



**EDISON ELECTRIC
INSTITUTE**

December 21, 2001

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Assistant Administrator
Office of Air and Radiation
U.S. Environmental Protection Agency
Mail Stop 6101A
1200 Pennsylvania Avenue, NW
Ariel Rios Building – North
Washington, DC 20460

Re: Request for Comment on Draft Third U.S. Climate Action Report, 66 Fed. Reg. 57456
(Nov. 15, 2001)

Dear Mr. Holmstead:

The Edison Electric Institute (EEI) respectfully submits these comments in response to the above-referenced Environmental Protection Agency (EPA) notice requesting comments on the draft Third U.S. Climate Action Report, as supplemented by the publication of an additional chapter on the EPA website on which comments are due by January 2, 2002. EEI is the association of U.S. shareholder-owned electric companies, international affiliates and industry associates worldwide. EEI's U.S. members serve more than 90 percent of all customers served by the shareholder-owned segment of the industry, generate approximately three-quarters of all of the electricity generated by electric companies in the country, and serve about 70 percent of all ultimate customers in the nation.

EEI has a number of concerns with the draft report. First, the draft report is missing information on the role of voluntary initiatives and programs in reducing U.S. greenhouse gas emissions, particularly in Chapter 4 and in Appendix A. EEI and its member companies have been especially active in the U.S. Department of Energy (DOE)-Utility Climate Challenge Program, which is the largest voluntary greenhouse gas reduction program in the world. Climate Challenge participants, which include over 650 utilities, pledged over 170 million metric tons of CO₂-equivalent reductions, avoidances and sequestrations in the year 2000, and in 1999 achieved 124 million metric tons of CO₂-equivalent reductions.

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EEI and its members also continue to be active participants in the U.S. Initiative on Joint Implementation (USIJI), a voluntary program that focuses on the mitigation of greenhouse gas emissions internationally and represents an important contribution by the United States to addressing the issue of global greenhouse gas emissions. We are concerned that the underlying United Nations Framework Convention on Climate Change (FCCC) program on which USIJI is based, called activities implemented jointly (AIJ), remains in a pilot phase, and that the required criteria for AIJ have not been adopted by the Conference of the Parties. The U.S. National Communication should address these concerns, as their resolution could be helpful in stimulating additional private sector involvement.

Second, the draft report should include more robust information on the voluntary reporting of emission reductions under the 1605(b) program established in the 1992 Energy Policy Act. While the current draft contains extensive information on state-level reporting programs, it scarcely mentions this national level voluntary reporting program, which has resulted in actual projects that have reduced, avoided and sequestered greenhouse gas emissions.

Third, the draft report reflects unbalanced reporting of actual or projected emission reductions from various policies and programs by citing only EPA estimates of results from EPA programs. Programs run by the DOE and other federal agencies, which are referenced in the report, carry no estimates of actual or projected emission reductions, yet these agencies routinely cite such projections in their public literature. Including such estimates would help further demonstrate the broad impact of voluntary programs being undertaken in the United States.

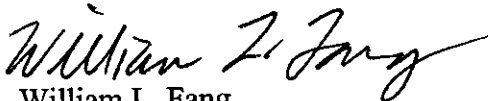
Voluntary programs, such as Climate Challenge and the 1605(b) reporting program, are important areas in which the United States is demonstrating its leadership in addressing climate change and the reduction, avoidance or sequestration of greenhouse gas emissions, and should be included in the final Climate Action Report.

Finally, we are concerned that such a short period of time has been allowed for comments on the report, particularly since the U.S. is already late in filing its National Communication and only 13 countries have filed their communications within the deadline. We understand that originally the 30-day period was based on the U.S. meeting the submission deadline for National Communications, yet since the U.S. will not meet this deadline there is no imperative for having such a short comment period. We think it would be useful to extend the time for comments so that additional comments could be submitted. In addition, when this project was announced earlier in the year, we wrote to the State Department asking why EPA was preparing the report when the State Department has historically been the agency to file the final report with the FCCC Secretariat. We hope that the practice of having the State Department file the U.S. National Communication will be continued.

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If you have any questions about our comments, or if we can be of any assistance, please contact me at (202) 508-5617 (bfang@eei.org) or Eric Holdsworth, Director, Climate Programs, at (202) 508-5103 (eholdsworth@eei.org).

Sincerely,



William L. Fang
Deputy General Counsel and
Climate Issue Director

FH:km

cc: James Connaughton, Chairman,
Council on Environmental Quality
Under Secretary of State Paula Dobriansky
Reid P. Harvey, EPA Office of Atmospheric Programs