

Mandatory GHG Reporting Rulemaking



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EPA Region 10**

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EPA's Energy and Climate Objectives



- Improve energy efficiency and affordability
- Speed up transition to cleaner energy sources
- Improve energy security
- Reduce greenhouse gas emissions

Strategy and Focus

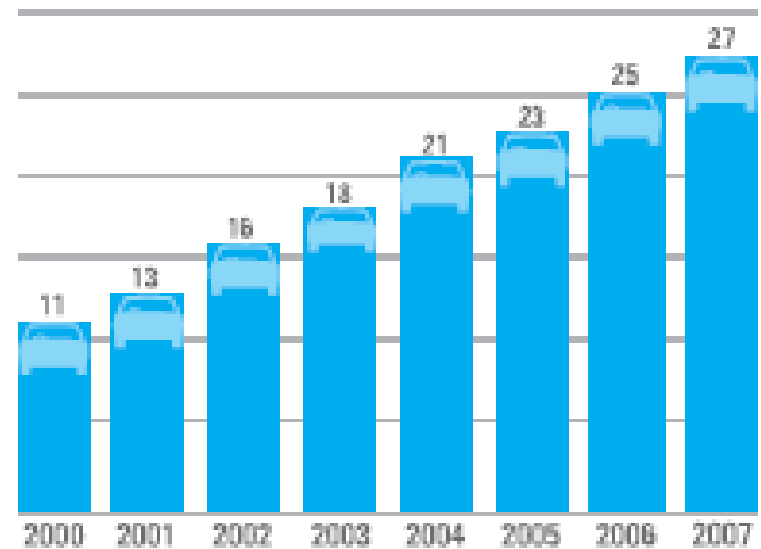


- Promote the production, development and use of clean affordable energy
- Emphasize
 - partnerships, voluntary and mandatory programs
 - development and deployment of new and existing technologies
- Focus on
 - Energy Efficiency
 - Energy Production & Supply
 - Manufacturing & Industrial Process
 - Fuels & Transportation

Energy Efficiency



Utility Bill Savings
(in billions)



Emissions Saved in
Vehicle Equivalents
(in millions)

Energy Production and Supply





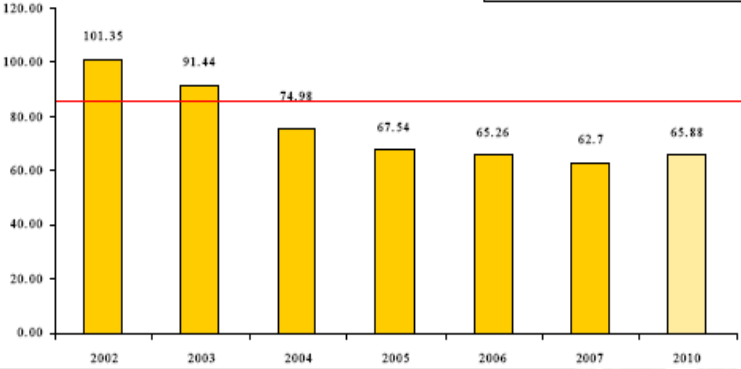
Manufacturing & Industrial Processes

Reducing Green House Gases From Operations

- 35% reduction from 1990-2002 (over 450,000 tons CO₂ equiv.)
- Climate Leaders Goal : -20% by 2010
- Internal Goal: - 35% by 2010
- Achieved & maintained during strong growth
- Transition to absolute GHG goals



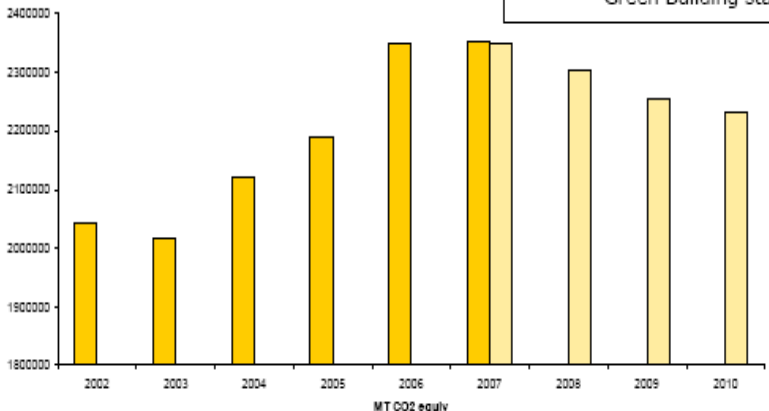
Greenhouse Gas Intensity (MTCO₂-eq/\$M)



Operations Performance – GHG Emissions

- Increased reporting 100 – 220 facilities
- Improved accuracy of reporting
- Significant production growth
- 2007 Absolute emissions flat
- 2010 -5% absolute from 2006 base
 - Energy Efficiency
 - Renewable / Alternative energy
 - Green Building standards

Absolute GHG Emissions
Actual Abs GHG Current Cal Target



Trade Secrets, Proprietary and/or Company Confidential Information. Subject to Protection Under 65 C.F.R. 2.203(b)



GHG Intensity

Absolute GHG Emissions

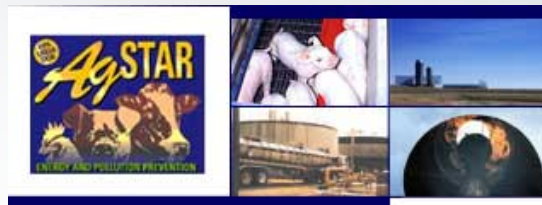
Fuels & Transportation



WEST COAST COLLABORATIVE

Public-private partnership to reduce diesel emissions

Other EPA Climate Change Programs



Greenhouse Gas Reporting Rule



- Appropriations Language
- Authority
- Purpose and Scope
- Data systems
- Timing and Process
- 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

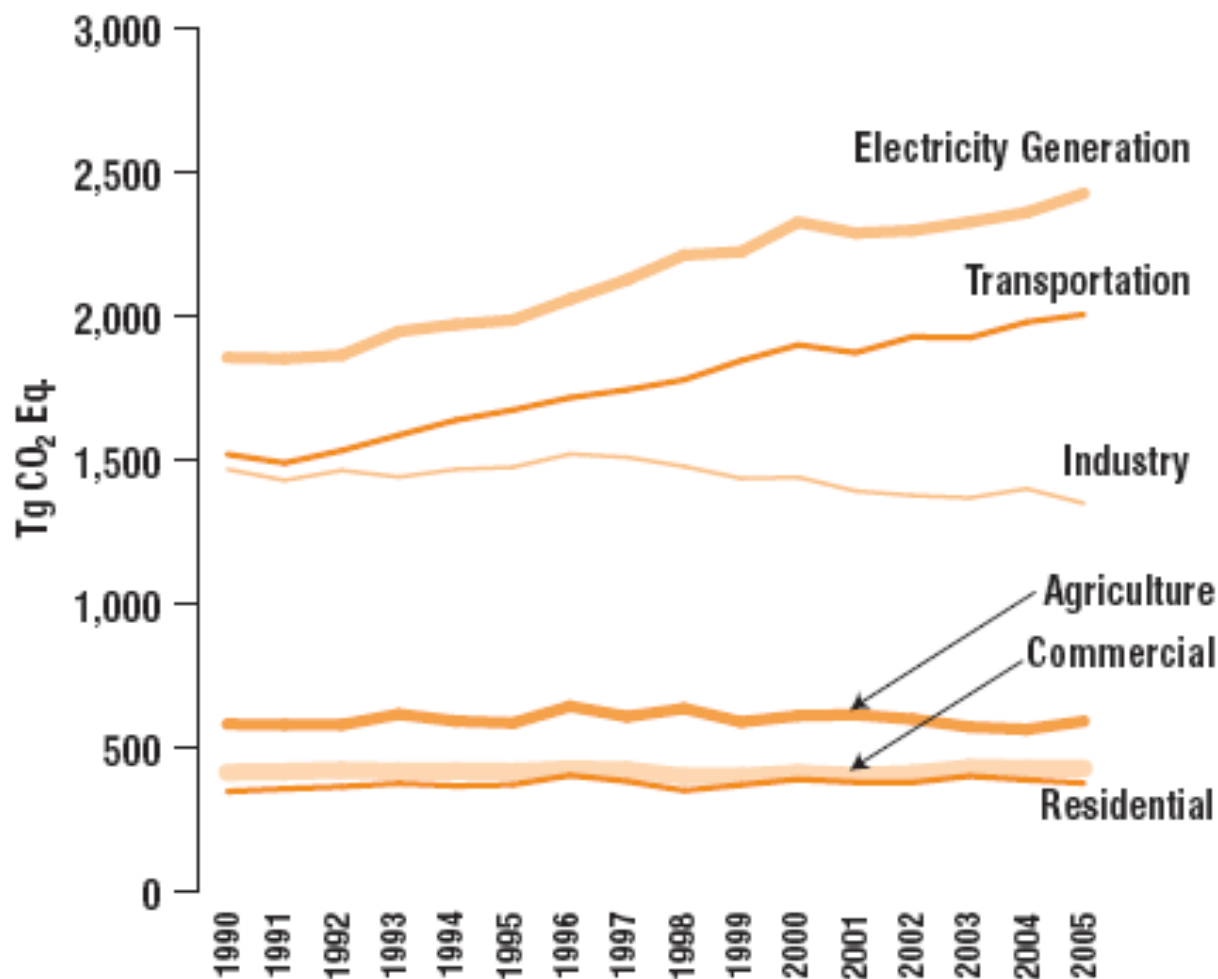


- Objective(s) of the Program – to provide data that will inform and support development of national climate policy
- Scope of Coverage
 - Define gases- “...to require mandatory reporting of greenhouse gas emissions”
 - CO₂, CH₄, N₂O, HFC, PFC, SF₆
 - Both upstream and downstream sources- “The Agency is further directed to include in its rule reporting of emissions resulting from upstream production and downstream sources...”

U.S. 2005 GHG Emissions



Emissions Allocated to Economic Sectors

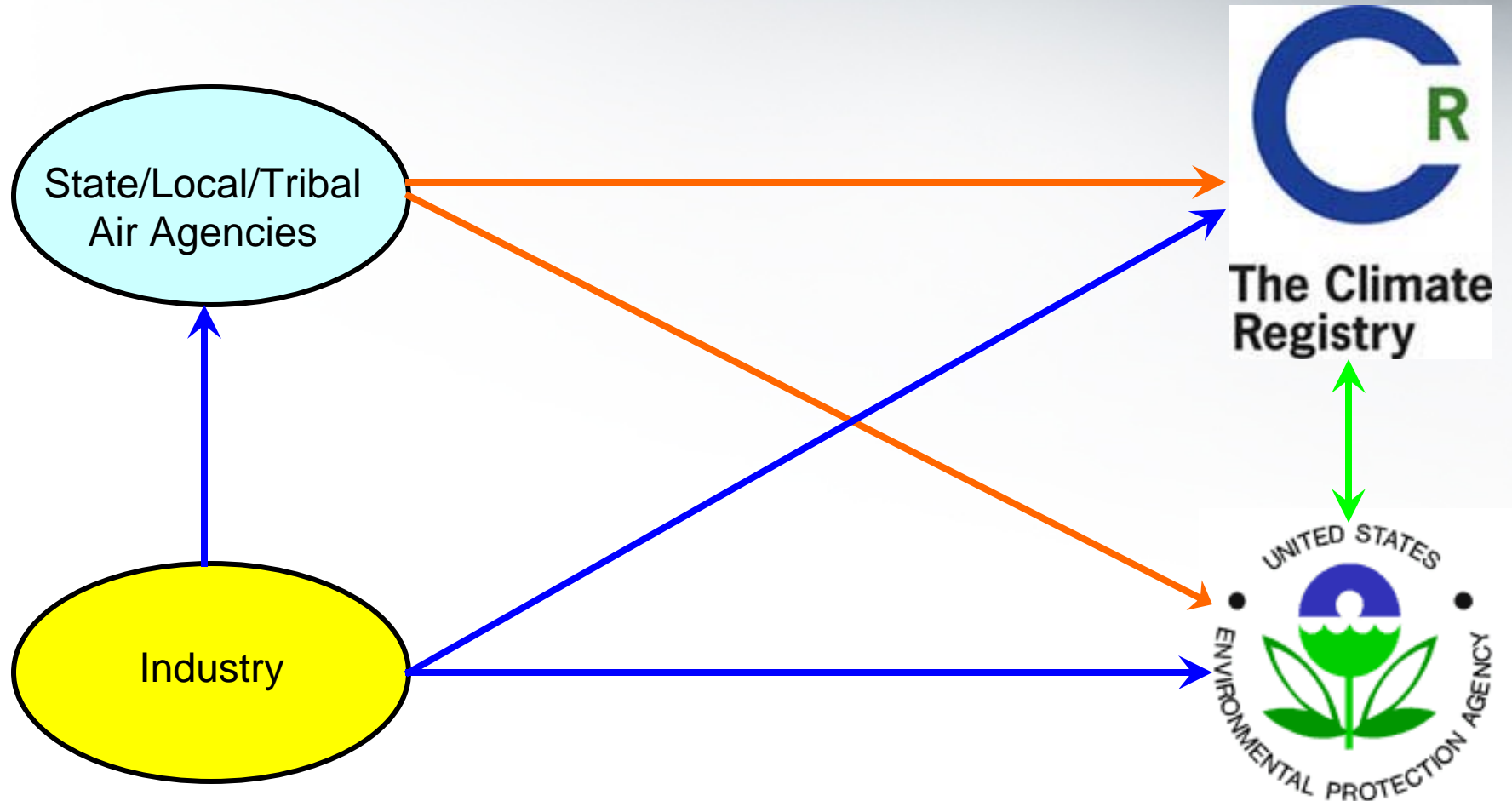


Program Features



- “The Administrator shall determine appropriate thresholds of emissions above which reporting is required...”
- “... 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”
- EPA intends to 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

GHG Emissions Data Flows



Data Systems



- There are several current state and federal data systems for emissions reporting and fossil fuel data (e.g., NEI, Acid Rain emissions tracking system, etc.)
- EPA staff are coordinating with states, the Climate Registry, and the Exchange Network to develop a single reporting format for greenhouse gases (a data exchange standard)
- A single reporting format would not compromise individual programs and would reduce the burden of reporting for all



Timing and Process



- Proposed rule by September 2008, final rule by June 2009 – ambitious!
- 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.

How does ECOS suggest we proceed?

