



# EXECUTIVE SUMMARY OF ACCOUNTING AND REPORTING GUIDELINES

FOR EXECUTIVE ORDER 1  
DECEMBER 2019 | VERSION 1.0

These 11 sections were written in order to ensure consistency and clarity across agency baselines, goals, and data reporting.

## 1. BASE YEAR FOR TARGETS IN EXECUTIVE ORDER 1

The proposed accounting strategy for measuring baselines and future progress is as follows:

Fiscal year 2020 (July 1, 2019-June 30, 2020) will serve as the *water and waste base year* for target tracking. Fiscal year 2019 (July 1, 2018-June 30, 2019) will serve as the *GHG base year* for target tracking.

The EO 1 GHG target will be translated into a percent reduction from FY19 once the 2018 state-wide Connecticut annual GHG inventory is available.

## 2. VOLUNTARY AGENCY INCLUSION IN THE TARGET

Several state organizations outside of the Executive Branch elected to be part of Executive Order 1.

These voluntary participants are not subject to the EO 1 goals for 2030, nor are their activities or environmental impacts included in the base year. Voluntary participants are encouraged to set their own targets to match or exceed those in EO 1 and may opt-in (or opt-out) to develop Sustainability Performance Plans reflecting progress towards the EO targets or their own more stringent targets.

## 3. ORGANIZATIONAL BOUNDARIES

EO 1 takes an inclusive approach and applies to activities in buildings or assets that the state owns or uses as a tenant/lessee from a 3rd party\*. This approach excludes assets any leased out to a 3rd party.

This approach fully captures all operations and activities supporting the work of Executive Branch agencies as well as the capital, budgetary resources tax payers spend on state-owned assets.

\*A 3rd party in this context is defined as an entity outside of state government ex. a private leasing agency

## 4. DATA MANAGEMENT IN LEASED/SHARED SPACES

Seven scenarios outline various cases that have been documented by state agencies as **how utility billing occurs**. In this context, data management refers to utility (electric, heating, water, etc) data.

For each of the seven building ownership/landlord-tenant scenarios, a **corresponding data management protocol** has been identified to prevent duplicate data management efforts. See full document for scenarios.

## 5. TRACKING PROGRESS TOWARDS TARGETS

DEEP and OPM will work together to compile all agency reports in EnergyCAP and elsewhere to generate a single Executive Branch total for each target's respective base year, and compile information by October of each year (3-4 months after end of FY) to assess progress.

## 6. AGENCY-SPECIFIC GOALS AND SUBORDINATE GOALS

The progress towards the three primary environmental targets of the EO will be determined based on aggregate reductions across Executive Branch state agencies. Whether lessee or lessor, agencies are responsible for the targets associated with energy, water used, and waste generated by their staff in the spaces they occupy, own, or manage.

Designated agencies may request from the Co-Chairs exceptions or special considerations, with exceptions primarily limited to early action prior to the base year or state security, evaluated on the basis of their impact on the aggregate state target and justification. Requests will be presented to the Steering Committee for final evaluation

## 7. OPERATIONAL BOUNDARIES

The operational boundaries are uniquely defined for each of the 3 environmental target categories: GHG, water, and waste.

For any categories excluded from the operational boundaries set in this document, agencies are encouraged to collect data and eventually set their own targets over time.

## 8. BASELINE RECALCULATION POLICY

This recalculation policy directs agencies to develop and monitor internal processes for comparing annual emissions in the occurrence of structural changes. When needed, agencies must provide reasoned support for agency-specific recalculation of its baseline emissions to the Steering Committee for approval.

## 9. DATA QUALITY MANAGEMENT PROTOCOL

At minimum, DEEP in consultation with state agencies should be continuously implementing six identified QA/QC measures related to scrubbing the EnergyCAP database for duplicate bills and outlier utility bills, examining default emission factors and others.

## 10. GHG ACCOUNTING OF EMISSIONS FROM USE OF RENEWABLE ELECTRICITY

In the near-term, if information on Renewable Energy Credit (REC) purchases distinguished by fuel type are not available for any state purchases or from the state's electricity supplier, electricity emissions will only be estimated using the default eGRID emission factor in EnergyCAP.

If an agency sells the RECs associated with its onsite renewable energy project, it would need to:

- a. Buy replacement RECs - called REC arbitrage - to fulfill its zero-emissions claim, or
- b. Apply an adjusted regional average grid emissions factor to the electricity use, as though it were purchased from the utility.

## 11. ACCOUNTING AND REPORTING FOR BIOGENIC EMISSIONS

Biogenic emissions\* should be included in both agency and Executive Branch base year and target tracking and count fully at the point of combustion in the Executive Branch GHG emissions target.

\*Defined as emissions from the combustion of carbon-sequestering materials