4.5 Baseline and Normalization Values

The baseline and normalization values selected for each credit shall be used consistently throughout the certification period for each credit. The baseline shall only be re-calculated as defined below.

4.5.1 Baseline Values

For the purposes of this Standard, calculating a baseline shall be established by one of the following methods:

- The average of any 36 consecutive months within the previous 72-month period.
- Select a single year as the base year for which data are available. In no case shall the baseline year be set prior to 2005 or more than 10 years prior to the performance year under evaluation.
- Use first BIFMA e3 baseline calculated as the fixed standard.

A baseline shall be recalculated when a 10% or greater charge has occurred in the inventory (such as GHG, energy, water, etc.) based on one of the following:

1) Structural change (e.g., merger, acquisition, or divestiture, insourcing and outsourcing of activities) in the appropriate boundaries.

4 Assessing Conformance, Evaluation, and Assessment Criteria (Continued)

2) Change in calculation methodology or improvements in the accuracy of activity data that result in a significant impact on the base year data.

3) Discover of significant errors, or a number of cumulative errors, that are collectively significant.

A baseline shall not be recalculated when:

1) Closing and opening of facilities that did not exist in the baseline year.

2) Outsourcing/insourcing: For energy, outsourcing/insourcing does not require recalculation of the base year if the insourced or outsourced emissions were previously reported under scope 2 and/or scope 3 (i.e., they were already accounted for in the inventory). Insourced emissions that had already been accounted for in scope 3 emissions and reported would not trigger a recalculation. However, insourcing or outsourcing of activities producing emissions that were not accounted for in the original inventory or that were accounted for originally but are not scope 3 and not accounted for, do require recalculation of the
baseline. For example, insourcing/outsourcing of activity that shifts significant emissions between scope 1 to scope 3 when those scope 3 emissions are not reported as part of the users inventory does trigger a base year emissions recalculation.

3) Organic growth or decline; which refers to increase or decreases in production output, change in product mix, and closing or openings of facilities owned or controlled by the company.

4.5.2 Normalization Values

Applicants have flexibility in defining the unit of measure appropriate for each credit to demonstrate change over time.

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