

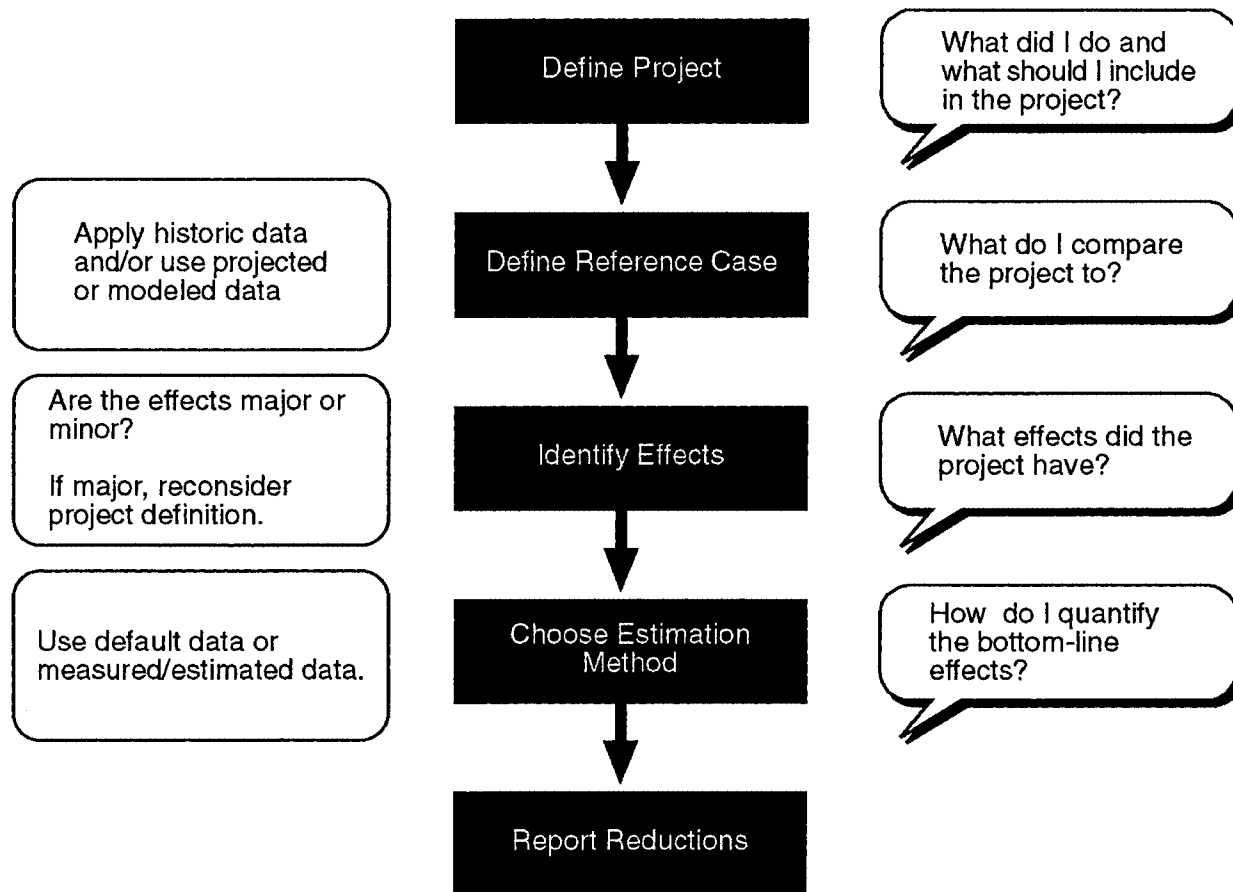
provides specific rules and appropriate methods for every type of project. The appropriate procedure for project analysis depends on how clearly you can identify the effects of the project, how credibly you can define a basis for comparing greenhouse gas emissions or carbon sequestration with and without the project, and how well you can measure or estimate the effects of your project.

While the guidelines provide you with as much flexibility as possible, every report must—

- Establish the reference case to use as a basis for comparison with the project;
- Identify the project's effects; and
- Estimate emissions for the reference case and the project.

Figure GG-1 depicts the overall process of project analysis. Each of these steps is

discussed below and in more detail for each sector in the supporting documents. Note that these three elements depend on each other. For example, your choice of a reference case will depend upon both the scope of your project's effects and the data you use to measure or estimate emissions.



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Figure GG-1. Careful Project Analysis Requires that You Consider Several Interrelated Elements.

In determining the extent of your analysis and reporting effort, you need to match your effort to your purpose for reporting. If you wish to establish a clear record of emissions and emissions reductions, you should perform extensive analysis and provide for retention of sufficient records to support your report. In any case, you will need to certify the accuracy of the information provided in your report.

These considerations and others in the project analysis process are illustrated in these General Guidelines with three hypothetical case studies: An industrial cogeneration project, an energy-efficiency project in a large office building complex, and the purchase of new solar-powered

electricity generating equipment. The case studies are intended to be illustrative and by no means address all of the information that may be reported. A basic description of the facts involved in each case follows. These cases will be more fully developed as the discussion of the steps in project analysis proceeds.

These cases are intended to illustrate the range of detail and expense that might be entailed in developing reports of emissions and emissions reductions. The first case involves no emissions reporting and very simple emissions reductions analysis. The second case involves reporting emissions levels for recent years only and moderately detailed emissions reductions analysis. The

third example illustrates the most comprehensive report, including emissions reporting for the baseline years 1987–1990 and detailed project analysis. Note that in each case the level of effort and detail reflected in the analysis and report is determined by the reporter's expected audience.

Case 1: Rarotonga Coconut Cream, Inc.—Project Description and Emissions Reporting

Note: This example illustrates only one approach to analyzing a project; your analysis, methods, and calculations will vary depending on your particular circumstances, the geographic location of the project, and other factors.