

# DO YOU KYOTO? Credit System Implementation Guidelines

## Article 1: Basic Concept

### 1. Purpose

Kyoto City has established the DO YOU KYOTO? Credit System (hereinafter referred to as the “System”) in order to promote reduction of greenhouse gas emissions from the communities such as local organizations and shopping districts in Kyoto City (hereinafter referred to as the “Community”). Under the System, the greenhouse gas emissions reduction achieved by each Community through pro-environmental actions is certified as tradeable credits.

### 2. Policy

The Japanese government has established the J-Credit Scheme, which complies with international standards, as a national system for certifying greenhouse gas emissions reductions as credits. However, due to the requirement for a substantial scale of reduction for a project to be viable, it is difficult to certify small-scale reductions as credits. In addition, the national system does not include reductions achieved through energy-saving actions within local communities, making it essential for Kyoto City as a local municipality, governing close to its citizens, to fulfill its role in this regard. On the other hand, reduction achieved through energy-saving activities by small and medium-sized businesses are promoted under the prefectural government, in collaboration with Kyoto City, Kyoto Prefecture, and economic quarters. Moreover, since reductions are to be certified as credits of monetary value, it is most important to maintain the reliability of the System.

In the System, credits earned through energy-saving efforts from the daily activities of citizens and shopping districts are to be utilized to offset greenhouse gas emissions that cannot be reduced despite voluntary efforts by organizers of local events or large-scale businesses in the city. This creates a virtuous cycle and further promotes energy conservation in the region. In addition, actual emissions reductions are certified as credits, not calculated estimates. Under this basic policy, Kyoto City defines the principles and clear procedures to ensure reliability of the System.

### 3. Definitions

[Emissions Reduction Project]

An initiative aimed at reducing greenhouse gas emissions through operational.

[Emissions Reduction Implementer]

An individual or organization that implements the Emissions Reduction Project to reduce its greenhouse gas emissions.

[Boundary]

The geographic or physical boundary within which the Emissions Reduction Project is implemented.

[Monitoring]

The process of measuring and recording the data necessary for calculating the amount of greenhouse gas emissions reduction.

[Community]

An organization, such as a local organization or shopping district, that is primarily composed of non-business residential units (hereinafter referred to as “Households”) and small stores (hereinafter referred to as “Stores”).

#### 4. Principles for Ensuring Reliability

To ensure the reliability of the System, the procedures governing the planning and implementation of the Emissions Reduction Project, as well as monitoring, calculation, and verification, shall give maximum consideration to the following principles. In cases where limitations are applied to each principle, such limits shall be clearly indicated using numerical values.

(1) Completeness

All emission-related activities associated with both the Emissions Reduction Project and its baseline shall be fully identified, and greenhouse gas emissions during the calculation period shall be comprehensively accounted for.

Exceptions specified in Article 1, Paragraph 8, Item 4 shall be excluded in the calculations.

(2) Consistency

The same methodologies and data sets shall be used to ensure that the amount of greenhouse gas emissions reduction during the calculation period, is calculated in a manner that allows proper comparisons to be made.

(3) Accuracy

The process of estimation based on assumptions shall be avoided to the greatest extent possible. Biases and uncertainties inherent in measurement and calculation shall be minimized, so that the required level of accuracy can be ensured.

(4) Transparency

Adequate and appropriate procedures, information, and processes shall be disclosed to enable participants in the System as well as third parties to make decisions with reasonable confidence.

(5) Conservativeness

Conservative assumptions, values, and procedures shall be used to ensure that the reduction amount of greenhouse gas emissions is not overestimated.

(6) Other

The principle of “additionality,” which is based on a fact that pro-environmental actions which would result in emission reduction have not been taken so far, shall not be required in the registration review of the Emissions Reduction Project, since the System does not necessarily require investments such as energy-saving renovations or installation of high-efficiency equipment at residences or stores, but rather aims to actively evaluate emissions reduction resulting from lifestyle changes.

## 5. Management Structure of the System

The System shall be implemented by Kyoto City with functions managed by the following organizations.

Organizations	Functions
Global Environment Policy Office, Environmental Bureau, City of Kyoto	<ul style="list-style-type: none"><li>- Administrative duties related to operation of the System</li><li>- Registration review, and approval of the Emissions Reduction Project</li><li>- Certification and issuance of DO YOU KYOTO? credits</li><li>- Operation and management of the management ledger of DO YOU KYOTO? Credit (Credit Management Ledger)</li><li>- Decisions on other matters necessary for operation of the System</li></ul>
Environmental Council, Committee for Global Warming Countermeasures Promotion	<ul style="list-style-type: none"><li>- Appraisal and reflection as necessary of reports on operation of the System</li></ul>

## 6. Target for DO YOU KYOTO? Credit Certification

The System shall identify a Community as an Emissions Reduction Implementer, and the credit shall be certified for reduction of carbon dioxide emissions in Households and Stores that comprise the Community, specifically those associated with the consumption of electricity, city gas, and propane gas.

Carbon dioxide emissions generated from other energy sources, such as kerosene, gasoline, and other volatile fuels, shall be excluded from the certification target.

## 7. Issuing Unit for DO YOU KYOTO? Credit

Each DO YOU KYOTO? Credits shall be issued in units of 100 kg-CO<sub>2</sub>, with a unique serial number assigned to each unit.

## 8. Calculation of the Reductions

### (1) Establishing the Boundary and Developing a Monitoring Plan

In principle, reductions shall be calculated in the Household, Store, or at other unit-level locations. However, the treatment of shared areas shall be determined separately.

A specific area in which carbon dioxide emissions can be calculated and emissions reduction activities are implemented shall be designated as the Boundary under the Emissions Reduction Project. Sources of carbon dioxide emissions within the Boundary shall be identified, and a Monitoring Plan shall be developed that specifies the locations (Monitoring Points) and methods (Monitoring Patterns).

### (2) Calculation of Baseline Emissions

Baseline emissions shall be determined based on monthly calculations of energy consumption recorded during the one-year period preceding the month in which the Emissions Reduction Project begins (hereinafter referred to as the “Start Month”).

The Initial Month shall be either the month in which registration application for the Project is submitted, or the following month. The calculated baseline emissions shall remain valid only for a two-year period, ending in the month preceding the second anniversary of the Initial Month (hereinafter referred to as the “End Month”).

### (3) Calculation of the Reductions

Emissions after implementation of the Emissions Reduction Project shall be calculated by regularly conducting Monitoring in accordance with the established Monitoring Plan. Monitoring may be substituted by statements issued by electricity and gas suppliers (hereinafter referred to as the “Meter Reading Slip”).

When using the Meter Reading Slip for Monitoring, the energy consumption recorded for the month in which the meter reading date falls shall be treated as the consumption period for that month.

As a general rule, credits for the Emissions Reduction Project shall be certified once per year.

A certification period shall begin at either the Start Month, or the month following the month in which the previous certification was completed (Certification Start Month), and shall end in either the month in which the next certification is completed (Certification Completion Month), or the End Month.

The implementation period of the Emissions Reduction Project shall be limited to two years, and re-registration of the Project after the end of the implementation period shall not be permitted.

Reductions achieved through implementation of the Emissions Reduction Project shall be calculated by subtracting emissions generated after implementation from the baseline emissions.

(4) Exceptions

In the case of certification within one year from the Start Month, if a member of a Community has kept all Meter Reading Slips for the applicable certification period, but the Meter Reading Slips do not show energy consumption data for the same month of the previous year, then the reductions for that month shall not be calculated for the member in question, upon submission of the Application for Modification or Termination of Emissions Reduction Project (Article 2, Paragraph 2, Item 5).

(5) Other

a) Significant reductions due to factors other than emission reduction activities:

If, after the implementation of the Emissions Reduction Project, a significant reduction in emissions is observed due to factors such as the decommissioning of equipment, a significant decrease in the number of residents, or activity levels, and it is deemed unreasonable to attribute such significant reductions to the Project, the reductions shall not be certified as DO YOU KYOTO? Credits.

b) Emission factors:

The emission factors used to calculate the reductions shall be as specified in Appendix 1. The emission factors applied at the time of registration of the Emissions Reduction Project shall remain fixed throughout the certification period of the Project.

## Article 2: Management of DO YOU KYOTO? Credit

(1) Certification and Registration of Credits

Upon certifying a credit, Kyoto City shall record it in the Credit Management Ledger (Form No. 1; hereinafter referred to as the “Ledger”).

(2) Application for Credit Purchase

Any individual or organization intending to purchase credits (hereinafter referred to as the “Applicant”) shall submit in advance to Kyoto (Global Environment Policy Office, Environmental Bureau) the Application for Credit Purchase (Form No.2; hereinafter referred to as the “Purchase Application”), stating the intended use of the credits, the expected purchase volume, and other relevant details.

Upon receipt of the Purchase Application, the City shall issue a Credit Purchase Acceptance Notice (Form No.3; hereinafter referred to as the “Acceptance Notice”) to the Applicant.

Once the Acceptance Notice has been issued, the Applicant may claim to offset emissions using DO YOU KYOTO? credits, within the scope of the intended use specified in the Purchase Application. In such cases, the Applicant shall publicly disclose in advance, to the extent possible, the details of the offset activity (hereinafter referred to as the “Offset Project”), including its outline, duration, the scope or target of the offset, and its expected amount.

### (3) Redemption of Credits

When the Applicant has implemented the “Offset Project,” the Applicant shall calculate the amount of credits required for the offset and submit the Application for Credit Redemption (Form No.4; hereinafter referred to as the “Redemption Application”) to Kyoto City (Global Environment Policy Office, Environmental Bureau). The Applicant shall also pay the City an amount equivalent to 160 Japanese yen per 100 kg-CO<sub>2</sub> credit purchased.

Upon verifying the contents of the Redemption Application, the City shall issue a Credit Redemption Notice (Form No.5) to the Applicant, and invalidate the corresponding credits in the Ledger.

If the amount of credits required for the offset can be determined prior to the implementation of the offset, or if the intended use of the credits is to achieve the greenhouse gas emissions reduction targets stipulated in the Business Emissions Reduction Plan under the Kyoto City Ordinance on Global Warming Countermeasures, and the Kyoto Prefecture Ordinance on Global Warming Countermeasures, the submission of the Purchase Application may be omitted, and the Redemption Application may be submitted directly.

### Article 3: Supplementary provisions

Matters necessary for the enforcement of these Guidelines shall be determined by the Director General for Global Environment and Energy Policy.

#### Revision History

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Appendix 1 (Emission factors)

**1. Electricity Consumption (excluding self-generated power)**

	Year of registration	Emission factors	
		Value	Units
Electricity	2020	0.444	t-CO <sub>2</sub> /1,000 kWh
	2016	0.463	

**2. Fuel Consumption**

	Conversion Factors		Emission factors	
	Value	Units	Value	Units
Propane gas (Liquefied petroleum gas, LPG)	1000/458	kg/m <sup>3</sup>	0.0161	t-C/GJ
	50.8	GJ/t		
	44/12	t-CO <sub>2</sub> /C		
City gas	43.5	GJ/1,000 m <sup>3</sup>	0.0509	t-CO <sub>2</sub> /GJ