

Mandatory GHG Reporting Rulemaking



Outline



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- Summary

Appropriations Language



FY2008 Consolidated Appropriations Act:

- “... not less than \$3,500,000 shall be provided for activities to develop and publish a draft rule not later than 9 months after the date of enactment of this Act, and a final rule not later than 18 months after the date of enactment of this Act, to require mandatory reporting of greenhouse gas emissions above appropriate thresholds in all sectors of the economy...”

Accompanying Explanatory Statement:

- The Agency shall "use its existing authority under the Clean Air Act" to develop a mandatory GHG reporting rule. "The Agency is further directed to include in its rule reporting of emissions resulting from upstream production and downstream sources, to the extent that the Administrator deems it appropriate. The Administrator shall determine appropriate thresholds of emissions above which reporting is required, and how frequently reports shall be submitted to EPA. The Administrator shall have discretion to use existing reporting requirements for electric generating units under Section 821 of the Clean Air Act...."

Legal Authorities



- Sections 114 and 208 of the CAA allow for data collection and measurement and recordkeeping from stationary or mobile related sources
- Appropriations language provides EPA with \$3.5 million in FY 2008 to develop proposed and final rules

Purpose and Scope

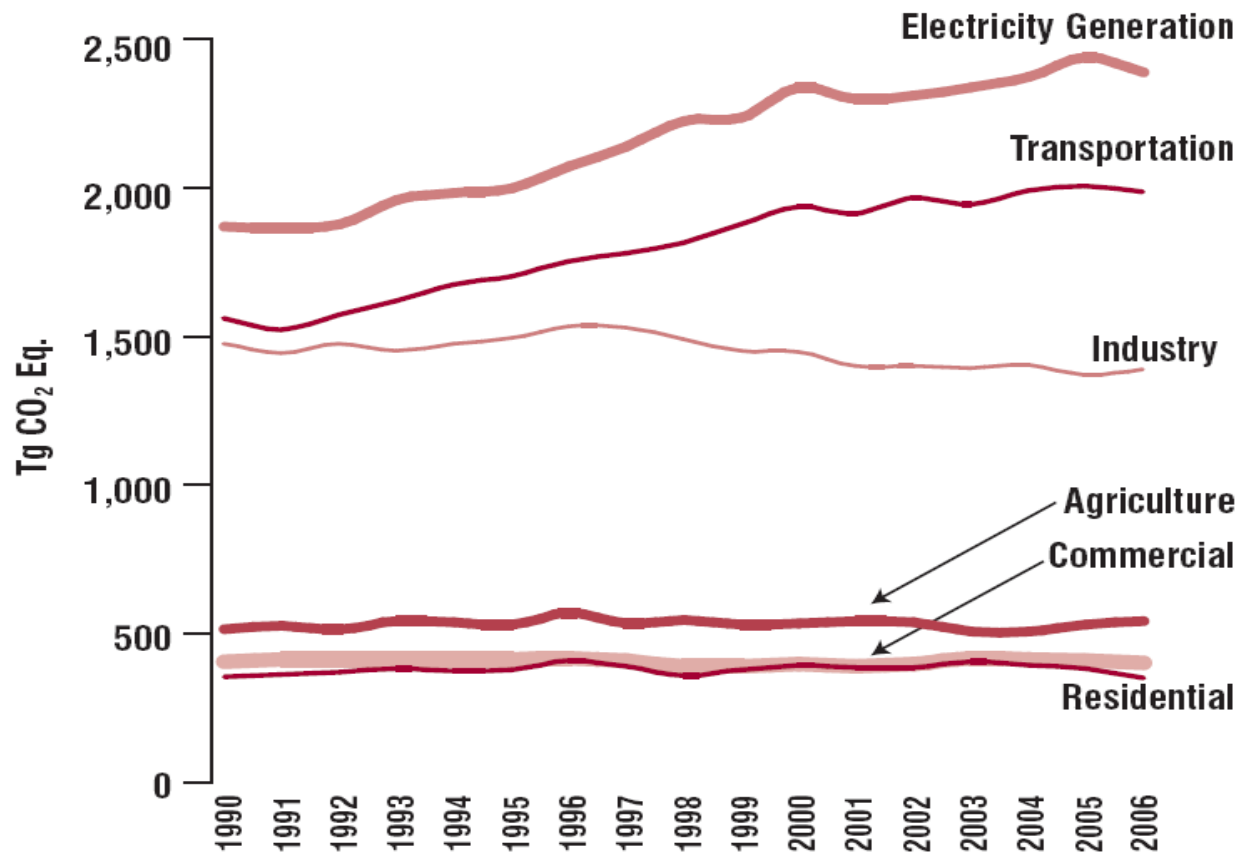


- **Objective of the Program** – to collect comprehensive and accurate data relevant to future climate policy decisions, including potential future regulation under the Clean Air Act
- **Scope of Coverage**
 - Define gases- “...to require mandatory reporting of greenhouse gas emissions”
 - CO₂, CH₄, N₂O, HFC, PFC, SF₆
 - Both upstream and downstream sources- “The Agency is further directed to include in its rule reporting of emissions resulting from upstream production and downstream sources...”
 - Upstream: fossil fuel and chemical producers and importers
 - Downstream: direct emitters - large industrial facilities

U.S. 2006 GHG Emissions



Emissions Allocated to Economic Sectors



Purpose and Scope cont.



- Areas of flexibility:
 - Emissions threshold: “The Administrator shall determine appropriate thresholds of emissions above which reporting is required...”
 - Frequency of Reporting: “...and how frequently reports shall be submitted to EPA”
- Methods
 - “The Administrator shall have discretion to use existing reporting requirements for electric generating units under Section 821 of the Clean Air Act”
 - Will build on methods from existing mandatory and voluntary reporting systems
 - Federal reporting programs- e.g., Title IV, Climate Leaders, 1605(b)
 - State Programs- e.g., California, The Climate Registry, RGGI, other state programs
 - Corporate Programs- e.g., WRI/WBCSD
 - Industry Protocols- e.g., API Compendium, CSI Protocol (cement), International Aluminum Institute

Timing and Process



- Proposed rule by September 2008, final rule by June 2009
- An ambitious timetable but we will work towards these deadlines
- EPA will involve agency and interagency expertise
 - Have already worked extensively with interagency counterparts on measurement and reporting issues (e.g., US GHG inventory, IPCC guidelines)
- EPA welcomes stakeholder input and plans to reach out to stakeholders through information sharing sessions

Summary



- EPA is prepared to implement GHG reporting
 - Existing methods in many sectors
 - Significant expertise in all sectors
 - Infrastructure to collect/house comprehensive emissions data
- EPA will build on existing approaches and engage stakeholders throughout to answer key technical issues and craft a viable proposed and final rule.