

# ENTERPRISE CARBON ACCOUNTING: AN ANALYSIS OF ORGANIZATION-LEVEL GREENHOUSE GAS (GHG) REPORTING AND A REVIEW OF EMERGING GHG SOFTWARE PRODUCTS

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# TABLE OF CONTENTS

<b>INTRODUCTION TO REPORT UPDATE</b>	<b>7</b>
<b>1 EXECUTIVE SUMMARY</b>	<b>8</b>
Emerging Market Requirement	8
Purpose of This Study	8
Summary Findings	9
<i>Organizations</i>	9
<i>Market Size and Vendors</i>	9
<b>2 CARBON REPORTING BECOMES MAINSTREAM</b>	<b>10</b>
Overview of Carbon	10
Little Carbon Regulation Exists Now	10
<i>Europe</i>	10
<i>United States</i>	11
<i>Australia</i>	11
<i>United Kingdom</i>	11
<i>New Zealand</i>	11
<i>Number of Firms Facing Mandatory Regulation Could Increase</i>	12
<i>Regulation of Scope 3 Emissions Is Unlikely</i>	12
<i>List of GHG Regulations</i>	12
Participation in Voluntary Programs Grows	12
Three Additional Forces Drive Carbon Disclosure	14
3,000 Organizations Worldwide Have Calculated Their Footprints	16
Should We Believe the Data?	16
<i>Example From Tesco (U.K.) Report: Significant Portion Based on Estimates</i>	16
Section Summary	17
<b>3 ECA SOFTWARE</b>	<b>18</b>
Unwieldy and Costly Spreadsheets	18
<i>Data Capture Is the Most Labor-Intensive Part of the Initial and On-Going Carbon Accounting Process</i>	18
<i>Should I Stay With Spreadsheets or Invest in ECA Software?</i>	19
An Expanding Vendor Market	19
An Estimated 227 Organizations Currently Use a Commercial ECA Software Product	23
Case Studies of Early Users of ECA Software	25
Demand for ECA Software Will Quadruple in Three Years	25
<i>Natural Evolution From Spreadsheets to RFP</i>	25
But New Sales Slow in 2009 at Estimated 30 New ECA Units	25
Breadth of Solutions Varies: Solutions for Energy and Carbon Merge	26
Products Influenced by Historical Strength of Vendor	26
Seven Early Leaders Emerge	27
20 Key Features	28
<i>20 Key ECA Software Features That Drive Business Benefits</i>	29
Section Summary	30
<b>4 CONCLUSIONS AND RECOMMENDATIONS</b>	<b>31</b>
<b>5 VENDOR PROFILES (COUNTRY OF HEADQUARTERS)</b>	<b>32</b>
Best Foot Forward (UK)	33
C3 (US)	34
CA (US)	35

Carbonetworks (CA)	37
CarbonSim (AU)	38
CINTELLATE (AU)	39
Cisco (US)	40
Clean Air, Cool Planet (US)	41
Clear Standards (US)	42
Climate Earth (US)	43
C-Lock Technology (US)	44
CSRware (US)	46
Dakota Software (US)	47
Ecologix Knowledge Solutions (IN)	49
Ecospeed (CH)	51
Enablon (US)	53
Enverity (US)	55
Enviance (US)	56
EPA Climate Leaders (US)	58
eQuilibrium (US)	60
ESS (US)	61
Greenstone Carbon Management (UK)	63
HP (US)	64
ICLEI (US)	65
IHS (US)	66
Intelix Technologies (CA)	68
Johnson Controls (US)	70
LLamasoft (US)	72
Microsoft (US)	73
OpenEco.org (US)	74
Pace (US)	76
PE International (DE)	78
Perillon Software (US)	80
ProcessMAP (US)	81
Quantum Compliance Systems (US)	83
Revolution ID (NZ)	84
SAP (DE)	86
SAS (US)	87
Schneider Electric (FR)	88
StakeWare (US)	90
Supply Chain Consulting (AU)	92
The Climate Registry (US)	94
Torrie Smith (CA)	96
Tradeslot (AU)	97
TRIRIGA (US)	99
Verisae (US)	101
Vintara (US)	102
VisionMonitor (US)	104
Wipro Technologies (IN)	105
Zerofootprint (CA)	107
<b>6 REFERENCES</b>	<b>108</b>

## LIST OF FIGURES

Figure 1-1: Number of Reporting Organizations Expected to Triple in the U.S.*	13
Figure 1-2: Vendors Grouped by Company Type	20
Figure 1-3: List of Commercial Vendors and Product Names	21
Figure 1-4: Commercial Vendors by Geography	22
Figure 1-5: Estimated Number of Worldwide Enterprise Customer Deployments	23
Figure 1-6: Customer Needs and Vendor Categories	26
Figure 1-7: Advantages of Different ECA Software by Category	28
Figure 1-8: 20 Key ECA Software Features That Drive Business Benefits	29

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Groom Energy Solutions, Pure Strategies and Greentech Media are independent of any software vendors reviewed in this report. Neither company has a financial arrangement or partnership with any vendor of the vendors listed here.

### ***Areas of Enterprise Carbon Accounting Not Covered in This Report***

This report is about carbon accounting for an organization's operations and does not cover other ECA categories such as carbon auctions, offset management, scope 3 emission tracking, supply chain tracking, product life cycle analysis (e.g., Gabi, SimaPro) or specialized carbon tools (e.g., tools for land use, agriculture and CO2 soil sequestration). This report also does not address issues in carbon accounting methodology, verification and regulation.

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### *Comments and Suggestions*

Email comments and suggestions welcomed. Please email them to [GHGreport@GroomEnergy.com](mailto:GHGreport@GroomEnergy.com).

### *Acronyms Used in This Report*

CDP	Carbon Disclosure Project
CCAR	California Climate Action Registry
ECA	Enterprise Carbon Accounting
EHS	Environmental, Health and Safety
EPA	(United States) Environmental Protection Agency
EU ETS	European Union Emissions Trading Scheme
GHG	Greenhouse Gas
NGO	Non-government organizations
LCA	Life Cycle Assessment
RGGI	Regional Greenhouse Gas Initiative
TCR	The Climate Registry

## INTRODUCTION TO REPORT UPDATE

This May 11, 2009 report is an update to the original December 15, 2008 report and includes the following updates:

- » 12 new vendor profiles (one removed - Oracle), for a total of 51 total profiles
  1. C3
  2. CA
  3. CINTELLATE
  4. Climate Earth
  5. Ecologix Knowledge Solutions
  6. Ecospeed
  7. Greenstone Carbon Management
  8. HP
  9. Pace
  10. Revolution ID
  11. Vintara
  12. Wipro Technologies
- » Revised estimates of enterprise customer deployments by vendor
- » Estimated new sales of ECA software in 2009
- » Minor updates to text (e.g., updated GHG regulation)
- » Identification of seven Emerging ECA Leaders, based on vendor financial stability, number of customer deployments, strength of product and technology and vision
- » (Listed alphabetically)
  - » Clear Standards
  - » Enviance
  - » ESS
  - » IHS
  - » Johnson Controls
  - » PE International
  - » ProcessMAP

Seven additional vendors were identified late in this report update cycle and sufficient time was not available for a fair and complete vendor analysis. These vendors are not included in this update, but may be in future updates. They are: eComponents Technology, Enbase Technology Solutions, Future121, Green Oak Solutions, Summit Energy, Systar Sustainable Software Solutions and Verteego.

For our current list of ECA vendors, visit [www.GroomResearch.com](http://www.GroomResearch.com).

# 1 EXECUTIVE SUMMARY

## Emerging Market Requirement

Global climate change is one of the most pressing issues of our time and Greenhouse Gas (GHG) emissions have been identified as a key contributing factor. The measurement and reporting of GHG,<sup>1</sup> often expressed in terms of carbon emissions, is essential to help prioritize sustainability investments and for stakeholder communication. Yearly disclosure of an organization's carbon emissions is indispensable if an organization and its stakeholders are to accurately assess progress towards reduction goals.

We call this emerging business process of calculating, managing, reporting, reducing and trading carbon emissions – **Enterprise Carbon Accounting (ECA)**. In this report, we focus on the data management aspects of ECA as our analysis shows that data management is a critical factor for success.

As investors, customers, employees, communities and governments insist on more accurate carbon emission data, organizations are beginning to track carbon emissions as rigorously as they track revenue and expenses. Just as organizations purchased financial accounting software to automate their process of financial data management, they will similarly invest in ECA software to automate the process of carbon data management.

## Purpose of This Study

The purpose of this study is to help organizations better understand the emerging trends associated with the calculation and disclosure of carbon emissions and to identify and to evaluate software vendors in 2009. The primary audience for this report is CIOs, CFOs, Directors of EHS and Sustainability, and sustainability and environmental consultants who will be assisting their clients in selecting vendors. Our goals are to save you research time and to help you make better decisions when selecting an ECA solution.

The report is based on our client work and research over the last 12 months. Our client work with leading firms like Dell, EMC, Oakhurst Dairy, Raytheon, Seventh Generation, Timberland and others has been invaluable. We have interviewed dozens of corporations, universities, institutions and regulatory groups about their challenges in calculating, monitoring and reporting their enterprise carbon emissions. Participating at key events such as the last three EPA Climate Leaders (EPA CL) meetings, four recent The Climate Registry (TCR) meetings, a California Climate Action Registry (CCAR) conference, two Regional Greenhouse Gas Initiative (RGGI) workshops and numerous conferences like Carbon America has enabled us to validate our emerging conclusions.

## Summary Findings

### *Organizations*

- » Organizations expect increased carbon regulation, especially in the United States coincident with a new Presidential administration
- » Carbon reporting at the organizational-level has become mainstream and participation in voluntary carbon registry programs will continue to increase
- » Most organizations today use spreadsheets to track and manage carbon emissions, but spreadsheets become unwieldy and unmanageable as needs increase
- » An estimated 3,000 organizations worldwide of all sizes have calculated their organization's carbon emission

### *Market Size and Vendors*

- » Enterprise Carbon Accounting (ECA) is emerging as a new software category
- » The market for ECA software is still nascent and an estimated 227 organizations worldwide have deployed a commercial ECA software product
- » Despite the early stage of the current ECA market, many vendors see opportunity. Fifty-one vendors offer software products and additional new offerings are expected
- » Most products are new and not widely deployed
- » The number of organizations using ECA software is expected to quadruple in the next three years
- » Organizations evaluating ECA software products in 2009 should consider 20 key software features in their vendor evaluations
- » Emerging ECA Leaders are based on number of customer deployments, financial stability and strength of product and vision. However, numerous new products (from CA, Microsoft and others) have just entered the market and we anticipate new leaders to emerge over time
- » Emerging ECA Leaders (listed alphabetically)
  - » Clear Standards
  - » Enviance
  - » ESS
  - » IHS
  - » Johnson Controls
  - » PE International
  - » ProcessMAP