

## **Notes from the Climate Leaders Partner Meeting, May 5-6, 2005**

The Hotel Washington  
Pennsylvania Avenue & 15th Street, N.W.,  
Washington, DC

The following is a summary of the EPA Climate Leaders Workshop. We have attempted to capture the presentations, questions, and comments. Presentation slides are available on the Climate Leaders website ([www.epa.gov/climateleaders](http://www.epa.gov/climateleaders)). The following is not a recorded transcript

### **Thursday, May 5<sup>th</sup>, 2005**

#### **Program Update Highlights: Cynthia Cummis, EPA**

Climate Leaders has come a long way in the last three years:

- ◆ Program has grown to 68 Partners
- ◆ 37 have announced GHG reduction targets
- ◆ Partners are rapidly working to complete reporting requirements
- ◆ Partners are starting to reach their GHG goals
- ◆ Significantly advancing knowledge-base on measuring and reporting GHG emissions and tracking GHG reduction goals

The program is already making a significant impact:

- ◆ Partners combined U.S. GHG emissions equal to 8% of total U.S. GHG emissions
- ◆ The targets announced to date will prevent a total of eight million metric tons of carbon equivalent per year.
- ◆ These reductions are equal to the annual emissions of five million cars.

#### **Progress Reports from Climate Leaders Partners:**

##### **Baxter Progress Report: Ron Meissen, Baxter International**

###### **Notes on comments not captured in presentation materials:**

- Tip - Have a web-based data collection system used by sites and corporate;
- In 1996, Baxter developed a manual, set new goals, etc. to assist with implementing program company-wide;
- Tip for goal setting - put a dollar amount to the goals. (e.g. by achieving this, we will save \$XX amount);
- Baxter will probably not use the same intensity metric going forward - hard to quantify;
- Reductions due in large part to energy conservation;
- Tip - Complete energy audits of all locations - about one per month; belong to EnergyStar; every two years hold an energy conference (internally) and bring in folks from all over the world to meet and discuss energy reduction opportunities;

- Majority of Baxter's GHGs are energy related; As a result, Baxter focused on energy conservation;
- Tip - use an outside utility payment service, i.e. Avista - brochures are available for partners to take;
- In Puerto Rico, Baxter tested solar hot water heating system and solar powered parking lot lights - Baxter partnered with a university for these projects;
- Green Buildings are a "gold mine" in Wisconsin. Baxter built a new building by a bike route and a bus stop. The parking lot drains to natural landscaping; it has natural lighting; and it has employee benefits as well. Studies have shown employees like coming to work, are more productive, and there is less absenteeism, etc.
- Baxter recognizes Johnson Controls for managing our sites and helping improve energy efficiency;

**Question-:** *What will Baxter use for the next metric?* **Ron Meissen:** Next, we will establish a goal based on knowledge. Going forward we are setting new goals based on energy reductions.

**Question-:** *What were the cost savings for your energy(reduction) program?* **Ron Meissen:** \$4.5 million per year.

## **A Global Strategy for Managing GHG Emissions: Kristin Zimmerman, General Motors**

### **Notes on comments not captured in presentation materials:**

- EPA Climate Leaders program has been a catalyst for GM;
- Global Sullivan Principles guide how GM operates around the globe based on social and environmental responsibility;
- Blue highlighted elements within presentation are hyperlinks to items on the web;
- GM had an outside group audit their energy bills, it was expensive, but paid for itself within 4 years;
- GM has put together a calculator for the consumer to help consumers evaluate CO2 emissions of specific cars- this was popular with the shareholders;
- Being a member of EnergyStar was a good forum for sharing best practices;

**Question-:** *Is the consumer calculator available at dealerships?* **Kristin Zimmerman:** It is on the internet, so it is available by computer at the dealership.

**Question-:** *You use a service to maintain utility bills; did that cause a lag in the reporting?* **Kristin Zimmerman:** No, it really accelerated the reporting. For example, data from other countries used to come by fax, now it is available on the internet.

**Question-:** *Do all of your facilities have access to the online data?* **Kristin Zimmerman:** Yes, they can view all facilities. There was a huge training element that took place for the site utility managers.

**Question-:** *What are one or two energy management activities that made a big difference?* **Kristin Zimmerman:** We have seen the most impact from energy efficiency and lighting, the identification and repair of leaks, paint shop process shutdowns, the use of an energy efficiency plan (an educational piece for all employees), and timeout on computer screens.

**Question-:** *Do you have an energy summit?* **Kristin Zimmerman:** We have a global energy and environmental issues team. We get these teams together once a year. We also meet by phone monthly.

**Question-:** *How do you track non-energy related emissions?* **Kristin Zimmerman:** They are tracked as part of GM 2100. **Question:** *Is there thought to making your experiences available to suppliers and creating supplier partnerships?* **Kristin Zimmerman:** Absolutely. We have forged supplier partnerships to help them cut costs and realize reductions as well.

## **Using Energy Management and PFC Emissions Reduction Strategies to Achieve a Climate Leaders Goal: Ravi Kuchibhotla, IBM**

### **Notes on comments not captured in presentation materials:**

- IBM holds an energy council meeting every 5-6 weeks. Every other year they also hold global energy meetings;
- IBM achieved a 70% reduction in GHG emissions - 38% from energy conservation projects and the rest from restructuring, downsizing, etc.;
- IBM saved \$860 million in expense as a result of energy savings;

**Question:** *IBM has completed a lot of green power purchase. Why? Taking into consideration there are no financial incentives?* **Ravi Kuchibhotla:** In the UK, there is a climate change levy. The levy makes the cost for purchasing green power neutral.

**Question:** *You mentioned the company supports market driven policies, do you support the McCain/Lieberman bill?* **Ravi Kuchibhotla:** I will find out the answer for you.

## **Climate Leader GHG Goals Update: Franklyn Ericson, SC Johnson**

*No additional notes to the presentation materials*

**Question:** *Do you get credit for your emissions (savings) from the Waxdale project?* **Franklyn Ericson:** Yes, we are building up credits but we are not going to sell them.

**Question:** *What was the return on the first phase of the landfill gas project?* **Franklyn Ericson:** 20%

**Question:** *Initially how many years supply of landfill gas (LFG) do you have?* **Franklyn Ericson:** Over 25 years left. We had someone come in and study the landfill.

**Comment- Kristin Zimmerman, GM:** Landfill methane is an unsung hero and how we can use it in our processes. I commend you for your efforts. GM has been able to use gas from a landfill across the street and no longer use coal in the boiler. We have been able to do every landfill project at a cost savings. **Franklyn Erickson-** Good point, in SCJ's case, the pipeline was already there, so there was little upfront investment.

**Question:** Were there increases in NOx and what were the permitting issues? **Franklyn Ericson:** For NOx, I'm not sure if this was a major source. It was not major for CO or VOCs, but we do have NOx requirements. We had a limit of 25 ppm for gas turbines in Wisconsin, but needed to run at 35 ppm. As a result, we had 9 months to get a rule change in WI and DNR supported us.

**Question:** Can you compare LFG to natural gas - btu and cost-wise? **Franklyn Ericson:** LFG has half the btu value (of natural gas); price wise- it depends on what you work out with the landfill. For us, it was half what we pay for natural gas.

## NREL's Progress Toward Meeting its Climate Leaders Goal: Dan Bilello, NREL

*No additional notes to the presentation materials*

**Question:** What kind of emissions do you include in your inventory – do you include business travel?

**Dan Bilello:** For the first segments, we did not include travel, but we did look at vehicle fleet, a small amount of HFCs, PFCs, and SF6. The majority is energy use and direct emissions.

**Question:** Have you had success in solving the leasing issue? **Dan Bilello:** NREL's Basic approach has been to look at individual programs, like Surveyor program, to estimate emissions. Our main strategy was to consolidate leased space into one building so we could get a more accurate metering picture.

**Question:** How do you quantify benefits of renewable energy credits other than CO2 savings? **Dan Bilello:** Our basic analysis has been to look at standard emission factors for coal. The numbers aren't firm but can make arguments that have environmental and economic benefits.

**Question:** Do you quantify what you save using green power? **Dan Bilello:** Not within this program, but we are making general assessments of green power savings and how it compares to what would have been done using coal. **Greg McCall:** Have you put a dollar amount to that? **Dan Bilello:** No.

## Miller Brewing Co: Partner Progress Report 2001-2004: James Surfus, Miller Brewing

*No additional notes to the presentation materials*

**Question:** You had mentioned that a number of countries you operate in fall under Kyoto requirements, does that impact your operations? **James Surfus:** Up to now, it has not affected them at

all. In the next two weeks, we will be meeting with managers from London to work out a global strategy.

**Question:** *Are the breweries competing for incentives on benchmarking?* **James Surfus:** They do compete informally. The best projects get the money. The Climate Leaders goal is part of the evaluation process for the breweries that are trying to complete efficiency improvements

**Question:** *You mentioned one pot of money, is that for capital improvements or is it just for energy improvements?* **James Surfus:** It is informally for energy improvements. It depends on the champion of the project if they can get money above the capital limit.

## **Risk & Opportunity: Best Practice in Non-Financial Reporting: Jeff Erikson, SustainAbility**

*No additional notes to the presentation materials*

**Question:** *You mentioned earlier that most of the sustainability reports were not yet speaking the language of the analysts. What needs to be done to get the analysts attention and also what is the impact of the sustainability indices?* **Jeff Erikson:** For a long time, the sustainability community thought we should educate Wall Street. But now we need to learn their language, talk about shareholder value, talk about business risks, legacy assets, fuels in reservoirs, etc. The sustainability index does have traction with the community; it is just one of the values they look at. It is getting clearer that you don't have to sacrifice economic performance for environmental performance. I think it is exciting that some of the clutter in the social responsible community is clearing up and they are making clear correlations to benefits.

**Comment- Kristin Zimmerman, GM:** One of the things I found out while putting together GM's sustainability report was that KLD was very open and forthright with sharing the questionnaire with the investment community and asking what they missed. The first time the investment community has been willing to work with industry to put together pertinent, accurate information.

**Question:** *Is the shareholder resolution info available anywhere?* **Jeff Erikson:** CERES website and ICR lists shareholders resolutions.

**Question:** *When you rate reporting quality, are you looking at impacts on natural resources?* **Jeff Erikson:** Yes, the rating looks at company impact on GHG emissions and looks at programs in place to address business risks which include natural resource concerns.

## **Update on Corporate Climate Change Activities**

### **The Climate Group: Nancy Skinner, The Climate Group**

**Notes on comments not captured in presentation materials:**

- The Coalition of the Willing is trying to get the message out there that protecting the climate is not economic destruction but economic opportunity;
- Attention to climate change increases your competitiveness, demonstrates social responsibility, and can lead to decreased operational costs;
- The Climate Group is an international organization. Nancy Skinner is the U.S. Director. They have focused their efforts on Europe and the United States.
- The Climate Group's function is to be very public and outspoken with their message;

## **Questions**

*None were asked*

## **Using California Registry Software for Climate Leaders Reporting: Joel Levin, California Climate Action Registry**

*No additional notes to the presentation materials*

**Question:** *You collect only the indirect emissions but the emissions from product use are included in indirect, correct?* **Joel Levin:** We include purchased electricity, steam, etc. We do not require product use but you can include it if you want to report it.

**Question:** *Does CARROT produce a log of changes made so they can be tracked, if not, how does it control versions so that numbers aren't changed inadvertently or otherwise?* **Joel Levin:** You can control who can change which facilities. The data is then accepted into the report by the administrator. Then it is frozen and the user can't access the report after the administrator has approved it.

**Question:** *You mentioned you would accept global results, are there country specific factors?* **Joel Levin:** Yes for some participants. There are 15-20 countries that have standard factors that are included.

**Question:** *Do you have to be in the registry to use the tool for Climate Leaders?* **Joel Levin:** Right now, yes. A company has to be in the registry.

**Comment- Lisa Grice, CH2M HILL:** One clarification, you have to be in the registry to use the CARROT tool through CCAR. CH2M HILL developed the tool and can discuss setting up other licensing agreements with other entities that are interested in the tool.

**Question:** *Are there provisions for bulk loading of data?* **Joel Levin:** It is one of the changes CCAR is considering.

## **Northeast Regional Greenhouse Gas Initiative (RGGI) Update: Franz Litz, New York Department of Environmental Conservation**

**Notes on comments not captured in presentation materials:**

- During the development of the regional cap size, the RGGI working group was presented with a range of caps to be analyzed. The most modest was a stabilization goal to keep emissions constant and then the goals went up from there.
- Evaluating Offsets can be complicated. Currently, RGGI is proposing a small list of offsets (e.g. LFG projects, SF6 reductions, and natural gas end use efficiency)
- The allocation of allowances is unresolved at this time. This issue may be put in the states' control.

**Question:** *How are you dividing the regional cap among states?* **Franz Litz:** We looked at every metric you can think of to establish that goal. Everything other than emissions leads to winners/losers. It was deemed that other metrics were a difficult starting point. Emissions are a starting point that gets each state closer. **Question:** *Is the program going to be for fossil sources only?* **Franz Litz:** Yes, RGGI will currently only be utilized for fossil fuel sources at utility plants.

**Question:** *Are there specifics for cutoffs for generation capacity?* **Franz Litz:** 25 MW. Biomass generators are exempted, if they sell less than 10% of generation to the grid. *If you look at fuel mix in NE, primarily natural gas, etc., wouldn't it be better for the Midwest to have a similar initiative?*

**Franz Litz:** We hope to encourage Penn to take part, Delaware, which is a participant, is primarily coal. As we go through the process, we have been mindful of how our choices affect getting the coal states to join.

**Question:** *How do the end users deal with energy efficiency improvements, who owns these and how do you trade them?* **Franz Litz:** We have on the short list of offsets, natural gas end use efficiency (including propane and home heating oil). RGGI does not have electricity end use on the short list, but it is a major topic for discussion. The project sponsor owns the credit.

**Comment- Claudine Schneider, Econergy:** There are no other parts of the US that are doing anything comparable to RGGI; however, western governors in the US have signed an initiative to move in this direction.

**Question:** *Will there be a RGGI reporting tool?* **Franz Litz:** The RGGI registry (RGGR) is being developed.

## **Chicago Climate Exchange: Nathan Clark, Chicago Climate Exchange**

*No additional notes to the presentation materials*

**Question:** *There are concerns about tree farms resulting from carbon trading programs, what is CCX doing in terms of forestry programs?* **Nathan Clark:** I am not involved in the forestry side of CCX. However, there are not currently any forestry offset projects in the exchange.

**Question:** *There are a lot more sellers than buyers, is anyone buying other than AEP?* **Nathan Clark:** It is illegal for me to reveal who is buying. I would not assume that only one company is buying. Roughly 20% of participants have to buy to meet requirements.

**Question:** Compare the price of CCX to European trading schemes, can you explain the difference?

**Nathan Clark:** In a voluntary regime, the participants are different than those under mandatory caps. Europe, as a whole, is net short which drives the price. We do have a multi-sector program, which theoretically can drive down price. Europe is an entirely different scheme. **Question:** Are there any plans to put together a relationship between CCX and the European scheme? **Nathan Clark:** CCX does have two offices in Europe that interact with the European trading scheme. In terms of policy, we are in constant contact, but do not have a mandatory cap as of yet.

**Question:** If a company is registered with CCAR, does that count for CCX? Do they have to go through the same auditing processes? **Nathan Clark:** The two programs do overlap. We have an agreement that makes it easier to belong to both.

**Question:** How do you account for a company that is experiencing growth, since reductions are based on absolute emissions? **Nathan Clark:** A participant in that situation would have to buy to meet the reduction requirements.

## U.S. Department of Energy's 1605(b) and Climate Vision: Mark Friedrichs, U.S. Department of Energy

*No additional notes to the presentation materials*

**Question:** Is there any way to gain insight into best practices for activity measurements? **Mark Friedrichs:** It is a common problem. We don't think that entities should start with economic measures. They should start with physical measures. The revised 1605(b) guidance has a mechanism with which entities can break themselves down and account for changes in activity levels using appropriate (varied) activity measures. That can be complicated for a company that has hundreds of different projects. An entity could use both emissions intensity and economic measures. The USDOE is encouraging participants to look at the revised guidelines in detail and to submit your comments for consideration.

**Question:** Why is it that we need 1605(b) and Climate Leaders? **Mark Friedrichs:** The 1605(b) program is intended as a public reporting program. It is not a commitment program. Climate Leaders focuses on getting companies to reduce greenhouse gases.

**Question:** Is it intended that recycling be included in the averted emissions category or where does it fit? **Mark Friedrichs:** Currently, recycling does not fit into the program.

## Overview of Climate Change Developments: Tom Kerr, U.S. EPA

*No additional notes to the presentation materials*

**Comment- Pankaj Bhatia, WRI:** About 6 months back, a new program was launched in Mexico.



**Friday, May 6<sup>th</sup>, 2005**

**Administrations Climate Strategy Update, James L. Connaughton, Chairman, White House Council on Environmental Quality (CEQ).**

- Commended Partners for demonstrating leadership and working hard on this issue
- Climate Leaders is an important domestic Climate initiative;
- Where are we? We are three years past the US domestic climate change strategy. Once 1605(b) is launched, we will have fully launched all of the president's initiatives.
- We are on track for a greater than 20% reduction in intensity, we are continuing to be leaner/meaner;
- The new tax rules on expensing and dividends are leading to investment money for environmental programs;
- We have launched a suite of technology initiatives: the hydrogen initiative; zero emission cars; the Gen4 initiative for nuclear power plants; investments in fusion, which is a longer term strategy; the Farm Bill, a new conservation programs for carbon sequestration to which \$40 billion has been allocated; and a new energy bill for highly fuel-efficient vehicles which invites folks to look into diesel vehicles for fleets because they are more efficient and release less GHGs;
- Internationally, there are initiatives on diesel; nuclear power, which includes massive international partnerships with nations representing more than 70% of GHG emissions; For example, the methane to markets program. This is a partnership designed specifically to find the most profitable GHG reduction strategy. It focuses on capturing methane released from coal mining, landfills, and natural gas T&D. By focusing on these, the world will achieve a 50 million metric ton reduction.
- The Federal government has put in place a Energy Management Plan that focuses on combined heat and power. That program will offset 50 million metric tons. We would like to take the CHP concept internationally.

Made a request to Partners to do the following leadership activities:

- 1.) Go back to your sectors and lead-translate your experience into your broader sectors.
- 2.) We need other countries to institute this type of company by company approach worldwide. That can happen through partner contacts and networks.

Thanks to all of you for making the program a growing and continuing success.

**Question:** *Can you expand on tax credits available to corps for hybrid vehicles, etc.?* **James Connaughton:** A recent Tax bill provides credits for highly fuel efficient vehicles. The credits range from \$1500 to \$4000 to help offset the costs to invest in these approaches. Credits will be available to individual buyers once the bill passes.

**Question:** *Would you give us what it means that recent talks have indicated that international constituents are happy with what our administration is doing on climate change programs?* **James Connaughton:** It is not enough to focus on GHG emissions alone, we have to look at energy

efficiency. The US is leading on technologies, performance indicators, etc. We are at the table doing the work. What has actually occurred is that the US has advanced the discussions and actions on GHG further than ever before.

**Question:** *You mentioned the CHP initiatives, is there a lot of demand for steam to cost-justify these projects?* **James Connaughton:** The plan is based on cost-recovery and profitable offsetting of reductions. There are many opportunities for it. There are some places where it is more challenging.

**Question:** *What is the President's current position on whether global warming exists and if human activities contribute?* **James Connaughton:** Go to web and call up June 2001 speech by President and you will understand his views on climate change.

**Question:** *Do you see the regional efforts, like RGGI, as helping, harming, or irrelevant to the federal programs?* **James Connaughton:** It requires action at federal, state, local, etc. We are pleased that states focus on these issues. We are hopeful that these programs pursue proposals that work in the community and fit with the federal initiatives.

**Question:** *For international partners, one of the things that we hear from folks internationally is that we are not really reducing our emissions, what should we say to these folks?* **James Connaughton:** First of all, it is important to measure our absolute emissions profile. It is a case in the near term that US emissions of GHGs will continue to rise. We have a growing economy, population, etc. It is critical that we reward, recognize, and provide incentives for smart reduction policies. In 2002, we had an absolute reduction but it was due to recessions. We did not publicize that because it is not appropriate to market a reduction that was based on people losing jobs. In the 60s, we decoupled the air pollution growth from the growth of economy. At a certain point, air pollution did not go up as economy grew. We have gotten to a point where we have started to decrease air emissions. We can do the same thing with GHG emissions. We need to apply a second generation of control technologies for reducing air pollution and implement these in the developing world as well.

It is the case that we will offset GHG by 500 million metric tons by 2012. That is as much as the Kyoto companies, in terms of what they would be expected to actually reduce. The measure of what we are doing is on par with our counterparts.

## **Creating Climate Change Employee Awareness Programs**

**Eric Kuhn, Cinergy Corp.**

*No additional notes to the presentation materials*

**Question:** *I was intrigued by the operational changes you made, is there a system that you have or are thinking about to keep that level of awareness among employees? How do you keep people focusing on these things?* **Eric Kuhn:** We haven't been real successful. The real problem is that we are trying to do things that lower costs with fewer employees and expecting more from the employees we do have. I don't have a good answer, frankly. We have to find some better ways. We are dedicated to doing that. Part of the problem is attitude. Many times working with union employees, if you want them to do more in many cases they want to be paid more.

**Question:** *Is there anything that Cinergy is looking at in relation to recycling and waste reduction?*

**Eric Kuhn:** Actually, we do keep track of recycling of metals. Those are normally done on a plant-by-plant basis for charity groups, but we do try to track them. We could do more, like using the EPA spreadsheet that gives amount of reductions due to recycling.

**Question:** *How did you come up with \$21 million for the GHG programs?* **Eric Kuhn:** It is very arbitrary. We looked at what other companies were doing and their sizes, then came up with a palatable number. We came up with a number and went to senior management. We expected a lot of push-back, but didn't get much. I'm not sure why! I think it was because we went top down. We had CEOs and senior management involved from the beginning.

### **Al Forte, Pfizer Inc.**

*No additional notes to the presentation materials*

**Question:** *You mentioned you have a target of reducing electrical consumption by 35%, how will you accomplish that?* **Al Forte:** Through cogeneration, biomass fuels, renewable energy certificates (REC) purchase, etc.

**Question:** *Briefly describe your online tool.* **Al Forte:** It is centered on the Climate Change goal. The homepage shows trends toward the goal. The tools are very interactive. The most popular tool is the project portal. Used on a quarterly basis by project engineers, the tool is used to go through projects. It calculates CO2 emission reductions, return on investment, and the project's completion status. Typically, any project with a simple payback of 5 years or less, gets approved. Other tools include a regulatory tool, a carbon ROI tool, etc.

### **Designing GHG Performance Metrics, James Sullivan, U.S. EPA**

*No additional notes to the presentation materials*

**Question:** *During the design of performance indicators, if you have made an assessment of the absolute and intensity indicators, among these, which one is more effective in terms of making an assessment of the overall impact of a company's impact on GHG emissions?* **Jim Sullivan:** (Reference made to the second slide in presentation where there is no certain answer). We, as a program, have tried to be very flexible and allow the company to determine what the best metric is for the company. Calpine is announcing an intensity based goal this afternoon as they are a fast-growing company. It would not make sense for them to announce an absolute goal. The answer just varies by company.

### **Calculating GHG Reductions from Renewable Energy Certificates, Joe Bryson, U.S. EPA**

*No additional notes to the presentation materials*

**Question:** *Do you know what year the current version of E-grid uses?* **Joe Bryson:** Year 2000 data.

**Question:** *How do you define RECs and how do you treat non-emitting nuclear energy?* **Joe Bryson:**

The definition of RECs was in the presentation. On the nuclear issue, I will defer to Jim or Cynthia.

**Jim Sullivan:** The question here is what is a REC issue vs. what is an inventory issue. As an inventory issue, you simply apply an emissions factor. As a RECs issue, it is similar to a green power purchase and there are varying definitions of each energy source in the market. We could open that question up to the companies. **Cynthia Cummis:** We look at nuclear like it is conventional power. We won't have criteria for what acceptable RECs look like, who you buy it from, or what type of energy it comes from (i.e. wind, or biomass). We will provide some guidance on how to find a credible supplier.

**Question:** Does anyone know if the egrid factors will be upgraded anytime soon? **Joe Bryson:** Our office is responsible; hopefully by the end of the summer they will be updated. **Question:** Why an average emission rate rather than a marginal? **Joe Bryson:** In the Climate Leaders guidance that exists, that is how it is spelled out. If you use marginal factors to calculate indirect emissions impacts, it won't sum up in the same way the direct sources will add up. **Jim Sullivan:** One of the goals was simplicity. It is easier to use the same factors to calculate up and down. **Question:** Do you see potential problems with not defining what constitutes a REC? Is there independent verification? **Joe Bryson:** As far as the market, they have defined RECs. **Jim Sullivan:** We want to hear back from you on what you think the best way to handle these issues.

**Comment- Pankaj Bhatia, WRI:** You are asking for feedback- The methodology presented seems like there might be double counting of reductions. Also, consider in the design of the method, renewable energy sent to the grid has an impact on the grid average.

**Question:** I'm exploring the purchase of RECs to support renewable energy. I wonder if EPA has an opinion if there is a certain form or region we should purchase. **Joe Bryson:** EPA has a Green Power partnership; they can help you with all of those questions. How to get the most bang for your buck, etc. **Matt Clouse, GPP:** There are differences in regional and national RECs. We can talk you through that.

## Information Sessions on other EPA Voluntary Programs

### Landfill Methane Outreach Program, Chris Voell, US EPA; Dave Gustashaw, Interface; Al Hildreth, General Motors

Chris Voell, US EPA- filled in by Rachel Goldstein/ US EPA  
*No additional notes to the presentation materials*

#### **Dave Gustashaw, Interface**

*No additional notes to the presentation materials*

**Question:** When you started gas collection, was it dual phase extraction? **Dave Gustashaw:** No, the bioreactor is a separate system from the gas collection.

**Question:** Comment more on the bioreactor portion. Was there enough leachate? Does it affect gas production? **Dave Gustashaw:** We honestly do not know about the design of the leachate system. It is

managed by the city. The only gas curve we have is from the city engineers. I am not sure what the landfill would have done without the bioreactor aspect. **Rachel Goldstein:** EPA's office of solid waste is doing R&D on bioreactors and how it affects gas curves. One of the benefits is that the decomposing waste allows you to use more of the same space over time.

**Question:** *Are you pulling the gas prior to capping of the landfill?* **Dave Gustashaw:** We are pulling gas from both capped and uncapped cells.

**Question:** *Are you eventually going to get gas to use at the facility? What kind of treatment will you have for that?* **Dave Gustashaw:** None. In the contract, we only asked for stable combustion. It is the responsibility of the city to provide an accurate/efficient gas cleaning system.

**Question:** *Is there a min. btu/cf that you negotiated?* **Dave Gustashaw:** No.

## Al Hildreth, General Motors

*No additional notes to the presentation materials*

**Question:** *What temperature do you dry your gas to?* **Al Hildreth:** 40-42 degrees. **Question:** *Do you have any problems with condensables?* **Al Hildreth:** We haven't had too many problems with that. We need a good dryer. We have had problems with desiccant dryers. The desiccant ran out and caused problems.

**Question:** *What is the typical cycle time from identification of project to start-up?* **Al Hildreth:** The quickest one we have done is a year to 18 months. That would have been quicker but the state agency took awhile to produce the permit for the project. However, some of the projects can take years. It varies on how close the landfill is, how much volume, and if you have to get easements. Experienced developers will find public right-of-ways they can use for piping. The longest project I have worked on is 2.5 years. **Question:** *Are the states helping to expedite this at all?* **Al Hildreth:** Folks at LMOP really helped with that. **Rachel Goldstein:** The states do want to keep companies there so they will try to fast-track these projects.

**Question:** *Why can't we store unused gas?* **Al Hildreth:** There are companies that do that for them at some locations, but location is the key. You need someone who has a natural gas cavern. **Rachel Goldstein:** There is a project in New York State where they are looking at storing gas because there is a natural gas cavern nearby. **Question:** *Rachel, you showed 600 landfills but how much new capacity comes on each year?* **Rachel Goldstein:** My numbers are based on current landfills. There aren't a lot of new landfills being built. We have been talking about how to project over time, but currently they are just updating the numbers each year.

**Question:** *How does GM set up their pricing structure?* **Al Hildreth:** We typically would buy directly from a landfill or developer. We set a price that is competitive in the marketplace. We want to make sure the landfill gets the rightful return and that we get a good return. We set the price for about 15 years.

**Question:** *GM's price is extremely good, are you getting around the same price for all of those landfills or does it vary?* **Al Hildreth:** No, it varies site by site. For example, one site they are comparing against coal, so it's a lower price to compete against coal.

**Question:** *Of total landfills in existence, which are NSPS vs. NON?* **Rachel Goldstein:** 550+ Non-NSPS. There isn't any one source that catalogs all the landfills. LMOP has probably 80% of the landfills in their database. **Question:** *Of the 600 you identified for good candidates, what percentage is NSPS with collection systems?* **Rachel Goldstein:** I don't know off the top of my head.

## **WasteWise, John Cross, U.S. EPA; Soma Chengalur, Kodak; Thomas Costantino, PSEG**

*No additional notes to the presentation materials*

**Question:** *How has WasteWise's WaRM Model been developed?*

**John Cross, WasteWise:** The model is based on the life cycle analysis of a given waste. It takes into account how the waste is transported for disposal, the disposal method (incineration, landfill, etc.) and the emissions resulting from the disposal method. The WaRM Model is not a point source calculation tool.

**Question:** *We are trying to implement waste reduction and recycling programs at some of our sites. How did Kodak overcome facility pushback?* **Soma Chengalur, Eastman Kodak Company:** I must say, I wasn't instrumental in the roll-out at the facility level, but the main thing we did to counter pushback was to complete a business case scenario for reducing waste and recycling. Once the facilities had the numbers (dollar savings) in front of them, it wasn't hard for them to see the value in implementing some type of waste reduction program.

Overall point made by presenter **Thomas Costantino, PSEG:** - We must look at waste PREVENTION over waste REDUCTION to decrease the amount of GHGs emitted.

## **Breakout Groups: Provide Feedback to EPA on Program Progress**

This summarizes the feedback received from meeting participants in 90 minute break-out groups.

### **Marketing and Outreach**

**What items would you like to see in the Climate Leaders Media Kit? What is the preferred format (e.g., hard copy, CD, web)?**

- Web-based format is more important than hard copy or a CD

- Generic power point slides would be very useful - All agreed
- Group statistics (e.g., that Climate Leaders are responsible for 8% of national emissions and 7% of GDP)
- Generic/template press releases
- Posters that can be printed out or used for presentations
- Something for plants to put up to recognize achievements
- All - electronic file on the website would be best
- Calculation for how many cars off the road, homes heated, trees, etc. that can be made equivalent to CO2 savings. Consider putting some sort of conversion factor that partners can use to estimate savings on the website.
- Provide on the website updates on the program success (monthly or quarterly), i.e. 7% reduction as a program

## **Are there additional activities that we could initiate to facilitate peer exchange between Partners and between Partners and Prospects?**

- Develop sector sub-groups (e.g., Utilities/Energy, Pharmaceuticals, Food and Beverage) so that those who want to can connect and help others in the sector set goals, discuss sector-specific factors, or discuss the inventory process.
- Consider quarterly meetings or conference calls for sector sub-groups
- Solicit information from current Partners asking them to indicate
  - willingness to be contacted by others
  - program stages for which they prefer to be contacted (e.g., goal setting, employee education, developing an Inventory Management Plan)
  - willingness to help recruit by talking with industry peers
  - preference for type of contact (e.g., e-mail or phone)
- Consider including contact information on the posted IMPs (if Partner agrees)
- Consider an online discussion board, chat room, or list serve
- The best thing are the conferences
- Either partners or the EPA should make the presentations at industry group meetings. If the EPA does it, it will come across as sales job. If partner does it, it will be more informative

## **As a Climate Leaders Partner, are there any ways in which you would be willing to help us recruit new companies to join the program? How about talking to your suppliers?**

- Several Partners indicated that they would have difficulty calling peers at other companies
- Other Partners indicated that they would be willing to do presentations on the program.
- Several Partners indicated that they would not be comfortable with contacting their suppliers
- Other Partners indicated that they may be willing to contact their suppliers and would look into it.
- One Partner stated that they are an indirect emitter and would be willing to reach out to vendors who are direct emitters.
- UTC and GM could they share their experiences with supplier outreach programs (ask UTC for a copy of the letter they use with their suppliers)

- Create CL supply chain resources (e.g. auto sector initiative)-put info on web, maybe there is also a checklist for suppliers, i.e. if you want to be a CL supplier, here's what you need to do
- Focus on largest, sole-source vendors, target key suppliers
- Point out the costs savings to suppliers Provide Partners with Climate Leaders brochures and guides for distribution at industry trade organizations or association events

**We are currently writing a few papers for publication to market the success of our Partners and the program. What trade journals should we approach for publication?**

- General positive feedback and all noted they would appreciate the recognition
- Chemical News
- Energy Management
- Chemical Engineering Progress
- Golf Magazine
- Financial magazines to target the bosses
- Pollution engineering
- Hotel/Motel Magazine
- "Safety" magazine
- HVAC
- AWMA
- Public Utility Fortnightly
- Energy Management
- Recommendation that the papers feature success stories that include dollar amounts and business metrics as well as technical components
- Continue to use ROI and financial industry language in the technical papers. One partner noted that the CEO was impressed to hear technical people using financial speak.

**Can you suggest other marketing materials that we should develop?**

- Materials that get the Climate Leaders name and logo out there and contribute to continued brand recognition like ENERGY STAR
- Materials for booths at trade shows (e.g., Program Guide)
- PowerPoint slide showing the covers of magazines where PSA ran
- Company Report Profiles, similar to the ones mentioned during the WasteWise presentation (can be based on information from current web site)
  - If materials are Web-based, also remember to create a printer-friendly version (e.g. web profile) printer friendly
- Materials that leverage off PSA image

**Recognition**

**Where would you like the new PSA to be displayed (magazines, newspapers, websites, train and plane terminals)?**



- Forbes (on-line)
- Wall Street Journal (cost share with partners?)
- NY Times online
- Golf
- Google
- Financial Magazines
- People, Nature, Science- would also like to reach out to the common person by using these magazines
- Smithsonian
- Sierra Club
- Business Week
- Industry specific journals
- Airline magazines
- Other Leisure publications (e.g., Golf magazine)

## **Would you be interested in developing your own marketing materials based off this new PSA (pins, posters, banners, etc)?**

Partners indicated an interest in the following materials:

- Poster (that could be available for download on the web site)
- Banners for use at trade shows or at plants
- Pre-paid poster for consumers to clip out and mail in for
- Consider providing several options for sizes and image
- Would like to use the Climate Leaders logo on a coffee cup

## **What additional types of recognition can we provide?**

- Access to key EPA policy-makers/ officials
- Recognize the employees that are doing the work, have some events at the facilities
- Go to investor meetings and share recognition information
- EPA attend Energy manager/ EHS corp.-wide meetings
- Get state Governors to recognize the program and participants

## **Reporting Requirements and Technical Assistance**

### **Is new Technical Assistance fact sheet helping to define the type of assistance available?**

While several Partners wanted to reserve comment until after they had a chance to familiarize themselves with it, the general consensus was that the fact sheet sounded like it would have been helpful for existing partner to have had when they were first starting.

- For example, one Partner noted that its technical expectations were that the contractor comes with a standard IMP form and that did not happen.

**Are there any other guidance documents or fact sheets that you think would be useful in helping you to put together your IMP? What has been the most difficult part in putting together an inventory? What can EPA do to help overcome this challenge?**

- Provide lessons learned for gathering data from multiple facilities
- Provide e-grid data to partners in spreadsheet format
- Would like assistance in submitting inventories, provide a downloadable version of reporting flowchart
- One challenge is ensuring consistency between Climate Leaders and other inventory programs (e.g., WRI or 1605b)
- Develop a summary document that explains the differences between 1605b and WRI (e.g., whether aggregation is a more important issue than emission factors). This would be particularly helpful for companies that use an automated inventory for WRI reporting, but must be change assumptions and results for Climate Leaders
- Challenges mentioned included process emissions, mobile sources, and working with a fleet

**Has the development of an IMP been a useful exercise? Has the IMP improved the quality of your inventory?**

- One Partner developed its IMP before conducting its inventory and that was helpful because it made the company think about what facilities to focus on
- One Partner liked the IMP so much that it is now the basis for the company's international CERES and IETES reporting

**Are you satisfied with assistance provided by the EPA Contractors?**

- Participants agreed that they are satisfied with the level of assistance
- One company noted that initially it was considering using its financial auditors, PriceWaterhouseCoopers, but decided to work with the EPA contractors instead

**Partner Meetings**

**Is it still necessary to have meetings every six months? Are you happy with the substance and format of the Partner meetings?**

Comments on meeting logistics:

- All agreed that the timing of 6 months between meetings was appropriate
- All strongly suggested not holding meetings on Friday and Monday
- All strongly agreed that 2 days was too long and that EPA needs to consolidate topics

- Several suggested recommended a new venue

#### Comments on meeting substance:

- Partners liked hearing about WasteWise
- Having a session on every different registry was too much – consolidate into one overview
- Tom Kerr's presentation was most concise and most useful overview
- All agreed that Mark Friedrich's chart comparing 1605b and Climate Leaders was very helpful

#### Comments on meeting format:

- Discussion of format raised several important issues about whether to develop a track for new partners and a track for more senior partners
- General consensus was that keeping new and experience partner together is most valuable
- Desire to keep tracks limited and maybe separate tracks in terms of policy issues and inventory issues
- One recommendation was to offer an earlier session for newer partners and ask on the Registration form if you are new to the program and want to attend
- Other observations were that is dangerous to assume people had heard things before as some attendees may be new to program, even if company has been a partner for a while
- Preferred format is having EPA facilitate discussions with smaller breakout groups

#### **Do you still like alternating meetings between Washington DC and outside DC, focused on Partner site visits?**

- General agreement that alternating locations is important because companies value the site visits

#### **Are there any specific topics for pre-meeting workshops or information sessions that you would like to see on the agenda?**

- Provide more info on offsets and calculations- like the presentation on this topic
- Add topics as people get farther along to keep with where folks are in the process
- Present more business case presentations (similar to the one presented by GM)
- Consider having partners participate in planning the agenda
- People should register early enough to allow planning for a customized agenda and the possibility of tracks that are policy, inventory, or sector-specific
- Include a session comparing other GHG inventory programs back to Climate Leaders
- Address some of the thorny issues – like WasteWise, RECs, coal combustion, and who owns the recycling reductions– so that Partners can be better informed during the dialogues at the policy level internally and externally
- Include a session on Kyoto

#### **Future Direction of Climate Leaders**

**Is program helping you to achieve your company's climate change strategy? Can the program offer you any additional assistance to achieve your environmental goals?**

- All agree program is helpful
- Focus on tying Climate Leaders reporting requirements together with GRI reporting – to help make everything less cumbersome
- Determine an appropriate role for EPA to play in helping Partners find companies that can help them implement systems to automate the inventory process.
  - Although EPA can not endorse specific companies, Partners suggested developing a document might to help educate Partners about their options.
  - Consider offering information sheets summarizing available vendors, contact information, and types of services offered

**Any other feedback you would like to provide us?**

- When people register for the partner meeting, offer them an option to receive either a binder or a CD
- Still include paper programs as part of Climate Leaders meetings for people interested in paper copies.