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SHOULD YOU CONSIDER VERIFYING YOUR 2008 CALIFORNIA AB 32 GREENHOUSE GAS EMISSION REPORT?

By Enrique Medina, MS, CIH

If your facility is one of the more than the 600 California refineries, cement plants, electricity retailers and marketers, and large stationary combustion sources that prepared and submitted Greenhouse Gas Emissions Report for the 2008 year as part of the Global Warming Solutions Act (AB 32), one question you may be asking is: should you conduct verification of your report this year?

The reporting regulation requires periodic independent verification of reports by Air Resource Board-accredited Verification Bodies no later than six months after the reporting deadline, by December 1, 2009. Verification of GHG reports is optional for this year but will be mandatory next year, and must be completed six months after the 2009 reports are due. For some facilities, the reporting deadline is April 1, and others June 1.

The purpose of verification is to impartially render a favorable or adverse opinion as to the materiality and conformance of the GHG report. The materiality test is based on the accuracy of the data, while conformance relates to compliance with all the regulatory requirements. For materiality, the fuel meter must be accurate to within 5% of calibration, and the total facility carbon dioxide emissions reported must be within 20% of the correct value.

While reporters can use "best available data" this year, they must meet all data requirements contained in the regulation for data collected in 2009. ARB is encouraging reporters to undergo some form of verification of their initial reports in order to identify problems early, make corrections to the 2009 data in preparation for the 2010 reports, and ensure the system is compliant before collecting the 2010 data. The two types of verification options recommended are informal verification, and full verification.

Informal verification involves hiring an ARB-accredited Lead Verifier or Consultant to verify the report without submitting the opinion to ARB. The Verifier can issue an internal opinion following ARB Verification Protocols, and identify material and conformance issues that need correction. The Consultant can also recommend solutions to the outstanding issues. A Verifier can legally act in a consulting role, however in keeping with the regulation's conflict of interest rules, she or he cannot subsequently

work as a verifier for that facility's owner for a period of three years. One side benefit of this option is that the reporter can still modify their previously certified data prior to December 1, 2009 to correct any discrepancies uncovered during the informal verification.

The second option involves undergoing a complete verification through a Verification Body, and submitting the opinion to ARB. This option requires contracting an ARB-accredited Verification Body, which then selects the Verification Team composed of at least the Lead Verifier, sector expert, and independent reviewer. It requires additional time to submit a Notice of Verification Services and undergo a Conflict of Interest review with ARB before proceeding with the verification activities, and visiting every reporting site. At the conclusion of the site verification activities, the Independent Reviewer reviews the verification report and ratifies or rejects the opinion. The Verification Body then submits the final opinion to the facility and to ARB. In this option, the facility has 10 days or longer to correct issues before the VB issues and adverse opinion.

A number of factors, such as scope of work, number of facilities, verification cycle, and time required will determine which option is best suited for a particular facility. Of course, the third option is to skip verification until it is required in 2010.

We are pleased to announce that Alliance Consulting International has a Lead Verifier accredited by the California Air Resources Board for general stationary combustion sources and as electricity transactions specialist for electrical retailers and marketers. We can conduct informal verifications of your initial reports, provide consulting services, and help you prepare for next year's GHG reports. Alliance also has established relationships with other Lead Verifiers and Verification Bodies to conduct formal verifications.

If you have any questions or would like to discuss GHG reporting and verification options or other health, safety or environmental issues, please contact us at (619) 297-1469 or send us an email at emedina@pulse-point.com.

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Alliance Consulting International
Partners in Environmental and Occupational Health and Safety
3361 28th St.
San Diego, California 92104
(619)297-1469
(fax (619)297-1023
emedina@pulse-point.com
www.pulse-point.com

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