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U.S. Environmental Protection Agency

Climate Change Activities Wrap-Up

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A Number of Developments

- ◆ **National**
- ◆ **International**
- ◆ **State**
- ◆ **Corporate Responses**



National Developments

President's Climate Change Strategy

- ◆ **Science & Technology Program**
- ◆ **Registering Reductions**
 - ✦ Department of Energy's 1605(b) Program
- ◆ **Business Challenges**
 - ✦ Climate Leaders
 - ✦ Climate VISION sector agreements

- ◆ **Chicago Climate Exchange**
- ◆ **State Attorneys General Lawsuits**
 - ✦ EPA authority to regulate CO₂ as a pollutant
 - ✦ Nuisance suit against electric utilities

International Developments – Kyoto Implementation

- ◆ **UNFCCC process**
 - ✦ Kyoto entered into force February 2005
 - ✦ Countries beginning to look 'beyond Kyoto'

- ◆ **EU Emissions Trading System**
 - ✦ Phase I begun January 2005
 - ✦ ~12,000 installations affected
 - ✦ Possible linkages to other schemes

- ◆ **Canada, Japan**
 - ✦ Canada's plan released last month
 - ✦ Japan may purchase credits to meet Kyoto obligation

International Developments – GHG Reporting and Tracking

- ◆ **GHG Reporting Standards**
 - ✦ ISO GHG Accounting Standard
 - ✦ WRI/WBSCD GHG Protocol
 - ✦ Global Reporting Initiative
- ◆ **NGO Corporate GHG Programs**
 - ✦ WWF Climate Savers
 - ✦ ED Partnership for Climate Action
 - ✦ Pew Business Environmental Leadership Council
 - ✦ Climate Trust
- ◆ **Climate Risk/Shareholder Resolutions**
 - ✦ Carbon Disclosure Project
 - ✦ CERES Climate Risk Network/UN Investor Network

State Developments

◆ Registries

- ✦ CA Action Registry, NH, NJ, WI, others

◆ GHG Reduction Mandates

- ✦ CA auto efficiency, OR power plant CO₂ mitigation, MA, NH - CO₂ cap & trade, NE RGGI

◆ Other

- ✦ CA PUC requirement that electric utilities include GHG adder for future resources
- ✦ West Coast Governors' Global Warming Initiative
- ✦ NJ proposal to regulate CO₂ as a pollutant
- ✦ 18 states with Renewable Portfolio Standards
- ✦ CALPERS/NYPERS focus on climate change risk disclosure, mitigation

Corporate Responses

- ◆ **Assessing Climate Risk**
 - Possible emissions constraints
 - Impacts of higher energy, resource costs
 - Insurance implications
- ◆ **Performing Corporate-Wide GHG Inventories**
- ◆ **Setting GHG targets**
- ◆ **Engaging Stakeholders**
 - To provide credibility
 - To ensure transparency
- ◆ **Communicating Leadership**
 - Cinergy's Annual Report, Climate Risk Document
 - AEP's Climate Risk Statement
 - Employee/customer education campaigns



How Can We Help?

- ◆ **We Are Working with Other GHG reporting Schemes**
 - ✦ 1605(b), WRI, ISO, CCAR, sector protocols
 - ✦ our goal: reduce reporting burden among multiple systems
- ◆ **Our Inventory Management Plan institutionalizes best practice in GHG management**
- ◆ **We Are Publicizing your leadership**
 - ✦ PSAs
 - ✦ Events
 - ✦ Annual Report
- ◆ **Are there other things we can do?**