

Attachment 2**Factors in Carbon Intensity Metrics**

Changes in carbon intensity relating to the power sector can occur from on-system or off-system actions.

I. On-system activities could include:

- Changes in fuel mix.
- Generation performance improvements.
- Changes in emissions due to improvements in efficiency of electricity use.
- Reductions in transmission and distribution losses.

II. Off-system activities that should be considered could include:

- Offset credits from carbon sequestration, methane and international projects.
- Carbon reductions in other sectors due to product substitution (*e.g.*, cement).
- Reductions in direct fuel use in other sectors due to electrotechnologies.
- Credits from net purchases of transferable credits.
- Credits for prior actions.

Depending on the level of reporting and referenced baseline, some of these activities may not be reflected in carbon intensity estimates. If not, they should be considered as adjustments to that data.