

CLIMATE LEADERS

SETTING THE STANDARD IN GREENHOUSE GAS MANAGEMENT

Program Guidance Update

Climate Leaders Partners Webinar

September 3, 2008



Climate Leaders works with companies to develop a long-term comprehensive GHG management strategy

- Road-tested with over 200 partners from every major sector across the country
- 3 critical components to credible strategy
 - Component 1: Complete Corporate-Wide GHG Inventory
 - Component 2: Develop Inventory Management Plan (IMP)
 - Component 3: Set Aggressive Corporate-Wide GHG Reduction Goal
- Annual reporting to EPA creates lasting record of accomplishments and identifies company as corporate environmental leader
- Total annual U.S. revenue of the partnership represents 9 percent of the U.S. Gross Domestic Product and 8 percent of total annual U.S. GHG emissions

GHG Inventory Guidance Protocols: Guidance Documents

- Design Principles Guidance [REVISING]
- Cross Sector Guidance [UPDATED]
 - Stationary Combustion, Electricity and Steam, Mobile Combustion Sources, Refrigeration and Air Conditioning
- Sector Specific Guidance [UPDATED]
 - Municipal Solid Waste Landfilling, Refrigeration and Air Conditioning, Iron and Steel Production, Aluminum Production, Cement Production, Pulp and Paper Production
- Small Business/Low Emitter Guidance [NEW]
- Optional Module Guidance
 - Employee Travel, Product Transportation [NEW]
 - Offset Projects [UPDATES & NEW GUIDANCE]
 - Renewable Energy

GHG Inventory Guidance Protocols: Cross Sector Guidance Updates

- Direct Emissions From Stationary Combustion
 - Updated May 2008
 - Updated emission factors based on 2007 EPA GHG inventory and 2006 IPCC
 - Added factors for wood, wood waste, waste tires and black liquor
 - Changed oxidation factor (based on 2006 IPCC)
 - Clarified that quality assured Part 75 data (CEMS and non-CEMS) is acceptable
- Indirect Emissions From Purchases/Sales of Electricity and Steam
 - Updated July 2008
 - Updated eGRID Factors (based on eGRID2006)
 - Updated eGRID factor language
 - Provided leased space example

GHG Inventory Guidance Protocols: Cross Sector Guidance Updates

- Direct Emissions From Mobile Combustion Sources
 - Updated May 2008
 - Updated emission factors (based on 2007 EPA GHG inventory and 2006 IPCC)
 - Changed oxidation factor (based on 2006 IPCC)
 - Added CH₄ and N₂O factors for “other non-highway vehicles” and “aircraft”
 - Added language on EPA Smartway program
- Direct HFC and PFC Emissions from Use of Refrigeration and Air Conditioning Equipment
 - Updated May 2008
 - Updated emission factors (based on 2007 EPA GHG inventory and 2006 IPCC)
 - Added fire suppression equipment methodology and factors

Small Business/Low Emitter Guidance

- Growing interest by small businesses prompted us to create a simpler process with tools specially designed for their needs

CLIMATE LEADERS
PRACTICAL STEPS TO REDUCE YOUR ORGANIZATION'S GREENHOUSE GAS EMISSIONS

CLIMATE LEADERS
Guide to Greenhouse Gas Management for Small Business & Low Emitters

- Low emitters are small businesses – typically office or retail-based organizations, or small manufacturers that are suppliers to Climate Leaders Partners

- Low emitters have total corporate-wide emissions equal to less than 10,000 metric tons of CO₂-equivalent

- The process is divided into four steps
 - Step 1: Get started
 - Step 2: Calculate GHG Emissions
 - Step 3: Create an Inventory Management Plan
 - Step 4: Set a Reduction Goal & Track Progress

EPA Climate Leaders Simplified GHG Emissions Calculator (SGEC) Version 2.8

This calculator is designed as a simplified calculation tool to help organizations in estimating their greenhouse gas (GHG) emissions for reporting to the EPA's Climate Leaders program. All methodologies and default values provided are based on the most current Climate Leaders Greenhouse Gas Inventory Protocol guidance. The calculator will determine the direct and indirect emissions from all sources at a company when activity data is entered into the various sections of the workbook.

Tool Instructions:
 (A) Click on the grey boxes below to go to the appropriate Tool Sheet.
 (B) Enter data in Tool Sheet in ORANGE cells only. Final GHG emissions will be provided in CO₂ equivalent emissions in BLUE or GREEN cells. If data is not known or applicable, leave default value (blank, zero or other) in cell.
 (C) Enter data in appropriate units, if needed convert units prior to entering into tool.
 (D) Guidance for each calculation method is provided in the references at bottom of each sheet.

Tool Sheets:

Direct 1.0	Direct Emissions from Stationary Combustion Sources - Traditional Sources
Direct 2.0	Direct Emissions from Mobile Sources
Direct 3.0	Direct Emissions from Refrigeration and Air Conditioning Equipment
Direct 4.0	Direct Emissions from Fire Suppression Equipment
Direct 5.0	Direct Emissions from Stationary Combustion Sources - Gas Waste Streams
Indirect 1.0	Indirect Emissions from Purchase of Electricity
Indirect 2.0	Indirect Emissions from Purchase of Steam
Optional 1.0	Optional Emissions from Business Travel
Optional 2.0	Optional Emissions from Employee Commuting
Optional 3.0	Optional Emissions from Product Transport
Conversion Factors	Useful Conversion Factors

Version Notes:
 Tool release date: July 1, 2008

EPA Climate Leaders Simplified GHG Emissions Calculator (Introduction) 1 of 1

GHG Inventory Guidance Protocols: Optional Module Guidance Updates (Travel)

Optional Emissions from Commuting, Business Travel and Product Transport

- Released July 2008
- New methodologies and emission factors
- Default Methodology: Existing Guidance for Mobile Sources
- New Guidance Methodology: Based on vehicle or passenger miles

GHG Inventory Guidance Protocols: Optional Module Guidance Updates (Travel)

Optional Emissions from Commuting, Business Travel and Product Transport

- Employee Business Travel:
 - Passenger vehicle, rail, bus and airline travel
 - Emissions based on passenger miles traveled data (for passenger vehicles emissions are based on vehicle miles)
- Employee Commuting:
 - Passenger vehicle, rail, bus and airline travel
 - Emissions based on passenger miles traveled data (for passenger vehicles emissions are based on vehicle miles)
- Product Transport:
 - On-road vehicle, rail, waterborne craft and aircraft
 - Emissions based on ton-miles of product transported (for on-road vehicles emissions are based on vehicle miles)

GHG Inventory Guidance Protocols: Optional Module Guidance Updates (Offsets)

Using Offsets to Help Climate Leaders Achieve Their GHG Reduction Goals

- Released August 2008
- Guidance for Climate Leaders offset projects
 - Overview
 - Climate Leaders Offset Project Methodologies for specific project types
 - Sample Request for Proposals
 - Project Design Document Template

GHG Inventory Guidance Protocols: Optional Module Guidance Updates (Offsets)

Key Points:

- Overview document outlines program specific guidance- project start dates, geographic scope, updates to the performance standard, vintage, data requirements, etc
- CL project methodologies follow “performance standard” approach to additionality and setting baselines
- 7 methodologies available: Captured Methane End Use, Commercial Boiler, Industrial Boiler, Landfill Methane, Manure Management: Anaerobic Digester, Reforestation/Afforestation, Transit Bus Efficiency
- Sample RFP provides template for Partners looking to procure Climate Leaders offsets for their GHG reduction goals
- Project Design Document template allows Partners to propose new project types

GHG Inventory Guidance Protocols: Optional Module Guidance Updates (Offsets)

Additionality- Performance Standard Approach

- Top-down, standardized methodology
 - Set appropriate metrics for additionality, baseline, and monitoring options
- “Additionality” based on an analysis of a relevant sector in a specific spatial area
 - Project performance must be significantly better than average compared to similar recently undertaken or planned activities in relevant geographic area
 - Data from historic, planned or projected activities
 - Proxy for barriers, financial decisions and “intent” tests
 - Minimize accepting a project that is not additional or rejecting a project that is additional
- Performance standard is specific to project type; comprised of performance threshold and baseline
- Periodic Updates: Continuous performance improvements - changes in regulations, market trends, and technology developments are reflected in updates.

Upcoming Releases and Deadlines

- Join us October 6-8 in Chicago!
 - climateleadersmeeting.com
- Comments
 - Offsets overview document, RFP, PDD, and Captured Methane End Use
 - Comments due to climateleaders@epa.gov by 10/15/08
- Next guidance release: Climate Leaders Protocol for Events and Conferences
 - Fall 2008 release
- Next update: Design Principles
 - Fall 2008 release
- Climate Leaders participating
 - WRI/WBCSD Supply Chain/Life Cycle Protocol Steering Committee and Technical Working Groups
- New Climate Leaders Inventory Manager for Businesses (GHG tool)
 - Focus group at October meeting



Thank you

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