

CLIMATE LEADERS

SETTING THE STANDARD IN GREENHOUSE GAS MANAGEMENT

Program Update
Partner Meeting
Boulder, CO
12/4/07



Welcome New Partners and Welcome Back!



Partner Accomplishments

- 153 Climate Leaders Partners (40 new)
 - > 10% US GDP
 - > 8% US Emissions
- 80 Partners have publicly announced goals
 - Nearly 50 MMTCO₂ annually
 - ~ 8.7 million cars
- 11 Partners achieved their goals



Base Year Reporting Completed

- 3M
- Alcoa, Inc.
- American Electric Power Ball Corp.
- Baltimore Aircoil Co.
- Baxter International, Inc.
- Boise Cascade
- Calpine
- Caterpillar, Inc.
- The Collins Companies
- Conservation Services Group
- Eastman Kodak Co.
- EMC Corp.
- Entergy Corp.
- Fairchild Semiconductor
- FPL Group, Inc.
- Frito-Lay, Inc.
- General Motors Corp.
- Green Mountain Energy Co.
- Hasbro, Inc.

- Haworth, Inc.
- IBM Corp.
- Johnson & Johnson
- Lockheed Martin Corp.
- Mack Trucks, Inc.
- Melaver, Inc.
- Miller Brewing Co.
- National Renewable Energy Laboratory
- PSEG
- Quad/Graphics, Inc.
- Roche Group US Affiliates
- SC Johnson
- Shaklee Corp.
- Sonoma Wine Co.
- St. Lawrence Cement
- Staples, Inc.
- Sun Microsystems, Inc.
- Tenneco Automotive
- United Technologies Corp.
- Volvo Trucks North America, Inc.

- Xerox Corp.
- Abbott
- Advanced Micro Devices, Inc.
- Bank of America Corp.
- Casella Waste Systems, Inc.
- First Environment, Inc.
- Gap, Inc.
- HSBC - North America
- Intel Corp.
- Interface, Inc.
- Johnson Controls, Inc.
- Lincus, Incorporated
- Marriott International, Inc.
- NVIDIA Corp.
- Pfizer, Inc.
- Raytheon Co.
- STMicroelectronics
- Target Corp.
- The Collins Companies
- The Tower Companies
- We Energies

More than 100 have submitted initial GHG inventories

New Protocol Development

1) Core Modules

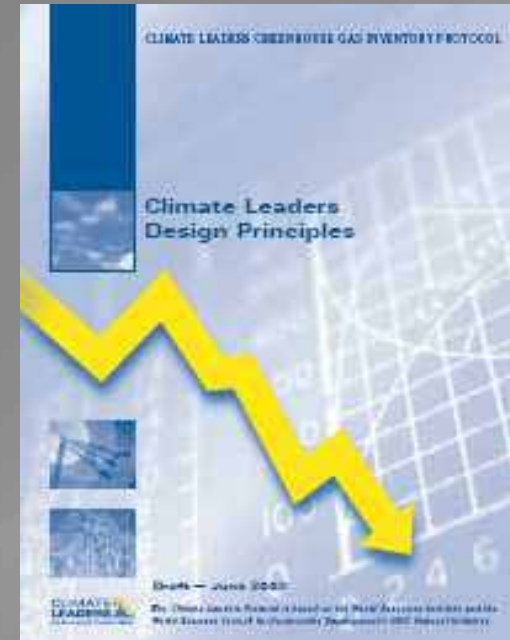
- Design Principles currently under revision
- Stationary Combustion & Refrigeration drafts
- Indirect Electricity & Mobile to be revised soon

2) Sector-Specific

- Aluminum, Cement, Pulp & Paper drafts soon
- Iron & Steel, HFC/PFC Mfg., MSW updates

3) Optional Modules

- Employee Travel & Product Transport
- Offsets Fact Sheet – additional draft guidance soon
- Green Power Purchases



Other New Technical Work

- Engagement with Registry development
 - The Climate Registry, CCAR, 1605(b)
- Engagement with WRI (guide to GHG program design)
- Engagement with Carbon Disclosure Project
- Simplified Calculation Guidance & Tool (beta)
 - SME options for CL
 - Supply Chain footprint efforts
- Climate Leaders Government/Institution Initiative
- Reforestation/Afforestation Method & Tool
- Chemical Engineering Cover Story (8/07)
- Site Visit Guidance (for contractors)

- Goal Achiever/Early Achievement Policy
- Analysis Tools In-House
- ACEEE Paper on Benchmarking Methodology
- Fact Sheet – Using External GHG Reductions to Help Climate Leaders Achieve Their Goals
 - Project Methodologies and Purchases (incl. Green Power)
- Carbon Neutral Corporate-Wide Goals Guidance
- eGRID Update Discussion Paper

Key Points on Offset Approach

- Four key criteria:
 - Real – actual reductions that have occurred
 - Additional – beyond BAU (performance standard)
 - Permanent – or can be backed by guarantees
 - Verifiable – quantified, monitored & verified
- May develop/invest or purchase
 - EPA developed project accounting for 6 project types
 - Partners may develop methods for types not yet developed
- Goal reporting should be transparent and public
- EPA review of project summary and data

EPA Approach to Using External GHG Reductions to Achieve Goals

Fact Sheet:

Overview of Using External GHG Reductions to Help Climate Leaders Achieve Reduction Goals

Draft Guidelines for Developing or Investing in Offset Projects

- Program Design Parameters
- Protocols for Specific Project Types
- Generic Project Protocol Guidelines

Draft Screening Criteria for Purchasing GHG Reductions

- Screening Criteria Checklist
- Detailed Guidance/Checklists for Specific Project Types

- Green Power is an effective way to reduce environmental impacts of electricity use
- For CL goal tracking, green power may be used to adjust indirect electricity emissions
 - Not addressing on-site or non-grid connected RE
 - eGRID non-baseload (quasi-marginal) factors
- EPA defines green power sources as those with superior environmental profile and no man-made GHG emissions

Climate Leaders GHG Reduction Goals Allow for Corporate-Wide Carbon Neutral Goals

- 1) Expand Inventory Boundary to include optional sources
 - e.g. business travel, employee commute, product transport
- 2) Achieve Significant Internal GHG Reductions
 - Efficiency, on-site renewables, process/fugitive reductions
 - Meet performance benchmarking test – similar to other reduction goals
- 3) Purchase Credible External Reductions: Green Power/RECs/Offsets
 - Partners should offset only the portion of the inventory that cannot be reduced cost-effectively through internal projects
 - Green Power/RECs are credible strategy to reduce indirect emissions associated with electricity use
 - Project-based reductions based on EPA performance standard may be purchased for remaining direct, other indirect & optional emissions

Should be implemented 1-2 years after base year and maintained for at least 3 additional years to demonstrate long-term commitment

- “Footprint” Public Service Announcement second half of 2007
- Two special advertising supplements (NG & Forbes)
- Partner Profile pages on CL web site
- Two Partner meetings, each with national press releases and partner recognition events
- Web site refreshed, reorganized and relaunched
- Two technical papers published
- Internal communications initiative

2007 Public Service Announcement



**Their footprint is getting smaller.
Yours can too.**

CEA congratulates these Climate Leaders for taking action to reduce their greenhouse gas emissions and carbon footprint. To learn how your company can join the effort to address climate change, go to www.epa.gov/climateleaders.

<ul style="list-style-type: none"> Advanced Micro Devices, Inc. Aviation Metals, Power Ashland Specialty Products, Inc. IBM Corporation Ballwin Aircoil Company Bank of America Corporation Boehringer-Ingelheim, Inc. Bojiak Chemical Callison Pumps/Charmant Co. Celgene California Inc. Cummins Inc. Corning Incorporated The Collins Companies Chromalox Division Cummins Inc. DuPont Company Eaton/Kodak Controls Essex EMC Corporation Energy Corporation Enbridge Corporation Fairchild Semiconductor First Performance, Inc. 	<ul style="list-style-type: none"> 1773 Energy, Inc. Piko L. Inc. Clay Inc. General Electric Company General Motors Corporation Green Mountain Energy Company Hobas, Inc. Humco Inc. Huntsville, Inc. HSC - North America IBM Corporation Intel Corporation Interlock, Inc. International Paper Johansen & Johnson Lithium Metal Corporation Mark Reads, Inc. Marvell International, Inc. Milacore Inc. Mishcon Company National Renewable Energy Laboratory North Bay Construction Oracle Corporation Pfizer Inc. PG&I Plymouth Company Rock Group U.S. Airlines St. Johnson Stubbins Corporation Summa Wire Company St. Lawrence Cement Timken Inc. Timken Steel Waldrop/Parsons, Inc. Siliconix Corporation Sun Microsystems, Inc. Thermal Solutions, Inc. The Tower Companies United Technologies Corporation Vision Trucks North America, Inc. The World Bank Xerox Corporation
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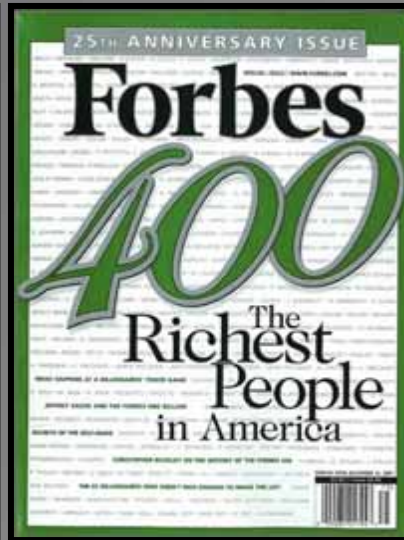
CLIMATE LEADERS
U.S. Environmental Protection Agency

Total Circulation : > 10 million
(w/ National Geographic and Forbes)

“Footprint” Public Service Announcement



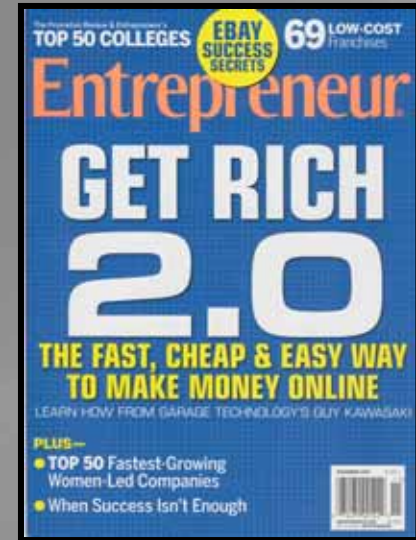
October 2007
Circulation: 407,640
Ad Value: \$38,280



October 2007
Circulation: 927,202
Ad Value: \$100,690



July 2007
Circulation: 871,436
Ad Value: \$50,800



November 2007
Circulation: TBD
Ad Value: TBD

2007 Advertising Opportunities

As seen in NATIONAL GEOGRAPHIC MAGAZINE

...receding the planet has become a rallying cry for all Americans.

GLOBAL
Climate Change
CHAMPIONS

Learn how less government programs have inspired private corporations to set new standards in the quest for environmental leadership.

CLIMATE LEADERS
U.S. Environmental Protection Agency

ENERGY 210A

National Geographic (Exec.)

- October 2007
- Circulation: 1.4 million

SPECIAL ADVERTISING SECTION

Building a Healthier Climate
By Lynn Liberman

WORKING WITH THE EPA, FORWARD-THINKING COMPANIES TAKE THE LEAD IN REDUCING GREENHOUSE GAS EMISSIONS.

This year marks a watershed for action on slowing climate change. Clean energy is poised to become the hottest new market for venture capital investment since the dot-com boom, and for the first time, companies lowering their greenhouse gas emissions are being rewarded by mainstream investors and insurers for improved risk management. Public awareness has also been brought to the forefront, fueled by insightful books and documentaries that focus attention on the future as well as the changes that need to be made now to avoid a dramatic increase in global temperature.

CLIMATE LEADERS
U.S. Environmental Protection Agency

Forbes

- January 2007
- Circulation: 4.7 million

Climate Leaders Web Site

- New web site launched last week! Same address, same bookmarks!
 - www.epa.gov/climateleaders
- New features:
 - All Technical and Communications Resources available from a central page
 - Searchable Case Studies database of Partner projects and presentations
 - Answers to Frequently Asked Questions
 - More user-friendly, streamlined look
- 2007 page requests: Avg of 105,000 per month worldwide

Climate Leaders Calendar – 1Q 2008

- CL Government GHG Workshop: January 15
- Deadline for comment on new guidance: January 25
- Carbon Disclosure Project questionnaire kickoff: February
- Forbes special advertising supplement: April 7
 - Advertising commitment deadline: January 22
- Annual Reporting Deadline: June 30
- Next Partners Meeting:
 - Fall 2008, Washington DC



Agenda - Tuesday

- Federal and State Policy Developments
- Progress Reports from Partners: FPL, Caterpillar, Roche
- Site Tours
 - Ball Aerospace
 - Coors Brewery
 - EPA Region 8 HQ
 - NREL
- Post-Tour Reception at Coors
- Optional Group Dinner
 - Bácaro Venetian Taverna



Agenda – Wednesday

- Beyond Low-Hanging Fruit – RMI/Frito Lay
- Morning Breakouts
 - Cutting Edge Energy Management
 - Financial Mechanisms for Implementing GHG Projects
 - Capitalizing on Incentives for On-Site RE
- Supply Chain Management – Unilever, Dell, Anheuser-Busch
- Climate Technology – McKinsey
- Luncheon – *Sponsored by Lockheed Martin*
- Recognition Event for Goal Achievers, New Goal Setters, New Partners
- Afternoon Breakouts
 - Should you go Carbon Neutral?
 - A Moving Target: GHGs from Transportation
 - Data Center Efficiency
- Innovations in Communicating Employee GHG Reduction Initiatives
- Feedback and Strategic Planning: Next Steps for Climate Leaders

- Commitment to reducing GHG emissions
- Providing valuable feedback on the program
- Sharing your company's experiences
- Providing a learning ground to build a common understanding of credible GHG reporting
- Helping communicate the value of GHG management
- Being leaders in addressing climate change