

Guidance

Orientation to API Climate-related Reporting Initiative and *API Template 1.0 for GHG Reporting*



American
Petroleum
Institute

For API Template 1.0 for GHG Reporting,
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Guidance: Orientation to API Climate-related Reporting Initiative and API Template 1.0 For GHG Reporting

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Introduction of API

API represents all segments of the US natural gas and oil industry and member companies that conduct business in nearly every country worldwide. Our nearly 600 members include large integrated companies as well as exploration and production, refining, marketing, pipeline, and marine businesses, and oilfield equipment manufacturers, service, and supply companies. API was formed in 1919 as a standards-setting organization. In our first 100 years, API has developed more than 700 standards to enhance operational and environmental safety, efficiency, and sustainability. API's work includes a growing international dimension, and today API is recognized around the world for its broad range of programs.

Objective of API Climate-related Reporting Initiative

The objective of the API Climate-related Reporting Initiative is to drive consistency and develop a core set of GHG emissions indicators that individual natural gas and oil companies would report publicly. This is intended to enhance comparability across company-by-company climate-related reporting in the natural gas and oil industry, in order to provide decision useful information to the financial sector, policy makers, and industry customers and other stakeholders. The core set of GHG emissions indicators are in an API Template 1.0 For GHG Reporting ("API Template 1.0" or "API Template") Excel spreadsheet that can be used by individual companies.

The API Template 1.0 represents a set GHG indicators that API member companies have agreed represents the core, or foundational, indicators for individual company public reporting of company-wide GHG emissions and GHG mitigation activities

Reporting to the API Template 1.0 by individual companies is voluntary. It is also expected that individual companies, at their discretion, will continue to report additional GHG emissions and other climate-related indicators in order to meet the principle of completeness for a comprehensive and meaningful company inventory of GHG emissions as outlined by *The GHG Protocol*.¹ The API Template 1.0 is meant to be the core set of GHG indicators that all natural gas and oil companies report, as relevant for those indicators that reflect the individual company's business assets. Companies with a history of reporting, which is often advanced beyond this core set, will continue to report the wider set of GHG indicators that they have deemed appropriate.

API Template 1.0 is the first version of this core set of GHG indicators. API and its member companies expect to update the Template periodically in order to complete sections that are pending, such as Intensity Indicators, and in order to achieve continuous improvement.

The timing of individual company reporting according to API Template 1.0 will take place at their discretion and likely according to the company's regular cycle for voluntary sustainability reporting. It is expected that for many companies the first reporting according to the API Template 1.0 would be for 2021 data.

The API Template 1.0 draws from existing natural gas and oil company reporting practices, builds on the industry's own existing guidance for reporting, and takes into account relevant

¹ The Greenhouse Gas Protocol, 2015, [A Corporate Accounting and Reporting Standard](#), p.8.

recommended GHG emissions reporting indicators from frameworks external to the natural gas and oil industry.

Orientation to API Template and Spreadsheet

This guidance corresponds to an Excel spreadsheet that contains two tabs:

- **Tab 1 – API Template 1.0:** a core set of GHG emissions indicators with fields that individual companies can complete with data
- **Tab 2 – API Definitions:** definitions and references for the GHG emissions indicators in Tab 1, to guide individual company compilation and insertion of data.

Tab 1 – API Template 1.0

Tab 1 is an Excel reporting worksheet, the API Template 1.0, which contains the core set of GHG emissions indicators that individual companies can use for public reporting. The core set of indicators represent those that satisfy these criteria:

- Relevant measures of performance
- Concise in number
- Not burdensome for companies to report
- Not generate novel risks for companies

The API Template is designed for individual company reporting of enterprise-wide GHG emissions.

An individual company should only report those GHG emissions indicators in the API Template that apply.

The Six Sections of Tab 1 – API Template 1.0

The Tab 1 API Template 1.0 includes six sections²:

- Section 0. General
- Section 1. Direct GHG Emissions (Scope 1)
- Section 2. Indirect GHG Emissions from Imported Energy (Scope 2)
- Section 3. GHG Mitigation

² The API Template 1.0 does not include a section on Scope 3 emissions, which is a category of GHG emissions that API member companies are still discussing in terms of suitability for this template. Estimating GHG emissions beyond a company's control, i.e., beyond a company's direct operations, involves an increased level of complexity, assumptions, and uncertainty, and should therefore be considered carefully. While some companies report Scope 3 emissions, there are greater challenges in consistency of reporting, including between various types of companies with different asset profiles across the natural gas and oil value chain. The ongoing discussions on Scope 3 emissions among API member companies revolves around the guidance that API and its counterpart association IPIECA have produced on Scope 3, [Estimating Petroleum Industry Value Chain \(Scope 3\) Greenhouse Gas Emissions: Overview of Methodologies](#).

Section 4. Intensity³

Section 5. Additional Climate-Related Targets and Reporting

Section 6. Third-party Verification

Sections 1-3 generally includes an aggregate “All GHGs” number for that section (e.g., overall Direct GHG Emissions in Section 1), and the more specific data entry lines within a Section show a breakdown of that aggregate number according to disaggregated parameters as described section-by-section within this Guidance. For a given company, the API Template is designed so that the disaggregated numbers for the “All GHGs” indicators sum *within* these Sections:

- Section 1 (Direct GHG Emissions – Scope 1)
- Section 2 (Indirect GHG Emissions from Imported Energy – Scope 2), and
- Section 3 (GHG Mitigation).

This structure is designed to feature the reporting of “All GHGs.” In addition, the API Template includes indicators for the reporting of CH₄ (methane) and of Flaring within Section 1 (Direct GHG Emissions – Scope 1), which are subsets of the “All GHGs” direct GHG emissions that are reported elsewhere in Section 1. The API Template is designed so that data for CH₄ for indicators 1.1.1.1, 1.1.2.1 and the two indicators 1.1.1.2 Upstream Flaring and 1.1.1.3 Volume of Flares are not added to the total reflected in 1.1 Direct GHG Emissions (Scope 1).

It would be inappropriate to add data *across* Sections 1-3 because for an individual company there may be instances of duplication of GHG emissions reported *across* Sections 1-3. As illustrative examples only, this duplication may occur if a company generates electricity that it exports to the grid that may be comingled with electricity in the grid that the company then imports (which may result in some duplication in reporting of Direct GHG Emissions and of Indirect GHG Emissions from Imported Energy) -OR- if a company reports CO₂ captured for the CCUS indicator in the GHG Mitigation section, some or all of which is already subtracted from its Direct GHG emissions -OR- if a company reports its Indirect GHG Emissions from Imported Energy with the market-based method and then also reports its Renewable Energy Credits (RECs) in the GHG Mitigation section.

While the API Template is inclusive of most of the sources of GHGs across the value chain and business assets of natural gas and oil companies, some of these companies have assets with associated GHG emissions that are not included as reporting indicators in the API Template. These companies often report these additional sources of GHG emissions in the breadth of their own additional reporting.

³ API Template 1.0 includes a placeholder for Intensity Indicators, which will be completed. API and its member companies are testing suitable options and will include the selected set of intensity indicators in a subsequent version of the template.

Constituent GHGs & Units of Measure

The following cross-cutting parameters apply across all quantitative GHG emissions indicators in the API Template 1.0:

- Constituent GHGs: Constituent GHGs are reportable in aggregate as “All GHGs” in the API Template. For Upstream, Midstream, and Oil and Natural Gas Services within Direct GHG Emissions (Scope 1), the template also prompts for the reporting of CH₄.
- Units of measure: “All GHGs” and CH₄ are expressed as million metric tons CO₂e.

The Definitions and References in Tab 2 provide more information on GHGs that may be relevant for the “All GHGs” indicators and on the conversion factors for expressing non-CO₂ GHGs in CO₂e.

General

IPCC AR GWP

The API Template 1.0 prompts for all data to be reported according to the 100-year global warming potential (GWP) values in “AR4,” the IPCC Fourth Assessment Report (2007), Table 2.14, p. 24 in chapter [“Changes in Atmospheric Constituents and in Radiative Forcing.”](#)

Operated & Equity

The API Template 1.0 accommodates individual company reporting on both an Equity and Operated basis. Individual companies may report on an Equity and/or Operated basis. Over time individual companies are encouraged to report all applicable indicators on both bases. Currently, in some cases it can be challenging for companies to obtain GHG emissions information on an Equity basis due to the lack of information from third parties that are part of joint ventures. However, recognizing the importance of reporting on an Equity basis, especially for financial stakeholders, natural gas and oil companies continue to work on obtaining the necessary information and advancing their reporting on an Equity basis.

Tab 1, Cell C6 in the spreadsheet is a toggle that provides a company the functionality to report GHG emissions in the API Template as Equity or Operated, which allows a company to clearly indicate the basis for reporting for the numbers reported. Tab 2 in the template and the Detailed Definitions section below provide definitions for Equity and Operated, per the IPIECA-API-IOGP *Sustainability Reporting Guidance for the Oil and Gas Industry, 2020*.

General Section - Detailed Definitions

General: Equity Basis	
Definition	Equity is based on asset ownership (or share of financial benefits)...[for] the consolidation of GHG emissions data. Unlike the operational approach, data is generally consolidated from all owned, or partly owned, assets in proportion to the reporting unit’s percentage share of equity in the assets. In contrast to the operational approach, this means data are consolidated from assets partially owned, but not operated by, the reporting company, as well as from operated assets that are wholly or partially owned – thus, irrespective of who the operator is, data are consolidated but only in proportion to the reporting company’s ownership of each asset.
References	IPIECA-API-IOGP, 2020, Sustainability Reporting Guidance for the Oil and Gas Industry , p. 1.34.

General: Operated Basis	
Definition	<p>Operated is based on the assets that a company operates even if partly owned by other companies. Data is not collected for assets operated by other companies. The operational approach generally collects and consolidates all data from assets that meet either of the following criteria:</p> <ul style="list-style-type: none"> • The asset is operated by the company, whether for itself, or under a contractual obligation to other owners or participants in the asset (for example, in a joint venture or other such commercial arrangement); or • The asset is owned by a joint venture (or equivalent commercial arrangement), and operated by a joint venture partner, in respect of which the company can determine management and board level operational decisions of the joint venture.
References	<p>IPIECA-API-IOGP, 2020, Sustainability Reporting Guidance for the Oil and Gas Industry, p. 1.33.</p>

Section 1 – Direct GHG Emissions (Scope 1)

The API Template 1.0 prompts for reporting of company-wide absolute direct GHG emissions from company equipment or other company sources consistent with The Greenhouse Gas Protocol *A Corporate Accounting and Reporting Standard*, 2015.

Natural Gas & Oil Value Chain Disaggregation

For Scope 1 absolute emissions reporting, the API Template 1.0 includes disaggregation by segments of the natural gas and oil value chain:

- Upstream
- Midstream
- Downstream
- LNG

The boundaries for this disaggregated reporting are based on segments from the US EPA Greenhouse Gas Reporting Program (GHGRP), to which individual companies with US operations that trigger the threshold are required legally to report to the US EPA.⁴ The GHGRP is a key input to the official US Greenhouse Gas Inventory (GHGI). Because the API Template prompts for reporting of company-wide GHG emissions for each indicator, individual companies should report the GHG emissions for company-wide assets (US and/or non-US) within the reporting boundary for each applicable indicator, and not only those GHG emissions for US assets above the GHGRP reporting threshold, according to the principle of completeness for a comprehensive and meaningful inventory of GHG emissions as outlined by *The GHG Protocol*.⁵ For non-US operations, companies should apply boundaries analogous to the GHGRP segments.

For Scope 1 absolute emissions reporting, the API Template 1.0 also includes an indicator for:

- Oil and Natural Gas Field Services⁶

It is intended that the Oil and Natural Gas Field Services indicator in the API Template 1.0 is intended to be reported only by a service and supply company, not by their owner/operator client companies.

However, owner/operator client companies (i.e., oil and natural gas production companies) may also report these GHG emissions from field services in the Upstream indicator in the API Template 1.0. This occurs because oil and natural gas production companies with operations in the US are required to report GHG emissions associated with field services under the US GHGRP, and because it is a widely accepted industry practice.⁷ Over time, the API Template

⁴ The GHGRP definitions for data reporting requirements can be found at 40 CFR §98.236 Data Reporting Requirements: https://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=fc08a5fdd6066ccdc97932d15a4b5d20&mc=true&n=pt40.23.98&r=PART&ty=HTML#se40.23.98_1236; Additional instructions for reporting GHG Emissions under GHGRP Subparts can be found here: <https://ccdsupport.com/confluence/display/help/Subpart+Reporting+Instructions>

⁵ The Greenhouse Gas Protocol. 2015. *A Corporate Accounting and Reporting Standard*, p.8.

⁶ Oil and Gas Filed Services indicator also applies to Scope 2 emissions and can be found in Section 2 of the template.

⁷ [Definition of the source category](#): 40 CFR §98.230

1.0 prompts for the GHG emissions from field equipment and mobile sources, controlled by the field service company, to be reported by the field services company only.

The Section 1 Indicators – Detailed Definitions provides more guidance on components that comprise each of Scope 1 indicators.

Subsets of Scope 1

The API Template 1.0 also includes indicators for reporting of CH₄ (methane) and Flaring, a subset of Scope 1 absolute emissions, per GHG emissions (All GHGs) and per the natural gas Volume of Flares.

“Subset” means that these reporting indicators are a component of the “All GHGs” indicators within Section 1 of the API Template 1.0. These CH₄ and Flaring Subset indicators are included in the API Template 1.0 because they also meet the criteria for reporting indicators outlined above.

The Section 1 Indicators – Detailed Definitions provides more guidance on components that comprise each these Subset indicators.

Section 1 Indicators - Detailed Definitions

1.1 Direct GHG Emissions (Scope 1) – All GHGs	
Definition	GHG emissions from equipment or other sources of the company.
Units	million metric tons CO ₂ e
References	Definition: The Greenhouse Gas Protocol. 2015. A Corporate Accounting and Reporting Standard.

1.1.1 Upstream – All GHGs	
Definition	Direct facility emissions of greenhouse gases (CO ₂ , CH ₄ , and N ₂ O) related to onshore and offshore oil and natural gas production activities, gathering and boosting, and natural gas processing, aggregated by company.
Units	million metric tons CO ₂ e
References	From US EPA Greenhouse Gas Reporting Program (GHGRP) segments for US operations, and applied analogously for non-US operations. The 40 CFR §98.236 definitions for data reporting requirements specify boundaries of reporting for the following segments: Onshore petroleum and natural gas production (40 CFR §98.236(a)(1), Offshore petroleum and natural gas production (40 CFR §98.236(a)(2), Onshore natural gas processing(40 CFR §98.236(a)(3), Onshore natural gas transmission compression(40 CFR §98.236(a)(4), and Onshore petroleum and natural gas gathering and boosting: (40 CFR §98.236(a)(9)). It also includes GHGs from Stationary Combustion .

Notes: All of the above should be counted as Upstream even though, for some companies, their business structure for purposes other than GHG reporting may consider the following categories of assets as Midstream: Onshore natural gas processing, Onshore gas transmission compression, and Onshore petroleum and natural gas gathering and boosting.

1.1.1.1 CH₄ (Methane)	
Definition	Same as 1.1.1 per CH ₄
Units	million metric tons CO ₂ e
References	n/a

1.1.1.2 Upstream Flaring - All GHGs (subset of Direct Emissions - Scope 1)	
Definition	Direct facility emissions of greenhouse gases (CO ₂ , CH ₄ , and N ₂ O) related to the destruction of volatile hydrocarbon compounds (including methane) by all flares, aggregated by company.
Units	million metric tons CO ₂ e
References	From US EPA Greenhouse Gas Reporting Program (GHGRP) segments for US operations, and applied analogously for non-US operations. The 40 CFR §98.236 definitions for data reporting requirements specify boundaries of reporting GHG emissions from flaring and comprised of: Well testing flaring – 40 CFR § 98.236(l); Associated natural gas flaring - 40 CFR § 98.236(m)(8)(ii)-(iv); Offshore production - 40 CFR § 98.236(s) based on the most recent BOEM OCS Study . ⁸

Notes: Although in the US the EPA GHGRP requires reporting of “Flare Stacks - 40 CFR § 98.236(n)(9)-(11)”⁹ it is not intended that a company would report these GHG emissions for this indicator in the API Template 1.0. Ongoing work to define a related Flaring Intensity indicator may prompt refinements to this Upstream Flaring – All GHGs indicator.

1.1.1.3 Volume of Flares	
Definition	The volume of gas flared is comprised of the volume of gas routed to flare during well testing; associated gas flaring;; and during offshore production.
Units	mmcf
References	From US EPA Greenhouse Gas Reporting Program (GHGRP) segments for US operations, and applied analogously for non-US operations. The 40 CFR §98.236 definitions for data reporting requirements specify boundaries for quantity of gas sent to flare and comprised of: Well testing - 40 CFR § 98.236(l); associated gas flaring - 40 CFR § 98.236(m); and flaring from offshore production - 40 CFR § 98.236(s). EPA’s methodology for calculating GHG emissions at 40 CFR § 98.233(n)(1) specifies that flare volume can be determined either by continuous flow measurement devices or by engineering calculations based on process knowledge, company records or best available data.

Notes: Although in the US the GHGRP requires reporting of “Flare Stacks - 40 CFR § 98.236(n)(9)-(11),” it is not intended that a company would report these GHG emissions for this indicator in the API Template. Ongoing work to define a related Flaring Intensity indicator may prompt refinements to this Volume of Flares indicator.

⁸ US Department of the Interior, Bureau of Ocean Energy Management (BOEM). [OCS Study BOEM 2019-07](#), Section 4.2.5 Combustion Flares.

⁹ The GHGRP definitions for data reporting requirements can be found at 40 CFR §98.236 Data Reporting Requirements: https://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=fc08a5fdd6066ccdc97932d15a4b5d20&mc=true&n=pt40.23.98&r=PART&ty=HTML#se40.23.98_1236;

1.1.2 Midstream – All GHGs	
Definition	Direct facility emissions of greenhouse gases (CO ₂ , CH ₄ , and N ₂ O) related to Natural Gas Transmission Pipelines, Liquids Transmissions Pipelines, Natural Gas Transmission Compression Stations, Natural Gas Distribution, and Suppliers of Natural Gas Liquids*, aggregated by company.
Units	million metric tons CO ₂ e
References	From US EPA Greenhouse Gas Reporting Program (GHGRP) segments for US operations, and applied analogously for non-US operations. GHGs from Stationary Combustion, if applicable, per 40 CFR § 98.30 ; the 40 CFR §98.236 definitions for data reporting requirements with the following boundaries: Onshore Natural Gas Transmission Pipelines: 40 CFR § 98.236(a)(10); Underground Natural Gas Storage 40 CFR § 98.236(a)(5); Natural Gas Distribution: 40 CFR § 98.236(a)(8). [Oil] Liquids Transmission Pipeline [not required by GHGRP]

Notes: *For Suppliers of Natural Gas and Natural Gas Liquids, include direct or onsite GHG emissions only (i.e., GHG emissions reported to US GHGRP under Subpart C and Subpart W), not GHG emissions associated with products supplied into the economy.

1.1.2.1 CH₄ (Methane)	
Definition	Same as 1.1.2 per CH ₄
Units	million metric tons CO ₂ e
References	n/a

1.1.3 Downstream – All GHGs	
Definition	Direct facility emissions of greenhouse gases (CO ₂ , CH ₄ , and N ₂ O) related to Petroleum Refining and Hydrogen Production, aggregated by company.
Units	million metric tons CO ₂ e
References	From US EPA Greenhouse Gas Reporting Program (GHGRP) segments for US operations and applied analogously for non-US operations. Data reporting requirements for Petroleum Refineries are included in the general provisions in 40 CFR §98.3(c) , 40 CFR § 98.256 , and 40 CFR § 98.30 for Stationary Combustion devices. Refineries that operate a hydrogen plant should also include GHG emissions from Hydrogen Production per 40 CFR §98.166

1.1.4 LNG – All GHGs	
Definition	Direct facility emissions of greenhouse gases (CO ₂ , CH ₄ , and N ₂ O) related to LNG storage and LNG import and export equipment, aggregated by company.
Units	million metric tons CO ₂ e
References	From US EPA Greenhouse Gas Reporting Program (GHGRP) segments for US operations, and applied analogously for non-US operations. The 40 CFR §98.236 definitions for data reporting requirements specify boundaries for LNG Storage: 40 CFR § 98.236(a)(6), and 40 CFR § 98.30 for stationary combustion, if applicable. LNG Import-Export Equipment: 40 CFR §98.236(a)(7), and 40 CFR § 98.30 for stationary combustion, if applicable.

1.1.5 Oil and Natural Gas Field Services – All GHGs	
Definition	<p>Direct emissions from field service company controlled field equipment (e.g., pumps, generators, compressors) and emissions from field service company controlled mobile sources associated with well-site activities.</p> <ul style="list-style-type: none"> • Emissions from mobile sources, including actual emissions from company trucks for material transport associated with field activities (including well completions and well workovers); company planes/helicopters, vessels, and other vehicles for personnel transport as related to well-site activities (e.g., to and from the field); company forklifts, all-terrain vehicles, company construction equipment, and other off-road mobile equipment associated with well-site activities. • Emissions from engines and equipment used in field operations including direct emissions associated with well-site activities (including well completions and well workovers); gas-driven pneumatic devices, chemical injection pumps, as well as company-owned or leased field power generators (e.g., emissions from gas turbines powering electric vehicles or electric fracturing equipment or instrument air systems); rig engines; and compressors.
Units	million metric tons CO ₂ e
References	<p>The API definition draws from:</p> <ul style="list-style-type: none"> • <i>API, 2009, Compendium of Greenhouse Gas Emissions Methodologies for the Oil and Natural Gas Industry.</i> • Expertise of API member companies

Notes: Additional clarifications for *Oil and Natural Gas Field Services Indicator*:

- An individual field service company should report those GHG emissions in Section 1 that apply and leave other rows blank.
- A service provider company should report emissions from fuel used in field operations purchased by their clients, as long as it is combusted in field service company-controlled field equipment or mobile sources.
- “Controlled” – for the purposes of this indicator, means equipment that is operated by the same company’s staff/employees.
- A service provider company should not report emissions associated with flaring that occurs during wellhead activities, which should be reported by the owner/operator client company.

Section 2 – Indirect GHG Emissions from Imported Energy (Scope 2)

The API Template 1.0 prompts for reporting of company-wide absolute indirect GHG emissions from imported energy, which includes imported electricity, heat, steam, and/or cooling and is consistent with The Greenhouse Gas Protocol *Scope 2 Guidance*. The API Template 1.0 includes reporting of Indirect GHG Emissions from Imported Energy (Scope 2) by disaggregated segments of the natural gas and oil value chain and by oil and natural gas field services, per the same boundaries as in reporting of Direct GHG Emissions (Scope 1) in Section 2.

The API Template 1.0 prompts for individual company reporting on indirect GHG emissions according to the market-based method. Individual companies may report indirect GHG emissions using the location-based method or a combination of market-based and location-based methods. An individual company can use the “Comments” column to describe the relevance of market- vs. location-based methods reflected in the company’s reporting. Over time individual companies are encouraged to conduct “dual reporting” of all applicable indicators according to market- and location-based methods to allow the company to compare its individual purchasing decisions to the overall GHG intensity of the grids on which it operates.

The Greenhouse Gas Protocol defines market- and location-based methods as follows:¹⁰

- Market-based Method: A method to quantify scope 2 GHG emissions based on GHG emissions emitted by the generators from which the reporter contractually purchases electricity bundled with instruments, or unbundled instruments on their own.
- Location-based Method: A method to quantify scope 2 GHG emissions based on average energy generation emission factors for defined locations, including local, subnational, or national boundaries.

The Section 2 Indicators – Detailed Definitions provides more guidance on components that comprise each of the Scope 2 indicators.

Section 2 Indicators – Detailed Definitions

2.1 Indirect GHG Emissions from Imported Electricity + Heat + Steam + Cooling (Scope 2, Market-based)	
Definition	Indirect GHG Emissions: GHGs emitted to produce purchased energy already transformed into electricity, heat, steam, or cooling.
Units	n/a
References	Definition for Indirect GHGs: The Greenhouse Gas Protocol, 2015, A Corporate Accounting and Reporting Standard .

2.1.1 Upstream - All GHGs	
Definition	Indirect GHG emissions (Scope 2) for same activities as in 1.1.1
Units	million metric tons CO ₂ e
References	Indirect GHG emissions (Scope 2) for same activities as in 1.1.1

¹⁰ The Greenhouse Gas Protocol, 2015, [Scope 2 Guidance](#), p. 104. See also Chapter 4 and a comparison table of market-based and location-based methods on p. 26. See Chapter 7 and a section on "Dual Reporting" on p. 62.

2.1.2 Midstream - All GHGs	
Definition	Indirect GHG emissions (Scope 2) for same activities as in 1.1.2**
Units	million metric tons CO ₂ e
References	Indirect GHG emissions (Scope 2) for same activities as in 1.1.2

Notes: **For Suppliers of Natural Gas and Natural Gas Liquids, include indirect emissions from electricity or heat purchased for the purposes of operating natural gas liquids fractionation facilities or operating a natural gas distribution company.

2.1.3 Downstream - All GHGs	
Definition	Indirect GHG emissions (Scope 2) for same activities as in 1.1.3
Units	million metric tons CO ₂ e
References	Indirect GHG emissions (Scope 2) for same activities as in 1.1.3

2.1.4 LNG - All GHGs	
Definition	Indirect GHG emissions (Scope 2) for same activities as in 1.1.4
Units	million metric tons CO ₂ e
References	Indirect GHG emissions (Scope 2) for same activities as in 1.1.4

2.1.5 Oil and Natural Gas Field Services - All GHGs	
Definition	Indirect emissions from field service company-controlled engines and equipment (e.g., pumps, generators, compressors) used in field operations and well-site activities (including well completions and well workovers); gas-driven pneumatic devices, chemical injection pumps, field power generators (e.g., emissions from gas turbines powering electric vehicles or electric fracturing equipment or instrument air systems); rig engines; and compressors.
Units	million metric tons CO ₂ e
References	Same as in 1.1.5

Section 3 – GHG Mitigation

The API Template 1.0 prompts for reporting of company-wide mitigation of GHG emissions, i.e., the avoidance or removal of GHG emissions from the atmosphere. This section provides a place in the template to report different types of GHG mitigation so that they may be viewed together.

For GHG Mitigation reporting, the API Template 1.0 includes:

- Carbon Capture Utilization or Storage (CCUS).
- Renewable Energy Credits (RECs for Indirect Emissions)
- Offsets

The Section 3 Indicators – Detailed Definitions provides more guidance on each of these GHG Mitigation indicators in the API Template 1.0.

Section 3 Indicators – Detailed Definitions

3.1.1 Carbon Capture Utilization or Storage (CCUS) - All GHGs	
Definition	CO ₂ captured from anthropogenic sources or from the atmosphere, from company owned (fully or partially) facilities/equipment, for geological storage or utilization using technology-based methods, including only CO ₂ that without carbon capture would have been emitted to the atmosphere or remained in the atmosphere. For example, CO ₂ captured during oil and natural gas production and CO ₂ captured during combustion; can include CO ₂ captured from hydrogen production and other industrial processes; can also include reservoir CO ₂ from gas fields; can include CO ₂ captured by direct air capture (from company owned direct air capture facilities).
Units	million metric tons CO ₂ e
References	IPCC Special Report on Carbon Dioxide Capture and Storage ; Technology Report: About CCUS, IEA .

Notes: The boundary for the Carbon Capture Utilization or Storage indicator in the API Template 1.0 is drawn around CO₂ captured from anthropogenic sources as well as CO₂ captured directly from the atmosphere by applying direct air capture (DAC) technology. The definition of anthropogenic CO₂ used in this template adapts concepts from several relevant sources in order to support consistency but use of those concepts is not intended to incorporate any regulations or standards. API's definition for the Carbon Capture Utilization or Storage indicator draws from the following definitions:

- Carbon Capture, Utilization, and Storage (CCUS) - CCUS involves the capture of CO₂ from large point sources, including power generation or industrial facilities that use either fossil fuels or biomass for fuel.¹¹
- CO₂ Capture and Storage – Process that involves capturing the CO₂ arising from the combustion of fossil fuels, as in power generation, or from the preparation of fossil fuels, as in natural-gas processing. It can also be applied to the combustion of biomass-based fuels and in certain industrial processes, such as the production of hydrogen, ammonia, iron and steel, or cement.¹²
 - The term 'emissions' is taken to refer to emissions from anthropogenic, rather than natural, sources.¹³
 - Anthropogenic source - Source which is man-made as opposed to natural.¹⁴
- Anthropogenic carbon dioxide - Carbon dioxide that is initially produced as a by-product of a combustion, chemical, or separation process (including separation of hydrocarbon-bearing fluids or gases) where it would otherwise be emitted to the atmosphere (excluding the recycling of non-anthropogenic CO₂).¹⁵

¹¹ IEA, 2021, [Technology Report: About CCUS](#).

¹² Intergovernmental Panel on Climate Change (IPCC), 2005, [Carbon Dioxide Capture and Storage](#), IPCC Special Report. Technical Summary, p. 54

¹³ IPCC, 2005, [Carbon Dioxide Capture and Storage](#), p. 54

¹⁴ IPCC, 2005, [Carbon Dioxide Capture and Storage](#). Glossary, acronyms and abbreviations, p. 402

¹⁵ [ISO 27916](#): Carbon dioxide capture, transportation and geological storage — Carbon dioxide storage using enhanced oil recovery (CO₂-EOR)

Additional clarifications for the CCUS indicator:

- Geological CO₂ storage –Permanent geological storage of CO₂ via dedicated wells or via use as a tertiary injectant for enhanced oil or natural gas recovery.
- Utilization – the use of CO₂ as a feedstock for conversion to useful products, or other commercial use of carbon oxide that results in net reduction of greenhouse gas emissions to the atmosphere (excluding enhanced oil or natural gas recovery projects).
- CO₂ reported under the CCUS indicator for the API Template 1.0 must be captured from anthropogenic sources or from the atmosphere and must include only CO₂ that without carbon capture would have been emitted to the atmosphere or remained in the atmosphere.
- CO₂ reported under the CCUS indicator should be appropriately accounted for under Indicator 1.1 Direct GHG Emissions (Scope 1) - All GHGs, with the company's CO₂ emissions, which are captured per this indicator, being subtracted from the company's Indicator 1.1 Direct GHG Emissions. For CO₂ emissions captured through DAC as defined by this indicator, generally-accepted guidance for companies from all industry sectors on the treatment of DAC vis-à-vis a company's direct GHG emissions is still forthcoming; this Guidance will be updated over time accordingly.

3.1.2 Renewable Energy Credits - (RECs for Indirect Emissions - Scope 2) - All GHGs	
Definition	<p>Renewable Energy Credit (REC): A type of energy attribute certificate, used, for example, in the U.S. and Australia. In the U.S., a REC is defined as representing the property rights to the generation, environmental, social, and other non-power attributes of renewable electricity generation.</p> <p>Conversion of REC MWh to CO₂e: To calculate scope 2 emissions, the Corporate Standard recommends multiplying activity data (MWhs of electricity consumption) by source and supplier-specific emission factors to arrive at the total GHG emissions impact of electricity use.</p>
Units	million metric tons CO ₂ e
References	<p>Definition for REC: The Greenhouse Gas Protocol. 2015. Scope 2 Guidance, p. 106.</p> <p>Definition for Conversion of MWh to CO₂e: The Greenhouse Gas Protocol. 2015. Scope 2 Guidance, p. 6.</p>

Notes: RECs reported per this indicator should be appropriately accounted for under Indicator 2.1 Indirect GHG Emissions, such that the market-based reporting reflects the RECs also reported in the GHG Mitigation section.

3.1.3 Offsets (Total) - All GHGs	
Definition	Credit instruments resulting from the avoidance or reduction of GHG emissions or the removal of GHGs from the atmosphere that are purchased/developed and retired by the company; can include natural climate solutions (e.g., reforestation/afforestation, wetland restoration, agricultural soil carbon sequestration, coastal or erosion control); can include technology-based solutions (e.g., non-company owned direct air capture); can include other approved protocols to generate offsets.
Units	million metric tons CO ₂ e
References	The API definition draws from these references: <ul style="list-style-type: none"> • The Greenhouse Gas Protocol. 2015. A Corporate Accounting and Reporting Standard. • Taskforce on Scaling Voluntary Carbon Markets. 2020. Consultation Document.

Notes: The definition for the Offsets indicator in the API Template 1.0 draws from the GHG Protocol Corporate Standard, that defines offsets as: Offsets are discrete GHG reductions used to compensate for (i.e., offset) GHG emissions elsewhere, for example to meet a voluntary or mandatory GHG target or cap.¹⁶

This indicator does not include offsets sold by the company.

For the purposes of the Offsets indicator in API Template 1.0, the reported offsets should be consistent with the key characteristics identified by the Taskforce on Scaling Voluntary Carbon Markets (TSVCM), including:

- Real
- Based on realistic and credible baselines
- Monitored, reported, and verified
- Permanent
- Additional
- Only counted once
- Free of leakage (or leakage accounted for)
- Does no net harm.¹⁷

¹⁶ The Greenhouse Gas Protocol. 2015. [A Corporate Accounting and Reporting Standard](#), p. 59.

¹⁷ Taskforce on Scaling Voluntary Carbon Markets. 2020. [Consultation Document](#), p. 58.

Section 4 – Intensity

The API Template 1.0 includes a placeholder for Intensity Indicators, which are essential for an individual natural gas and oil company to report in order to normalize data over time and across companies. API and its member companies are testing suitable options for Intensity Indicators across the same disaggregated segments of the natural gas and oil value chain that feature in Section 1 and Section 2. The selected set of intensity indicators will be included in a subsequent version of the template.

Section 5 – Additional Climate-Related Targets and Reporting

The API Template 1.0 prompts for an individual company to include information on its additional climate-related targets and reporting beyond what is covered in API Template 1.0. Indicators 5.1 and 5.2 prompt companies to check a “yes” or “no” box (no number inserted). Companies may add links to its relevant reports/sources (or others that contain the company’s information) in the “Comments” box (e.g., a link to the TCFD-informed report in the Comments box under the Indicator 5.2). Indicator 5.3 Additional Climate Reporting Resources prompts companies to include additional climate-related reports or publications that were not referenced earlier but which a company believes include relevant and additional information.

Section 5 Indicators – Detailed Definitions

5.1 GHG Reduction Target(s)	
Definition	Check "yes" if your company has a specific GHG reduction target(s). Provide relevant reference links in the Comments box.
Units	n/a
References	n/a

5.2 TCFD-informed reporting	
Definition	Check "yes" if your company publishes TCFD-informed report covering four thematic areas identified by TCFD: governance, strategy, risk management, and metrics and targets.
Units	n/a
References	Task Force on Climate-related Financial Disclosures

5.3 Additional Climate Reporting Resources	
Definition	Include links to additional climate-related reports published by your company.
Units	n/a
References	n/a

Section 6 – Third-party Verification

The API Template 1.0 prompts for an individual company to include information on third-party verification of its GHG emissions reporting:

- Assurance Level: the degree, or level, of the finding from the entity that the individual company engaged for third-party verification. The company should indicate either a “Reasonable” or “Limited” assurance level, per the Definitions and reference in Tab 2 of the API Template 1.0. The "Comments" column in template should be used by company to indicate what was included in the scope of work for the verifier, and any differentiation in the level of assurance for the indicators reported.
- Assurance Provider: the name of the entity that the individual company engaged for third-party verification.

The Assurance Level conducted may vary across the indicators in the API Template 1.0. For some indicators, a different level or a type of assurance may apply, and some indicators might not be assured by a third party. An individual company should include in the comments an explanation of the scope of the Assurance Level indicated as it applies or does not apply to distinct indicators in the API Template 1.0.

Section 6 Indicators – Detailed Definitions

6.1 Assurance level	
Definition	Describe level(s) of assurance, either: 1. Reasonable assurance engagement—An assurance engagement in which the practitioner reduces engagement risk to an acceptably low level in the circumstances of the engagement as the basis for the practitioner’s conclusion. The practitioner’s conclusion is expressed in a form that conveys the practitioner’s opinion on the outcome of the measurement or evaluation of the underlying subject matter against criteria. -OR- 2. Limited assurance engagement—An assurance engagement in which the practitioner reduces engagement risk to a level that is acceptable in the circumstances of the engagement but where that risk is greater than for a reasonable assurance engagement as the basis for expressing a conclusion in a form that conveys whether, based on the procedures performed and evidence obtained, a matter(s) has come to the practitioner’s attention to cause the practitioner to believe the subject matter information is materially misstated. The nature, timing, and extent of procedures performed in a limited assurance engagement is limited compared with that necessary in a reasonable assurance engagement but is planned to obtain a level of assurance that is, in the practitioner’s professional judgment, meaningful. To be meaningful, the level of assurance obtained by the practitioner is likely to enhance the intended users’ confidence about the subject matter information to a degree that is clearly more than inconsequential.
Units	n/a
References	International Standard on Assurance Engagements, 2013, ISAE 3000 (revised 2015), Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

Notes: "Comments" column in the template should be used by company to indicate what was included in the scope of work for the verifier, and any differentiation in the level of assurance for the indicators reported.

6.2 Assurance Provider	
Definition	Name of provider
Units	n/a
References	n/a