



CenterPoint Energy

CenterPoint Energy Streamlines GHG Management to Meet New Regulatory Compliance, Voluntary Reporting Goals

CenterPoint Energy, Inc., headquartered in Houston, Texas, is a domestic energy delivery company that includes electric transmission & distribution, natural gas distribution, competitive natural gas sales and services, interstate pipelines and field services operations. Since its launch as a stand-alone company in 2002, the company has been committed to the highest-quality energy delivery, while operating in an environmentally responsible manner. Its leadership team is intent on ensuring that their facilities are in compliance with current regulations and that their management team is actively partnering with other organizations in the development of future environmental laws and industry best practice guidelines.¹

In 2010, CenterPoint Energy stepped up to address one especially critical environmental management challenge facing US energy companies – global climate change. The company's Greenhouse Gas (GHG) Program team began implementation of an enterprise-level Environmental Management System (EMS) that is significantly enhancing their ability to maintain compliance with mandatory government regulations as well as voluntary sustainability reporting.

CenterPoint Energy had previously managed its environmental reporting processes with hundreds of spreadsheets that were separately developed and maintained at its many facilities. But, to meet more rigorous information management demands imposed by a new generation of regulations, including the Environmental Protection Agency's (EPA's) GHG Mandatory Reporting Rule (MRR), and voluntary reporting to non-governmental organizations such as the Carbon Disclosure Project (CDP), senior managers realized that complying with these complex new requirements using spreadsheets would be inefficient and potentially risky.

CenterPoint Energy experts evaluated leading systems on the market and selected *Sphera Essential Suite* software – part of the Sphera Environmental Performance Solution™ – to serve as the foundation for the company's EMS.

"We have come a long way in the last two and a half years. All of our records – including permits, emission limits, compliance deadlines, equipment – are now easily accessible in the system. We also have all of the compliance-related tasks associated with those permits and the regulatory citations that apply to those tasks. Everything is much better organized than it was before," said William Manwaring, Manager of CenterPoint Energy's GHG Program and project manager for the EMS implementation. "This is the first year we are fulfilling all of our GHG reporting requirements straight out of our EMS system and it is a huge success. We are reducing 2-3 months of work – the entire process of gathering the data, doing QA/QC, running the reports and getting it over into

Challenge

- Ensure compliance with new regulations, including US EPA Mandatory Reporting Rule
- Improve efficiency of GHG and other air emissions tracking/reporting work processes
- Provide GHG emissions metrics to company management for voluntary public reporting

Solution

Environmental Performance and Compliance Assurance Solutions

- Air & GHG Emissions
- EHS Regulatory Content
- Permit Management

Results

- Established centralized EMS that eliminates the need for 100s of disparate spreadsheets
- Reduced time required for greenhouse gas-reporting from 2-3 months to 2 weeks
- Provided GHG metrics for corporate annual report and Carbon Disclosure Project
- Mitigated risk of noncompliance with automated alerts that provide notification when permit limits are approached
- Set stage for additional 2-3 months of time savings for all air emissions reporting
- Enabled data entry via mobile devices, facilitating a single point of data entry and

CenterPoint Energy Meets GHG Compliance Goals More Efficiently

the EPA's system for MRR – down into a 2 week period. That is a tremendous time savings. Now we are taking the same approach to address other air emissions regulations.”

Since concern about proliferating state and federal mandates was a primary driver for this project, CenterPoint Energy's team also implemented *Sphera CyberRegs*[®] as part of their new Environmental Management System. With *Sphera CyberRegs* – an online regulatory content service that is integrated with *Sphera Essential Suite* – they can track regulatory requirements and facilitate the assignment and tracking of tasks at the operational level to ensure end-to-end compliance.

“Environmental regulations are always changing and the EMS, with CyberRegs, helps us stay up to date so we can meet our responsibilities,” said Manwaring. “Our executives even use the system as part of our due diligence before acquiring a new company – to see if there are regulations that apply to an acquisition target and how they might potentially impact our business.”

CenterPoint Energy is now using its EMS to prepare air emissions inventory reports for the eight states where its facilities are located. The team is running its Emissions Inventory Questionnaire calculations both manually and in the EMS so they can cross-check and verify the results.

“Once we've made sure everything is running properly, we will do all of our air emissions calculations and reporting straight out of *Essential Suite*. We estimate that we're going to achieve another 2-3 months in total time savings by eliminating the need to use hundreds of spreadsheets and manual calculations,” said Manwaring.

Before the Sphera implementation, CenterPoint Energy managers tracked tasks for permit requirements with spreadsheets and in email scheduling functionality but that proved to be inefficient. Today, they can manage compliance more easily and effectively because *Sphera Essential Suite* catalogues equipment, applicable permits or regulations and associated tasks that drive compliance requirements. It provides clear visibility to all project stakeholders – task owners, team members, and supervisors – so users can easily track progress against program goals, and see when tasks are completed, or when corrective actions are required.

“We've created key performance indicators that let us know if an engine is reaching an operating hour threshold that would require an emissions test. When an engine comes within 20 percent of an operating hour permit limit, the system provides an automated alert to let us know that we may need to

schedule an emission test. It helps us be more proactive, addressing potential issues before they put us at risk of non-compliance,” said Manwaring.

CenterPoint Energy's environmental management team is also introducing technology innovations to enhance the quality and timeliness of its data.

“Mobile devices are helping us improve data integrity by eliminating the need to fat-finger data into spreadsheets, which would eventually cause a problem with those calculations. Now we're getting the actual system of record parameters entered into the system from a single point of entry, either from an electronic flow meter or from the person in the field who is directly entering the hours data in our maintenance management system,” Manwaring said.

With its EMS, CenterPoint Energy's team not only generates scheduled compliance reports more efficiently, they also respond faster and more efficiently to ad hoc information requests. With just a few keystrokes, the system produces reports that previously required as much as a week to produce.

“We don't have to run around to pull a bunch of spreadsheets together to produce a report,” Manwaring said. “Now we just go into the EMS, run the report that we need and forward it directly to management.”

CenterPoint Energy's leadership recognizes that environmental performance is an increasingly critical business issue. As a result, they now include GHG metrics from the EMS in their annual report as well as submitting them to the Carbon Disclosure Project, an independent organization serving investors.²

“CenterPoint Energy has invested time and effort into this EMS because we know how important it is to be accountable to our customers, neighbors and investors,” Manwaring said. “Now we can efficiently deliver the reporting we need to stay in compliance and be more transparent with all of those stakeholders.”

² <https://www.cdproject.net/en-US/Programmes/Pages/climate-change-programs.aspx>

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Manager, Greenhouse Gas Program
CenterPoint Energy