

DISCLAIMER

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MODEL GREENHOUSE GASES BOARD RESOLUTION TO MANAGE AND REDUCE EMISSIONS IN JOINT VENTURES

BRIEFING NOTE

1. Executive Summary

- Reducing emissions at joint ventures (“JVs”) is a critical part of a company’s efforts to address the risks related to climate change.
- The foundation of JV governance lies in contractual agreements. However, for historical reasons, existing joint operating agreements (“JOA”) typically do not include contractual terms that seek to calculate, reduce, and/or manage greenhouse gas emissions (such contractual terms, “GHG Clauses”). As an alternative to amending JOAs to include GHG Clauses, the board of directors or operating committee of a JV can adopt a board resolution that addresses how to calculate, reduce and/or manage greenhouse gas emissions.
- The purpose of this briefing note is to raise awareness of the issue and outline how and why companies should adopt a board resolution that addresses how to calculate, reduce and/or manage greenhouse gas emissions in existing JVs.

2. Background

- In 2020, an industry [gap analysis](#) showed a low prevalence of GHG Clauses in oil and gas industry JV contractual agreements. Even when present, the GHG Clauses lacked precision and specificity.
- To address this critical gap, in 2021, an industry and NGO coalition developed a plan to promote the inclusion of GHG Clauses in future JOAs by incorporating specific GHG Clauses into the Association of International Energy Negotiators (AIEN) model JOA.

- In 2022, a similar industry and NGO coalition developed a plan to encourage existing JVs to adopt board or operating committee resolutions that are substantially similar to the GHG Clauses that were adopted for the AIEN model JOA. Appendix B to this Briefing Note sets forth a model form resolution related to greenhouse gas emissions reduction clauses.

3. Considerations

- JVs are highly relevant in the oil and gas industry: JVs account for approximately 77% of total production by supermajors and represent 35% of total global upstream production.
- Amending a JOA can be complex and time-consuming, and it may be difficult to limit the scope of an amendment to a GHG Clause. As such, it is unlikely that JVs will amend their JOAs solely for the purpose of including a GHG Clause.
- Board resolutions can serve as an alternative for partners in existing JVs to express their intentions regarding greenhouse gases
 - Board resolutions can direct a JV management team to adopt business practices to enable the calculation, reporting, reduction, and management of greenhouse gas emissions.
 - The board resolutions in Appendix B and accompanying guidance is presented as a menu of model terms or alternative provisions with broad enough language to have wide applicability across different markets, regions, and company ambitions.
 - A standardized data reporting template for greenhouse gas emissions ([Exhibit 1](#)) was developed to promote transparency, collaboration, and alignment among JV partners.

4. Recommendations

- Companies should engage in discussions with their JV partners on the importance of greenhouse gas emissions management and transparent data reporting.
- After engagement and discussion, JV Boards/Operating Committees should consider memorializing their agreement on GHG emissions management and strategy, as well as providing direction to JV management, by adopting resolutions with the suggested language in Appendix B.
- The company (or companies) proposing the resolution should be prepared to offer technical support for implementation of the items included within the resolution, such as access to technical expertise.

APPENDIX A

HOW TO USE THIS DOCUMENT

The model board resolutions in Appendix B represent a menu of model board resolution language. In certain resolutions, alternative or optional language is offered to facilitate JV co-owners reaching alignment on the appropriate levels of ambition. **The model board resolutions do not represent the consensus view of the members of Methane Guiding Principles or the participants in the initiative that oversaw its drafting.**

The goal of this initiative is to provide model board resolutions that would have wide applicability across different markets, regions, and company ambitions. The model resolutions are divided into five topics for ease of reference. The first three topics track the GHG Clauses that were adopted for the AIEN model JOA, and additional resolutions on flaring and methane targets and reporting are provided for greater specificity on those particular topics.

1. Rights and Duties of the Operator (1 resolution);
2. Information Supplied by the Operator (1 resolution);
3. Health, Safety and Environmental Plan (3 resolutions);
4. Flaring Targets and Reporting (3 resolutions); and
5. Methane Targets and Reporting (2 resolutions).

Within each topic, there may be 1-3 resolutions. While desirable, it is not expected that every joint venture board will be able to agree on all five topics and all of the resolutions included within the five topics. Instead, it is anticipated that the specific topics and resolutions included in an actual board resolution will depend on views and alignment of the Shareholders.

Throughout these model resolutions:

- whenever the term “Company” is used, substitute in the term that is appropriate for the applicable JV (e.g., Company, Partnership, Venture);
- whenever the term “Board of Directors” is used, substitute in the term that is appropriate for the applicable governance body (e.g., Board of Directors, Operating Committee, Management Committee);
- whenever the term “Shareholder” is used, substitute in the term that is appropriate for the applicable JV (e.g., shareholders, co-owners, members); and
- we include Company and Operator as alternatives. Company should be used if the JV company operates the JV, while Operator should be used if the JV is operated by an owner, co-owners, or a third party.

APPENDIX B
MODEL BOARD RESOLUTION TEXT

RECITALS

WHEREAS, [JV name] (the “Company”)

Optional clauses, choose one or more of the following:

- (a) supports the goals of the Paris Climate Agreement [to limit global warming to well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C];
- (b) considers monitoring and managing the emissions of greenhouse gases such as carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride (such gases collectively, “Greenhouse Gases”, and such emissions, “Greenhouse Gas Emissions”) important to maintaining its reputation and license to operate, as investors, regulators and civil society are setting expectations to address this issue[; and
- (c) desires that the operator of the Company (the “Operator”) conduct its business in a manner consistent with these resolutions].

Commentary:

1. The recitals explain the background and importance of addressing greenhouse gas emissions. The specific recitals included in a resolution will depend on views and alignment of the Shareholders.
2. The recitals also provide a convenient place to define terms that will be used throughout the remainder of the recitals.
3. Recital (c) is to be included if the JV is operated by a co-owner or third-party operator opposed to by the JV company itself.

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RESOLUTIONS

The Board of Directors, having carefully considered this Resolution as a whole and having determined that all of the following are in the best interests of the Company, [UNANIMOUSLY] RESOLVE AS FOLLOWS:

Topic 1: Rights and Duties of the Operator

RESOLVED, that the [Company] [Operator] shall conduct operations of the Company (“Operations”) [...]

Optional clause: ...in a diligent, safe, and efficient manner in accordance with good and prudent petroleum industry practices and field conservation principles generally followed by the international petroleum industry under similar circumstances and [...]

Alternative clauses, choose one of the following:

- *Alternative 1:* ...in a manner that, as far as commercially reasonable, limits or mitigates Greenhouse Gas Emissions resulting from the Operations;
- *Alternative 2:* ...in a manner that, as far as reasonably practicable, limits or mitigates Greenhouse Gas Emissions resulting from the Operations;
- *Alternative 3:* ...in a manner that limits or mitigates Greenhouse Gas Emissions resulting from the Operations;

Commentary:

This resolution acknowledges that reducing Greenhouse Gas Emissions is a critical element of diligent, safe, and efficient operations. To supplement this high-level principle, resolutions proposed elsewhere in the document describe measures that the Company or the Operator, as applicable, should take to operate in line with this principle.

The proposed language includes both terms “limit” and “mitigate” to apply to Greenhouse Gas Emissions. “Limit” is applicable to new Operations or in other situations where it is not possible to ascertain a baseline of emissions. Where the emissions profile of the Operations is well understood, then “mitigate” is applicable to reflect intention to lower Greenhouse Gas Emissions from an established base line, either by reducing sources of Greenhouse Gases or enhancing mechanisms to capture and store Greenhouse Gases. One or both terms can be used in the resolution depending on the preference of the Shareholders.

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Topic 2: Information Supplied by the Operator

RESOLVED, that the [Company] [Operator] shall provide the [Board of Directors] [shareholders of the Company (“Shareholders”)] on a [quarterly / other defined period] basis and in a timely manner with information, data and reports concerning Greenhouse Gas Emissions relating to the Operations in accordance with [....]

Alternative clauses, choose one of the following:

- *Alternative 1:* the reporting standards that the [Company] [Operator] is required to report under [applicable law(s)] [specific legal standard];
- *Alternative 2:* the IPIECA/API/IOGP petroleum industry guidelines for reporting Greenhouse Gas Emissions (2nd Edition, May 2011);
- *Alternative 3:* the IPIECA/API/IOGP petroleum industry guidelines for reporting Greenhouse Gas Emissions (2nd Edition, May 2011) in the format of Exhibit 1;

Optional Clause (to empower a board committee to adopt alternative reporting guidelines):

The [...] Committee shall have the discretion to adopt alternative reporting guidelines that require at least the information and data required by the IPIECA/API/IOGP petroleum industry guidelines.

Commentary:

This resolution standardizes the Greenhouse Gas Emissions data that the Company or the Operator, as applicable, gathers and provides to non-operating partners. The IPIECA/API/IOGP guidelines for reporting Greenhouse Gas Emissions have been chosen to serve as this standard because they represent one of the most acknowledged and accepted set of industry guidelines.

Optional Clause A is applicable for a Board of Directors resolution where the board wants to empower the Operating Committee or another board committee to revise the reporting guidelines in the future.

The IPIECA guidelines’s definition of “greenhouse gases” does not include nitrogen trifluoride (NF3), which is required to be reported under the IFRS Sustainability Disclosure Standards (see IFRS S2 Climate-related Disclosures) and the mandatory GHG reporting regulations of the US Environmental Protection Agency.

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Topic 3: Health, Safety and Environmental Plan

Commentary:

The following set of resolutions endeavor to establish the limit and reduction of Greenhouse Gas Emissions as an objective of the Company’s Health, Safety and Environmental Plan (“HSE Plan”).

RESOLVED, that [to reduce Greenhouse Gas Emissions,] the [Company] [Operator], in a manner consistent with the current [health, safety, and environmental plan of the Company] (the “HSE Plan”), shall conduct the Operations in a manner that [...]

Alternative clauses, choose one of the following:

- *Alternative 1:* ... limits or mitigates, [to the extent commercially reasonable / as far as reasonably practicable,] Greenhouse Gas Emissions in the conduct of the Operations;
- *Alternative 2:* ... limits or mitigates, [to the extent commercially reasonable / as far as reasonably practicable,] Greenhouse Gas Emissions in the conduct of the Operations, including through the inclusion of specific emissions targets which are revised on an [annual / other defined period] basis.
- *Alternative 3:* ... limits or mitigates the Greenhouse Gas Emissions in the conduct of the Operations, including through the inclusion of specific emissions targets which are revised on an [annual / other defined period] basis.

Commentary:

In the first HSE Plan resolution, the proposed language includes both terms “limit” and “mitigates” to apply to Greenhouse Gas Emissions efforts over the life cycle of an asset. “Limit” is applicable to new infrastructure or in other situations where it is not possible to ascertain a baseline of emissions. Where the emissions profile of an asset is well understood, then “mitigates” is applicable to reflect intention to lower emissions from an established base line. One or both terms can be used in the resolution depending on the preference of the Shareholders.

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RESOLVED, that the [Company] [Operator], in a manner consistent with the current [health, safety, and environmental plan of the Company] (the “HSE Plan”), shall design and operate the Company in a manner that [...]

Alternative clauses, choose one of the following:

- *Alternative 1:* ...utilizes, as far as [commercially reasonable] [reasonably practicable], available technology and processes to limit or mitigate Greenhouse Gas Emissions[, and in particular to:
 - (a) minimize potential fugitive and venting sources;
 - (b) conduct detection surveys to identify unintentional sources, and subsequent repair and mitigation of such emissions;
 - (c) optimize operational efficiencies; and
 - (d) eliminate or reduce flaring].

- *Alternative 2:* ...utilizes, available technology and processes to limit Greenhouse Gas Emissions[, and in particular to:
 - (a) minimize potential fugitive and venting sources;
 - (b) conduct detection surveys to identify unintentional sources, and subsequent repair and mitigation of such Emissions;
 - (c) optimize operational efficiencies; and
 - (d) eliminate or reduce flaring].

Commentary:

The second HSE Plan resolution aims to provide clarity on measures that the Company or an Operator, as applicable, should undertake to execute on the commitment to limit Greenhouse Gas Emissions as part of its HSE Plan. The measures listed are recognized as industry best practice according to industry coalitions like IPIECA, IOGP, the Oil & Gas Methane Partnership, and Methane Guiding Principles. These measures are relevant to all oil and gas joint ventures and their recommended execution is technology-agnostic.

The sub-bullets are optional depending on the level of specificity deemed to be appropriate. If included, the sub-bullets can be applied to both design and operate phases of the joint venture’s operations. For example, facilities can be designed to minimize potential fugitive and venting sources, and they can be operated to minimize potential fugitive and venting sources.

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RESOLVED, that the [Company] [Operator] shall conduct [every X years] an analysis of energy efficiency and Greenhouse Gas Emissions abatement opportunities and present to the [Board of Directors] the results of such analysis (including the cost-benefit assessment) along with the opportunities recommended for execution by the [Company][Operator] as part of the relevant annual budget review and approval process.

Commentary:

The third resolution strives to provide a mechanism through which the Company or Operator, as applicable, will continually improve Greenhouse Gas Emissions reduction management over the life of an asset. This resolution encourages the exploration and identification of new opportunities and the evaluation of their cost effectiveness.

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Topic 4: Flaring Targets and Reporting

Commentary:

The following set of resolutions endeavor to direct the Company or the Operator, as applicable, to manage flaring and venting.

RESOLVED, that in order to reduce the Company’s Greenhouse Gas Emissions from [routine] flaring and venting, the [Company] [Operator, with respect to the Operations,] is directed to:

Alternative clauses, choose one of the following:

- *Alternative 1:* ... commit to the World Bank’s “Zero Routine Flaring by 2030” initiative
- *Alternative 2:* ... adopt a zero tolerance for routine flaring and venting
- *Alternative 3:* ... report on the feasibility of committing the Company to the World Bank’s “Zero Routine Flaring by 2030” initiative
- *Alternative 4:* ... report on the feasibility of setting time-bound, quantitative targets to significantly reduce [routine] flaring and venting volumes, and if such targets are established, report annually to the Shareholders the Company’s plans and progress towards achieving those targets

Commentary:

The first flaring resolution endeavor to direct the Company or the Operator, as applicable, to reduce and/or eliminate routine flaring and venting. The World Bank’s “Zero Routine Flaring by 2030” pertains to routine flaring and not to flaring for safety reasons or non-routine flaring (venting is not permitted as a substitute for flaring per the terms of the initiative).

Note, The World Bank’s “Zero Routine Flaring by 2030” initiative is a commitment by governments and oil companies at the corporate level, and may not be appropriate for unincorporated joint ventures. Unincorporated joint ventures should consider Alternative 2 and 4.

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RESOLVED, that in order to reduce the Company’s Greenhouse Gas Emissions from [routine] flaring and venting, the [Company] [Operator, with respect to the Operations,] is directed to commit to:

Alternative clauses, choose one of the following:

- *Alternative 1:* ... reaching a [flaring intensity target lower than X% by 20XX] [X% reduction in absolute flared volumes by 20XX];
- *Alternative 2:* ... time-bound, quantitative targets to significantly reduce flaring¹ and eliminate venting;

Optional clause: ... and to report annually to the Shareholders the Company’s plans and progress towards achieving such target[s].

Commentary:

The second flaring resolution directs the Company or the Operator, as applicable, to adopt a commitment to reach a flaring intensity target by a certain date.

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¹ For example, X% flaring intensity by 20XX, X% reduction in absolute flared volumes by 20XX

RESOLVED, that in order to reduce the Company’s Greenhouse Gas Emissions from [routine] flaring and venting, the [Company] [Operator, with respect to the Operations,] is directed to:

Alternative clauses, choose one of the following:

- *Alternative 1:* ... report annually to the Shareholders the Company’s annual flared and vented volumes [per asset];
- *Alternative 2:* ... validate flaring and venting data through a qualified and third-party audit and report the results of such audit to the [Board of Directors] [Shareholders] [the Audit and Sustainability Committees]²;

Commentary:

The third flaring resolution directs the Company or the Operator, as applicable, to report and audit its flaring and venting data.

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RESOLVED, that in order to reduce the Company’s Greenhouse Gas Emissions from [routine] flaring and venting, the [Company] [Operator, with respect to the Operations,] is directed to utilize, as far as [commercially reasonable] [reasonably practicable], available technology and processes to increase the reliability and destruction efficiency of flares to reduce emissions of unburned hydrocarbons, including methane.

Commentary:

The fourth flaring resolution directs the Company or the Operator, as applicable, use available technology and processes to increase the destruction efficiency of flares. To increase destructive efficiency (and reduce methane emissions), the Company or the Operator should (1) ensure flares are always lit, and have automatic systems to re-ignite if they should go out, (2) ensure flares are operating effectively and optimize flare destruction efficiency, and (3) reduce and ultimately eliminate the gas going to the flare. The World Bank’s Global Gas Flaring Reduction Partnership has developed an interactive dashboard to help demonstrate the likely GHG emissions from flaring across various circumstances.

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² If reporting to a committee as opposed to the Board (or equivalent) or Shareholders, insert name of relevant committee.

Topic 5: Methane Targets and Reporting

Commentary:

The following set of resolutions endeavor to direct the Company or the Operator, as applicable, to manage and reduce methane emissions.

RESOLVED, that in order to manage and reduce the Company’s methane emissions, the [Company] [Operator] is directed to:

Alternative clauses, choose one of the following:

- *Alternative 1:* ... join the Oil & Gas Methane Partnership 2.0 (OGMP 2.0) and work to meet the requirements of the OGMP reporting framework;
- *Alternative 2:* ... report on the feasibility of the Company joining the Oil & Gas Methane Partnership 2.0 (OGMP 2.0) and work to meet the requirements of the OGMP reporting framework;
- *Alternative 3:* ... report annually to the Shareholders the Company’s Scope 1 methane emissions from all assets in accordance with the Oil & Gas Methane Partnership (OGMP 2.0) reporting framework³, templates and associated guidance;
- *Alternative 4:* ... report annually to the Shareholders the Company’s methane emissions by source based on IPIECA/API/IOGP petroleum industry guidelines or other agreed upon framework for reporting Greenhouse Gas Emissions;

Commentary:

The first methane resolution directs the Company or the Operator, as applicable, to join or explore the feasibility of joining the Oil & Gas Methane Partnership 2.0 (OGMP 2.0), or report its emissions to Shareholders in line with the OGMP 2.0 reporting framework. OGMP 2.0 membership is open to companies in the oil and gas industry, and may not be available to unincorporated joint ventures.

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³ Alternative reporting frameworks can be substituted here, such as Oil & Gas Climate Initiative (OGCI) Reporting Framework (<https://ogci2018.wpenginepowered.com/wp-content/uploads/2022/10/OGCI-Reporting-Framework-2022-March-2022.docx>).

RESOLVED, that in order to manage the Company’s methane emissions, the [Company] [Operator] is directed to:

Optional clauses, choose one or more of the following:

- adopt a [quantitative methane intensity reduction] [near-zero methane emissions] target for the Operations [and the [Company] [Operator] is to report annually to [Board of Directors] [Shareholders] the Company’s plans and progress towards achieving those targets];
- efficiently manage, reduce, and report methane emissions through development and implementation of a emission reduction program which includes a direct measurement program and empirical observation [to the extent practicable]
- report annually (at reasonable cost) to the [Board of Directors] [Shareholders] and using quantitative indicators, the Company’s [actions including and beyond regulatory requirements to monitor and minimize methane emissions] [policies, actions and plans related to methane emissions management, including efforts to: measure, monitor, mitigate, disclose, utilize leak detection and repair (LDAR) technologies (including frequency, scope, and methodology)]

Commentary:

The second methane resolution directs the Company or the Operator, as applicable, to adopt methane reduction and measurement programs.

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Exhibit 1

Reporting quarter / year		(e.g., 1Q22)												
Emissions source		Volume (scf)	Emissions											
			CO2e	CO2	CH4		N2O		SF6		HFCs		PFCs	
			(metric tons)	(metric tons)	(metric tons CH4)	(metric tons CO2e)	(metric tons N2O)	(metric tons CO2e)	(metric tons SF6)	(metric tons CO2e)	(metric tons HFCs)	(metric tons CO2e)	(metric tons PFCs)	(metric tons CO2e)
Direct (Scope 1)	Combustion													
	Flaring	Emissions												
		Volume flared												
	Venting													
	Fugitive													
	Other													
Emissions associated with exported/sold electricity and/or steam ¹														
Indirect (Scope 2)	Emissions associated with imported electricity	Activity Data ² (MWh)												
	Emissions associated with imported steam/heat	Activity Data ² (GJ)												
Additional information for Scope 2		Grid factor:			Unit:			Source of grid factor:		<i>[i.e., location or market-based factor]</i> ³				

<p>Avoided and/or Mitigated GHG Emissions</p> <p><i>Alternative reporting options, choose preferred approach</i></p>	Reporting Option #1													
	Carbon capture, utilization or storage (CCUS) – all GHGs													
	Renewable Energy Credits – RECs – all GHGs													
	Offsets – all GHGs													
	Reporting Option #2													
	Carbon capture, utilization or storage (CCUS) – all GHGs													
	Renewable Energy Credits – RECs – all GHGs													
	Offsets – all GHGs													
	Other GHG mitigations													
	Reporting Option #3													
	GHG Project 1 – Name and description													
	GHG Project 2 – Name and description													
	Reporting Option #4													
	GHG emission reductions													
	Permanently Sequestered CO2 using CC(U)S													
	GHG removals from atmosphere													
	Carbon offsets													
	GHG emissions reduced due to shutdowns or conversion of existing facilities													

¹ Emissions associated with exported/sold electricity and/or steam should not be deducted from a facility’s direct (scope 1) emissions (i.e., this figure should not be subtracted from the “combustion” category).

² Activity data (MWh and GJ) recommended but optional for indirect (Scope 2).

³ The World Resources institute’s (WRI) “GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard” (2015) details two methods for determining the emissions associated with electricity consumption: the location and market-based methods. The market-based method reflects emissions from electricity that companies have purposefully chosen (or their lack of choice) through the use of supplier specific emissions factors, while the location-based method reflects the average emissions intensity of grids on which energy consumption occurs through the use of grid average emissions factors for defined geographic locations, including local, subnational or national boundaries.

- This exhibit may be amended, supplemented or modified from time to time in accordance with Article 5.9 of this JOA, in accordance with the applicable terms of this JOA.

- A facility’s direct (scope 1) emissions are those from sources that fall within the ‘fence line’ of the facility (i.e., are under the operational control of the operator of the facility). Emissions associated with exported/sold electricity and/or steam should not be deducted from a facility’s direct (scope 1) emissions but should rather also be reported here as a separate line item.
- Report TOTAL GHG emissions, both emitted and mitigated, and volumes flared by the JV asset; partner will apply its equity share percentage of the JV asset/operation to figures provided above.
- Indirect (scope 2) emissions are those associated with the generation of electricity and/or steam imported/purchased by the facility. For reporting of indirect (scope 2) emissions from imported electricity, it is important to include evidence for correct application of the emission factor and its source.
- Utilize the 100-year time horizon global warming potential (GWP) values, relative to CO₂, from the Intergovernmental Panel on Climate Change’s (IPCC) Fourth Assessment Report (AR4) (e.g., 25 for CH₄, 298 for N₂O)
- Reference IPIECA’s “Petroleum industry guidelines for reporting greenhouse gas emissions – Second edition” (2011) for more specific guidance on emissions source types etc.

Notes Relevant to Reporting Option #1:

- Carbon capture, utilization and storage includes CO₂ sold to third parties, and CO₂ (and other gas) captured at the facility and injected for geologic carbon storage. For more information, see API’s reporting template at [API | GHG Reporting](#).
- RECs or similar renewable energy certificates (e.g., Guarantees of Origin [GOs] system in Europe) are credits generated from renewable energy generation and used, for example, in the U.S. and Canada. Only emissions reductions associated with RECs retired by the Operator in that reporting quarter/year for the facility should be included. Note that Scope 2 emissions should be net of contractual instruments such as RECs. Reference WRI’s “GHG Protocol Scope 2 Guidance, an amendment to the GHG Protocol corporate standard” (2015) for guidance on how to report Scope 2 emissions and convert RECs into CO₂e emissions avoided. For more information, see API’s reporting template at [API | GHG Reporting](#).
- Offsets are credits generated from the avoidance or reduction of GHG emissions or the removal of GHGs from the atmosphere, excluding RECs, and include offsets retired in compliance programs. Only offsets that are purchased or developed and then retired by the Operator in that reporting quarter/year for the facility should be included. For more information, see API’s reporting template at [API | GHG Reporting](#).

Notes Relevant to Reporting Option #2:

- ‘Other GHG mitigations’ may refer to emissions reductions achieved through non-CCUS projects, such as projects related to fuel switching, energy efficiency, flare mitigation etc.

Notes Relative to Reporting Option #3:

- GHG Project is defined as a specific project or activity designed to achieve GHG emission reductions, storage of carbon, or enhancement of GHG removals from the atmosphere. GHG projects may be stand-alone projects, or specific activities or elements within a larger non GHG related project. This definition is in accordance with ‘IPIECA/API/IOGP petroleum industry guidelines for reporting greenhouse gas emissions’, 2nd Edition, May 2011, and as amended from time to time.
- Describe each GHG Project including any relevant information, including type of emission reduction, such as GHG removal from atmosphere, operational efficiency project, CC(U)S or carbon offset. One would need to judge from the description of the GHG reduction in what category this project falls. Note: GHG emissions reduced due to shutdowns or conversions of existing facilities does not feature in IPIECA guidance.
- Report both applicable direct (scope 1) and indirect (scope 2) emission reductions where this information is relevant and preferred by the Parties.
- Report avoided and/or mitigated emissions from a baseline in accordance with the GHG Reporting Guidelines. The baseline in this case means a hypothetical scenario for what GHG emissions, removals, or storage would have been in the absence of a GHG project or project activity.

Notes Relative to Reporting Option #4:

- Regulations related to GHG mitigation are evolving and there are indications that correct classification of the emission reduction is becoming a requirement, i.e., differentiation between GHG removals from atmosphere, CC(U)S, offsets and greenhouse gas abatement projects. Check for the most updated standards and where definitions and reporting of GHG mitigation activities are not explicitly defined in standardized guidance then definitions would need to be developed and negotiated to determine appropriate methodologies.
- Report both applicable direct (scope 1) and indirect (scope 2) emission reductions where this information is relevant and preferred by the Parties.