

American Petroleum Institute

API Climate-Related Reporting Initiative – Template 1.0 for GHG Reporting
June 2021

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Executive Summary

- API Template 1.0 is designed to enable the voluntary reporting of a concise core set of company-wide GHG indicators.
- The goal of Template 1.0 is to provide decision-useful information in a consistent and comparable manner.
- Template 1.0 prompts for data on Scope 1 and 2 emissions and GHG Mitigation as well as indications of Additional Climate-related Targets and Reporting.
- The template will continue to evolve over time.
- API members that use the template will likely do so in 2022 for 2021 data.

Climate-related Reporting Initiative Process

Objective: Develop a core set of climate indicators to enhance consistency and comparability across company-by-company climate related reporting in our industry

Phase
I

Develop

Member companies reviewed EEI reporting template experience; identified potential indicators; worked to standardize definitions, units, and naming conventions; drafted guidance document

Phase
II

Discuss

Engage with stakeholders to gather feedback on usefulness of indicators and clarity of draft guidance

We are here

Phase
III

Deploy

API member company CEOs adopt API Template; use of template will be voluntary

June 2021

Template 1.0

November 2021

Template 2.0

API accelerated deployment of Template 1.0 given alignment among members and stakeholders
Stakeholder engagement will guide decisions on Template 2.0, to be deployed later in 2021

Template 1.0 Key Features

Core set of GHG indicators

API Definitions tab that standardizes reporting boundaries

API Template 1.0 for GHG Reporting		
As approved by API Executive Committee on June 9, 2021		
General		
Date:		
IPCC AR GWP:		AR4
Basis:		Equity
No.	Indicator	Units
1. Direct GHG Emissions (Scope 1)		
1.1	Direct GHG Emissions (Scope 1) - All GHGs	(million metric tons CO ₂ e)
1.1.1	Upstream - All GHGs	(million metric tons CO ₂ e)
1.1.1.1	CH ₄	(million metric tons CO ₂ e)
1.1.1.2	Upstream Flaring - All GHGs (subset of Scope 1)	(million metric tons CO ₂ e)
1.1.1.3	Volume of Flares	(mmcf)
1.1.2	Midstream - All GHGs	(million metric tons CO ₂ e)
1.1.2.1	CH ₄	(million metric tons CO ₂ e)
1.1.3	Downstream - All GHGs	(million metric tons CO ₂ e)
1.1.4	LNG - All GHGs	(million metric tons CO ₂ e)
1.1.5	Oil and Natural Gas Field Services - All GHGs	(million metric tons CO ₂ e)
2. Indirect GHG Emissions from Imported Energy (Scope 2)		
2.1	Indirect GHG Emissions from Imported Electricity + Heat + Steam + Cooling (Scope 2, Market-based)	
2.1.1	Upstream - All GHGs	(million metric tons CO ₂ e)
2.1.2	Midstream - All GHGs	(million metric tons CO ₂ e)
2.1.3	Downstream - All GHGs	(million metric tons CO ₂ e)
2.1.4	LNG - All GHGs	(million metric tons CO ₂ e)
2.1.5	Oil and Natural Gas Field Services - All GHGs	(million metric tons CO ₂ e)
3. GHG Mitigation		
3.1	GHG Mitigation from CCUS, Credits, and Offsets	(million metric tons CO ₂ e)
3.1.1	Carbon Capture Utilization or Storage (CCUS) - All GHGs	(million metric tons CO ₂ e)
3.1.2	Renewable Energy Credits - (RECs for Indirect Emissions) - All GHGs	(million metric tons CO ₂ e)
3.1.3	Offsets - All GHGs	(million metric tons CO ₂ e)
4. Intensity - Direct GHG Emissions (Scope 1)		
Pending API member company testing of suitable options; selected set of intensity indicators will be included in a subsequent version of the template		
5. Additional Climate-Related Targets and Reporting		
5.1	GHG Reduction Target(s)	<input type="checkbox"/> Yes <input type="checkbox"/> No
5.2	TCFD-informed reporting	<input type="checkbox"/> Yes <input type="checkbox"/> No
5.3	Additional Climate Reporting Resources	include links in the Comments Box
6. Third-party Verification		
6.1	Assurance Level	
6.2	Assurance Provider	
1 - API Template 1.0 2 - API Definitions		

Uniform units

Placeholder for Intensity Indicators for Template 2.0

Section on Additional Climate-related Targets and Reporting

Encourages Third-Party Verification

Template: General Section at Top

General		
1.1	Date:	
1.2	IPCC AR GWP:	<i>AR4</i>
1.3	Basis:	<i>Equity and/or Operated</i>

- Template prompts for company-wide GHG reporting
- A company indicates date for reporting
- All data to be reported per 100-year global warming potential (GWP) values in IPCC Fourth-Assessment Report
- Template accommodates individual company reporting over time on both Equity and Operated bases

Section 1: Direct GHG Emissions (Scope 1)

No.	Indicator	Units	2020	2021	Comments
1. Direct GHG Emissions (Scope 1)					
1.1	Direct GHG Emissions (Scope 1) - All GHGs	(million metric tons CO ₂ e)	-		
1.1.1	Upstream - All GHGs	(million metric tons CO ₂ e)			
1.1.1.1	CH ₄	(million metric tons CO ₂ e)			
1.1.1.2	Upstream Flaring - All GHGs (subset of Scope 1)	(million metric tons CO ₂ e)			
1.1.1.3	Volume of Flares	(mmcf)			
1.1.2	Midstream - All GHGs	(million metric tons CO ₂ e)			
1.1.2.1	CH ₄	(million metric tons CO ₂ e)			
1.1.3	Downstream - All GHGs	(million metric tons CO ₂ e)			
1.1.4	LNG - All GHGs	(million metric tons CO ₂ e)			
1.1.5	Oil and Natural Gas Field Services - All GHGs	(million metric tons CO ₂ e)			

- Disaggregation by segments oil and natural gas Value Chain (Upstream, Midstream, Downstream, LNG) and Supply Chain (Oil and Natural Gas Field Services)
- Includes reporting of All GHGs as well as Methane separately
- Includes reporting of subset emissions on Flaring
- Boundaries for disaggregation based on US EPA Greenhouse Gas Reporting Program (GHGRP)

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

2. Indirect GHG Emissions from Imported Energy (Scope 2)				
2.1	Indirect GHG Emissions from Imported Electricity + Heat + Steam + Cooling (Scope 2, Market-based)			
2.1.1	Upstream - All GHGs	(million metric tons CO ₂ e)		
2.1.2	Midstream - All GHGs	(million metric tons CO ₂ e)		
2.1.3	Downstream - All GHGs	(million metric tons CO ₂ e)		
2.1.4	LNG - All GHGs	(million metric tons CO ₂ e)		
2.1.5	Oil and Natural Gas Field Services - All GHGs	(million metric tons CO ₂ e)		

- Includes reporting of indirect GHG emissions from all relevant sources of imported energy for oil and natural gas, consistent with GHG Protocol *Scope 2 Guidance*
- Prompts for market-based reporting in order to reflect actual GHG emissions profile of imported energy

Section 3: GHG Mitigation

3. GHG Mitigation				
3.1	GHG Mitigation from CCUS, Credits, and Offsets	(million metric tons CO ₂ e)	-	-
3.1.1	Carbon Capture Utilization or Storage (CCUS) - All GHGs	(million metric tons CO ₂ e)		
3.1.2	Renewable Energy Credits - (RECs for Indirect Emissions) - All GHGs	(million metric tons CO ₂ e)		
3.1.3	Offsets - All GHGs	(million metric tons CO ₂ e)		

- Prompts for reporting of company-wide mitigation of GHGs across three main categories
 - CCUS: new API Definition that covers CO₂ (1) captured, (2) from anthropogenic sources or from atmosphere, (3) for storage or utilization, *and* (4) that would have been emitted or remained in atmosphere
 - Offsets: new API definition that covers credit instruments resulting from (1) avoidance, reduction, or removal of GHGs from atmosphere that (2) are purchased and retired by company

Section 4: Intensity (Placeholder)

4. Intensity - Direct GHG Emissions (Scope 1)

Pending API member company testing of suitable options; selected set of intensity indicators will be included in a subsequent version of the template

- Expected to be included in Template 2.0
- Expected to prompt reporting of company-wide intensity indicators disaggregated in the same way as Scope 1 and Scope 2

Section 5: Additional Climate-related Targets and Reporting

5. Additional Climate-Related Targets and Reporting					
5.1	GHG Reduction Target(s)	<input type="checkbox"/> Yes <input type="checkbox"/> No			
5.2	TCFD-informed reporting	<input type="checkbox"/> Yes <input type="checkbox"/> No			
5.3	Additional Climate Reporting Resources	Include links in the Comments Box			

- Prompts for indication (Yes or No) of any company-wide GHG reduction target(s)
- Prompts for indication (Yes or No) of any company TCFD-informed reporting
- Provides company opportunity to direct stakeholders to Additional Climate-related Reporting Resources

Template: Third-Party Verification

6. Third-party Verification

6.1 Assurance Level

6.2 Assurance Provider

- Prompts for reporting of Assurance Level, i.e., degree, or level, of the finding from the entity engaged for third-party verification
- Provides place to name Assurance Provider engaged for third-party verification

Template: API Definitions

2 - API Definitions

Definitions for Initial Draft API Template for standardizing GHG emissions reporting

1. General		Definition	Reference to Applicable Source
1.1	Date published:		IPCC Fourth Assessment Report (2007), Table 2.14, p. 24 in chapter "Changes in Atmospheric Constituents and in Radiative Forcing," https://www.ipcc.ch/site/assets/uploads/2018/02/ar4-wg1-chapter2-1.pdf .
1.2	IPCCAR GWP:	AR4	
1.3	Basis:	<i>Equity</i> 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.	IPIECA-API-IOGP <i>Sustainability Reporting Guidance for the Oil and Gas Industry</i> , 2020, p. 1.34, https://www.iecea.org/our-work/sustainability-reporting/sustainability-reporting-guidance/

- Details needed to standardize reporting for consistency and comparability are in Definitions and References in separate Tab 2 of spreadsheet
- Most of these derive from EPA GHGRP and GHG Protocol

Template Benefits

API's reporting template addresses multiple gaps within existing climate-related reporting templates and offers standardization of decision-useful GHG indicators. Key benefits:

- ✓ **Complementary to other climate-related reporting frameworks** and takes into account relevant GHG emissions reporting indicators from these frameworks
- ✓ Provides **decision-useful and relevant information** to the financial sector for the investment and rating process
- ✓ **Enhanced consistency and comparability** across company-by-company climate-related reporting in the oil and natural gas industry
- ✓ **Mitigates against questionable reporting** or efforts that undermine the industry's ability to engage in capital markets

Definitions

IPIECA-API-IOGP Sustainability Reporting Guidance: The Sustainability reporting guidance for the oil and natural gas industry is a key tool to help companies shape the structure and content of their sustainability reporting. It brings together the collective wealth of technical expertise from the membership of the three associations. The guidance has existed since 2005, and its 4th update was completed in 2020. It provides direction on the content of a typical industry report by covering 21 sustainability issues and 43 indicator categories. These issues and indicators have been selected based on industry consensus, together with significant insights and suggestions from an independent panel of stakeholders with expertise in the sector and sustainability reporting. These sustainability issues and indicators are listed below, with links to IPIECA's guides, tools and materials that help members and industry address them. ([Additional Information](#))

GHG Protocol: GHG Protocol establishes comprehensive global standardized frameworks to measure and manage greenhouse gas (GHG) emissions from private and public sector operations, value chains and mitigation actions. Building on a 20-year partnership between World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), GHG Protocol works with governments, industry associations, NGOs, businesses and other organizations. Greenhouse Gas Protocol provides the world's most widely used greenhouse gas accounting standards for companies. The GHG Protocol standards and guidance enables companies to measure, manage and report greenhouse gas emissions from their operations and value chains. ([Additional Information](#))

IPCC: The Intergovernmental Panel on Climate Change (IPCC) is the United Nations body for assessing the science related to climate change. The IPCC provides regular assessments of the scientific basis of climate change, its impacts and future risks, and options for adaptation and mitigation. Created in 1988 by the World Meteorological Organization (WMO) and the United Nations Environment Programme (UNEP), the objective of the IPCC is to provide governments at all levels with scientific information that they can use to develop climate policies. IPCC reports are also a key input into international climate change negotiations. ([Additional Information](#))