

NATIONAL GRID GREENHOUSE GAS INVENTORY VERIFICATION STATEMENT



Purpose of the statement

WSP has provided independent third party verification of National Grid's 2016/17 greenhouse gas (GHG) inventory, in order to provide limited assurance that the company's reporting is complete, accurate, consistent, transparent and free of material discrepancies.

Scope of reporting and verification

The scope of National Grid's GHG inventory and this verification exercise included all Scope 1 and 2 sources including electricity transmission and distribution (T&D) losses calculated under the Scope 2 location-based method¹. T&D losses were excluded from the calculation and verification of Scope 2 emissions under the market-based method¹. Scope 3 emissions under US Category 3 and 11 were also verified². The GHG inventory applies to all owned and leased facilities under National Grid's operational control.

Assurance parameter	Specification
GHG Calculation and Reporting Protocol	The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition). The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard.
Verification standard	ISO 14064-3
Level of assurance	Limited assurance
Organisational boundary	Operational Control
Geography	Global Operations (UK and US)
Inventory period	US – 1st January 2016 to 31st December 2016 UK – 1st April 2016 to 31st March 2017
Scope of emissions included;	
Scope 1	6,912,627 tCO₂e (metric tonnes carbon dioxide equivalents)
Scope 2 Location-based ¹	3,355,218 tCO₂e à 3,097,106 tCO₂e - T&D losses (92% of Scope 2) à 258,113 tCO₂e - other Scope 2 sources (8% of Scope 2).
Market-based ¹	294,664 tCO₂e - all Scope 2 sources except T&D losses. à The sources included represent approximately 5 to 10% of total market-based emissions if T&D losses were included.
Scope 3 (US only)	à 16,646,266 tCO₂e – Cat. 3 (Fuel & Energy Related Activities). à 14,639,830 tCO₂e – Cat. 11 (Use of Sold Products)
Supporting documents reviewed	à SAP-Sustainability Performance Management system à Emissions calculation spreadsheets à Documentation on activity data à Documentation on emission factors à National Grid staff interviews
Date review complete	6 June 2017

¹ The revised GHG Protocol Scope 2 Guidance (WRI, 2015: www.ghgprotocol.org/scope_2_guidance) requires the dual-reporting of Scope 2 emissions using the location-based and market-based method. These are alternative figures (not to be summed).

² The reported Category 3 emissions include the generation of purchased electricity that is sold to end users in the US, and does not include other activities that can be reported under Category 3, such as upstream emissions. The reported Category 11 emissions include customer use of sold natural gas in the US.

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Limitations

National Grid's management is responsible for preparing the GHG inventory and for the collection and presentation of information within it. WSP's responsibility is to express our conclusions on the agreed verification work. The reliability of the reported information and data is subject to inherent uncertainties given the available methods for determining, calculating or estimating the GHG emissions. It is important to understand our conclusions in this context.

Verification process

Our verification process included the following activities:

- à Face-to-face interviews with managers in the UK and US to understand the processes in place for managing and reporting on National Grid's GHG Inventory;
- à Face-to-face and telephone interviews with GHG data owners in the UK and US; tested on a sample basis the measurement, collection, aggregation and reporting processes in place; assessed internal audit / control processes; and, reviewed relevant supporting documentation;
- à Checking of the data and calculations in National Grids 'SAP Sustainability Performance Management' GHG Inventory tool;
- à Reported our assurance findings to management as they arose to provide them with the opportunity to correct them prior to finalising of our work.

Conclusions

National Grid has addressed all requests for clarification and has completed all necessary corrective actions following the verification activities above. Based on the review processes and covering the scope of emissions stated above, WSP has not found any evidence that National Grid's 2016/17 GHG inventory:

- à is not materially correct;
- à is not a fair representation of the GHG data and information; and
- à has not been prepared in accordance with the Greenhouse Gas Protocol.

Professional conduct

WSP confirms its independence to provide GHG verification services to National Grid. WSP has conducted this review in its capacity as an independent third party in accordance with the ISO14065 International Standard, Greenhouse gases - Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition. ISO 14065 specifies the principles and requirements required of WSP to verify this GHG assertion. WSP has not contributed to the compilation of National Grid's 2016/17 GHG inventory.

The WSP verification team has extensive experience in the provision of GHG assertions and reviewing the supporting GHG information. WSP's experience conducting and reviewing GHG inventories is highlighted by over one hundred reviews during the past decade notably as a technical service provider to the EPA Climate Leaders program and as a CDP Consulting Partner for the US and Canada.

Signed for and on behalf of WSP UK Ltd,

A handwritten signature in black ink, appearing to be 'NB', written over a horizontal line.

Neal Barker
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