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Dear Book and Claim Stakeholder,

In our Community Launch, we said “true collaboration takes time, transparency, and trust”. Thank you for collaborating with us and building trust, together, in the work areas last month.

An average of 58 people attended each meeting, and a summary for each Work Area is below.

Newsletter content:

- Open Invite – Schedule a ‘Pilot’ Interview
- Work Area 1-4 Summaries
- Capacity-Building: Unit-ization

Questions, please email us Secretariat@BookandClaimCommunity.org.

Sincerely,
The Secretariat

Open Invite: Book and Claim Pilot Interviews

If you’ve completed a book and claim pilot, we invite and encourage you to have a conversation with us. We’re looking to learn from what your organization has tested, be it a standard or guidance, registry, tool, or book and claim transaction. Your experience can help optimize this work across the entire community. To schedule a 30-minute ‘pilot’ conversation with us, please send an email with the subject “Pilot” to secretariat@BookandClaimCommunity.org or directly to giulio.venier@smartfreightcentre.org.

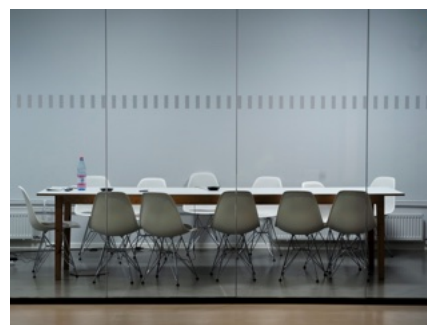
Summary Work Area Convene Sessions 1-4

Thank you for your candid participation in the work area convening sessions. As a diverse set of stakeholders, you all sparked invaluable conversations around the opportunities and challenges of each of the four work areas. Follow along with the conversation via the summaries below. Stay tuned for more on next steps, and don't hesitate to reach out in the meantime.

Work Area 1 - Reporting & Targets

Reporting and targets was a powerful start to the series. Attendees agreed there are gaps between current demand for book and claim, the growing maturity of market tools, and the recognition of these tools by established greenhouse gas reporting and target-setting organizations.

The Community agreed on the importance of seeking acceptance of book and claim by reporting and target-setting bodies like SBTi and GHGP, but also collectively acknowledged that near-term guidance from these bodies is unlikely. Therefore, attendees emphasized the importance of engaging SBTi and GHGP but also of establishing interim best practices for reporting book and claim transactions.



DHL and Deloitte shared their book and claim best-practice examples, illustrating the operational realities of both the carrier and customer sides.

Many questions teased subsequent work areas including additionality, allocation of emission profiles across supply chains, and considerable opportunity for communication and capacity-building around case study work as practitioners look for guidance on how to communicate and account for their work.

Suggested follow-ups included:

- Advocacy Plan – Develop a coordinated strategy for engagement and better understand key concerns of standard-setting bodies
- Expert Convening – Align on fundamental principles of book and claim accounting
- Community Workshop – Share best practices of book and claim accounting and reporting



Certification—Work Area 2

Walking through and reviewing the certification “flow” with 65 of our Community stakeholders proved helpful to many. We set the baseline for this session by reviewing the well-established sustainability certification schemes or “supply chain certifications”, and highlighting how these relate to book and claim systems and climate disclosure standards. We also discussed how these schemes are indexed to existing industry regulatory requirements, and how they relate to the precedent set by the renewable electricity market.

How do we differentiate between the generalized roles in a certification process? What are we talking about when we refer to certification? We reviewed aspects of feedstocks, fuel emissions intensity, chain of custody, etc, in this definition-heavy topic. Along the process from supply chain, through book and claim, and on to climate disclosure, the consensus was that the supply chain is relatively well-defined. The certification processes around book and claim systems and the connection to climate disclosure are areas that deserve collective focus.

Suggested follow-ups included:

- Landscape research – Map the certification landscape, including various design principles and suitability of schemes to different sectors

- Expert workshop – Align on required certification elements for book and claim systems (minimum vs. optional), interoperability of certification schemes (including regulatory)
- Community Workshop – Deep dive on different certification schemes; explore recognition/ interoperability
- Connection to renewable electricity market – What learnings are applicable today? Chemicals/materials markets?

Work Area 3 - Registries & Related Applications

Together, the 50+ attendees reviewed the basics and challenges of using registries and how these registries interact with a set of emerging “related applications” which tie the registries to linked processes like purchasing and reporting. We identified challenges such as standardization and interoperability.

Book and claim requires decoupling physical products or activities from their environmental attributes, while maintaining confidence in the veracity of information about those products or activities. What information? Stored how? Accessible by what set of users? An emerging group of registries is pioneering approaches to these questions in the transportation book and claim space.



We heard from three registry representatives who provided a candid view into operations, decisions, and future plans. RSB, provided insight into its recent work focusing on its four existing retirement pathways. Discussion focused on approaches to unbundling scope 1 and 3, retirement best practices, legal instruments (e.g., contracts) as a risk management tool, and needs that will arise during the impending expansion to other modes beyond aviation.

Shell provided an overview of its blockchain-enabled solution, Avelia, also citing deep attention to veracity of emissions characteristics, data management, and avoidance of double counting.

RMI detailed specifics of their work around the SAF certificate (SAFc) registry in development. Two points help illustrate their focus—first, having two units; second, assurance- and sustainability-focused features to enable consistency, transparency, and reduce risks of erroneous double counting. It’s planned to go live to the public in Q4 of this year.

Following these examples, conversation focused on core needs of registries in the short term (minimum data requirements) and what’s needed from the related software providers, including emissions accounting features and standardizing usability by customers who may end up using multiple tools.

Suggested Follow-ups included:

- Landscape Research – Map the registry landscape, including key characteristics
- Expert Workshop – Identify key points of debate, explore interoperability among registries and across modes
- Community Workshop – Demo of different registries, covering themes such as common units, logging, documentation, and more



Work Area 4 - Capacity-Building & Communication

Dozens of attendees convened around the state of book and claim capacity-building and communication. From the start, it was clear that communicating with our colleagues around the opportunity, market reality, and veracity of book and claim systems can be tough in today’s



busy, often-technical sustainability and emissions landscape. Yet these approvals, from micro-justifications to macro-approvals, are key.

We took a “beginner’s mind” perspective to envision the experience of a newcomer – technical or not – who is considering book and claim accounting approaches and tools. They may start by seeing multiple commercial offerings that arise through search engine results. The new practitioner needs to review and read industry magazines, articles, blog posts, official statements, and even lengthy framework and guidance documentation to figure out an answer for general and technical questions. They might even be unsure yet where the author organization fits into the bigger picture.

Attendees echoed past calls for simplicity in educational materials while also recognizing the value of detailed information, too, on the greater resource map. Participants noted difficulty finding the right words to support the credibility of emissions claims simply and succinctly for non-technical audiences without also raising suspicion of greenwashing.

Maintaining a high level of trust and understanding in book and claim systems is paramount for existing practitioners as they work with internal and external audiences. This clarity will facilitate greater uptake of book and claim tools.

Suggested follow-ups included:

- Communications plan – Develop a coordinated B&C communications effort with planned deliverables and actions
- Resources Hub – Advance knowledge sharing capabilities by creating a website resource hub and expanding Secretariat communications
- Community workshop – Arm comms and technical experts with the skills they need to be effective B&C communicators

Community Capacity-Building

This month, we’re taking the suggestion from our friends in the electricity sector and looking at a concept related to the “unit” within book and claim chain of custody systems:

What are we transacting via book and claim mechanisms?

The answer to this underpins some of the “unit”-ization and why many argue that book and claim interventions are a robust method of reducing scope 1 and 3 emissions, much like similar market-based systems are recognized to be durable reductions of scope 2 emissions.



In the electricity sector, the precedent is that the REC is not defined as a unit of CO2 reduction but rather a verified megawatt hour (MWh) of renewable electricity generated, which is associated with specific environmental attributes.

A REC is a tradeable certificate representing the holder’s legally recognized property right in the environmental attributes associated with the generation of one-megawatt hour of electricity by a renewable resource. Each REC is a unique certificate that may be traded independently from the underlying electricity, and each REC can be retired by or on behalf of its owner in order to claim usage of the renewable generation represented by the REC.

Read more, here, in CRS’ [“The Legal Basis for Renewable Energy Certificates”](#). While RECs aren’t a perfect

mechanism, they do provide a valuable precedent for other book and claim systems to build from.

This physical unit concept is key to book and claim in heavy transport when we are counting our “claimed” transportation alongside other reported data. We generally count utilizing quantity of fuel or quantity of transportation, not tonnes of carbon emissions reduced. There is a reason for this. These are not out-of-value-chain offsets of in-scope emissions. These are operational emissions directly and verifiably reduced somewhere, which can be claimed somewhere else through the acquisition and retirement of low emissions transportation environmental attributes via structured book and claim systems, as if the claimant had consumed the environmental attributes of the booked units themselves.

One area in which heavy transport book and claim systems have the opportunity to improve upon the REC model is in directly and clearly conveying a verified emissions profile or reduction in relation to an established baseline. Maintaining the physical basis of a unit while standardizing and simplifying emissions profile reporting—i.e. showcasing these parallel metrics side-by-side—is a key opportunity to facilitate accurate and simple disclosure.

THANKS!

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