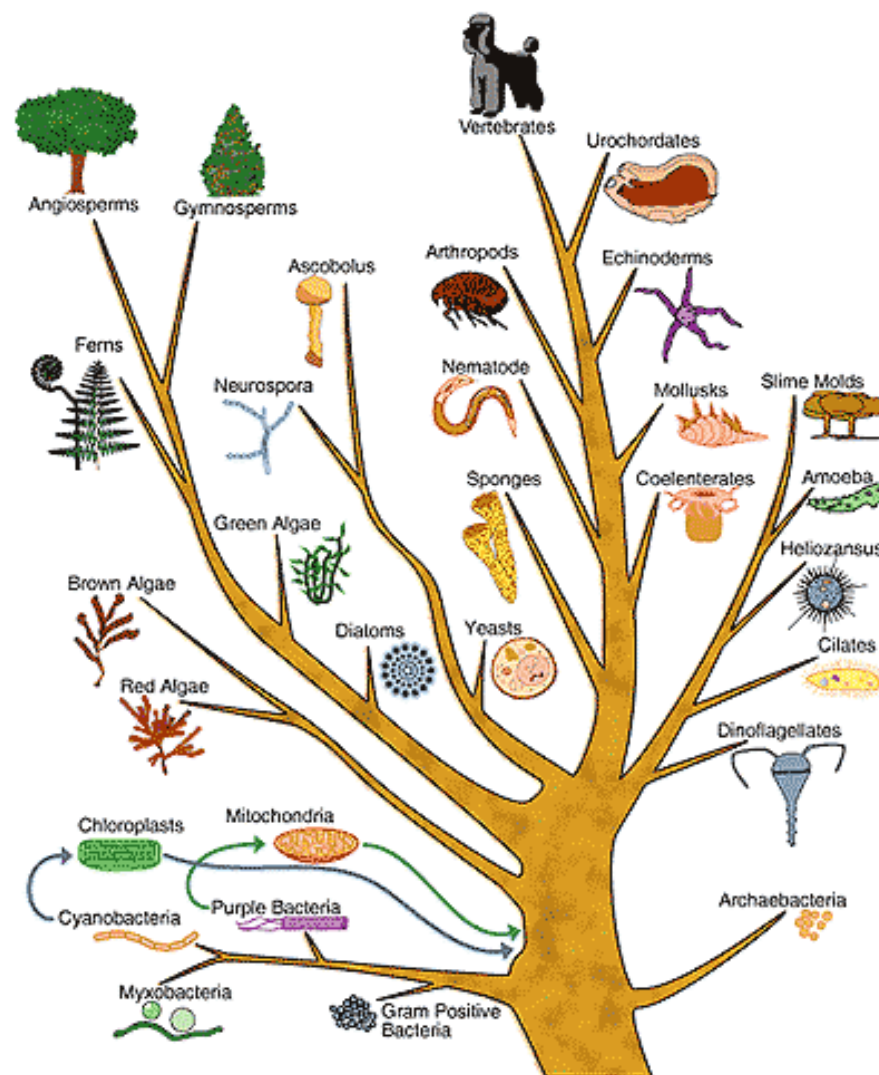
Verifier reliance
EU ETS, VCS, TCR

Self regulation
US EPA MRR
(mandatory reporting rule)



Evolution of MRV

- Early movers (UK ETS, GHG Protocol, EU ETS) set a basis
- New programs add 'improvements', may 'reinvent the wheel', and always customise
- The result? – Many discrete 'species' of GHG commodity (or just different 'breeds')



If all are not equal?

- Closed systems?
- Pragmatism and trust?
- Gateways (higher quality instruments will have a wider market)?
- Gradual convergence (eg to ISO14064 standards)?



In conclusion (for discussion)

- In a world with a fragmented GHG instruments, a consistent (or at least compatible) approach to Monitoring, Reporting and Verification is fundamental if we are to achieve the the goal of a single, global market price.



Thank you

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