

# **Proposed Mandatory GHG Reporting Rule: Overview**

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# Outline



- **Congressional Request**
- **Rulemaking Approach**
- **Summary of Key Elements of Proposal**
- **Electronic Reporting and Data Sharing**

# Appropriations Language



**FY08 Omnibus Appropriations, signed Dec 26, 2007:**

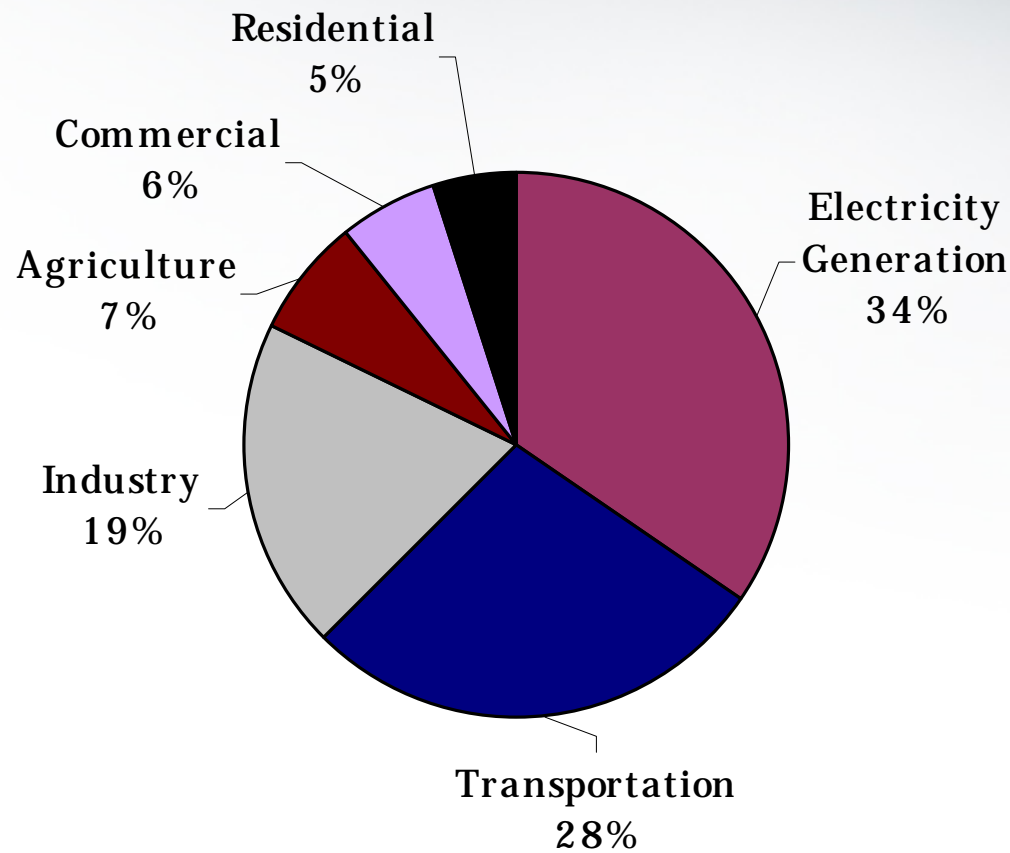
## Accompanying Explanatory Statement

- 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...."

# U.S. GHG Emissions (2007)



## Emissions (CO<sub>2</sub>e) Allocated to Economic Sectors



Source: *Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990-2007* (April 2009)

# Source Categories Coverage



**After applying the screening criteria, EPA developed reporting methodologies for emissions source categories found at the following facilities:**

Sector	Reporters
<b>Electricity Generation</b>	Power plants
<b>Transportation</b>	Vehicle and Engine Manufacturers
<b>Industrial</b>	All large industrial emitters, including those in the following industries:
<i>Metals</i>	Iron and Steel, Aluminum, Magnesium, Ferroalloy, Zinc, and Lead
<i>Minerals</i>	Cement, Lime, Glass, Silicon Carbide, Pulp and Paper
<i>Chemicals</i>	HCFC-22, Ammonia, Nitric Acid, Adipic Acid, SF6 from Electrical Equipment, Hydrogen, Petrochemicals, Titanium Dioxide, Soda Ash, Phosphoric Acid, Electronics, Titanium Dioxide
<i>Oil and Gas</i>	Components of oil and gas systems, Underground coal mining
<b>Other</b>	Landfills, Wastewater Treatment, Ethanol, Food Processing
<b>Agriculture</b>	Manure Management
<b>Upstream Suppliers*</b>	Petroleum Refineries, Gas Processors, Natural Gas Distribution Companies, Coal Mines, Importers, Industrial Gases (e.g., HFCs, N2O, PFCs, CO2)

\*Some upstream suppliers will also be reporting their direct emissions (e.g., refineries)

# Outreach meetings held



- Meetings held with over 250 different groups including:
  - States, state- or regional-based groups: CA, CT, NM, SCAQMD, TCR, NACAA, ECOS, WCI, RGGI
  - Tribes: Tribal Air Caucus, National Tribal Air Assoc.
  - Trade Associations: Edison Electric Institute, American Chemistry Council, Portland Cement Assoc., National Petrochemical & Refiners Assoc., American Trucking Assoc., Alliance of Automobile Manufacturers, National Mining Assoc, American Farm Bureau Federation, American Forests and Paper Assoc.
  - NGOs: WRI, NRDC, Pew

# Key Aspects of Proposal



- Who reports
- Thresholds
- Reporting methodology
- Frequency
- Verification

# Proposal Summary

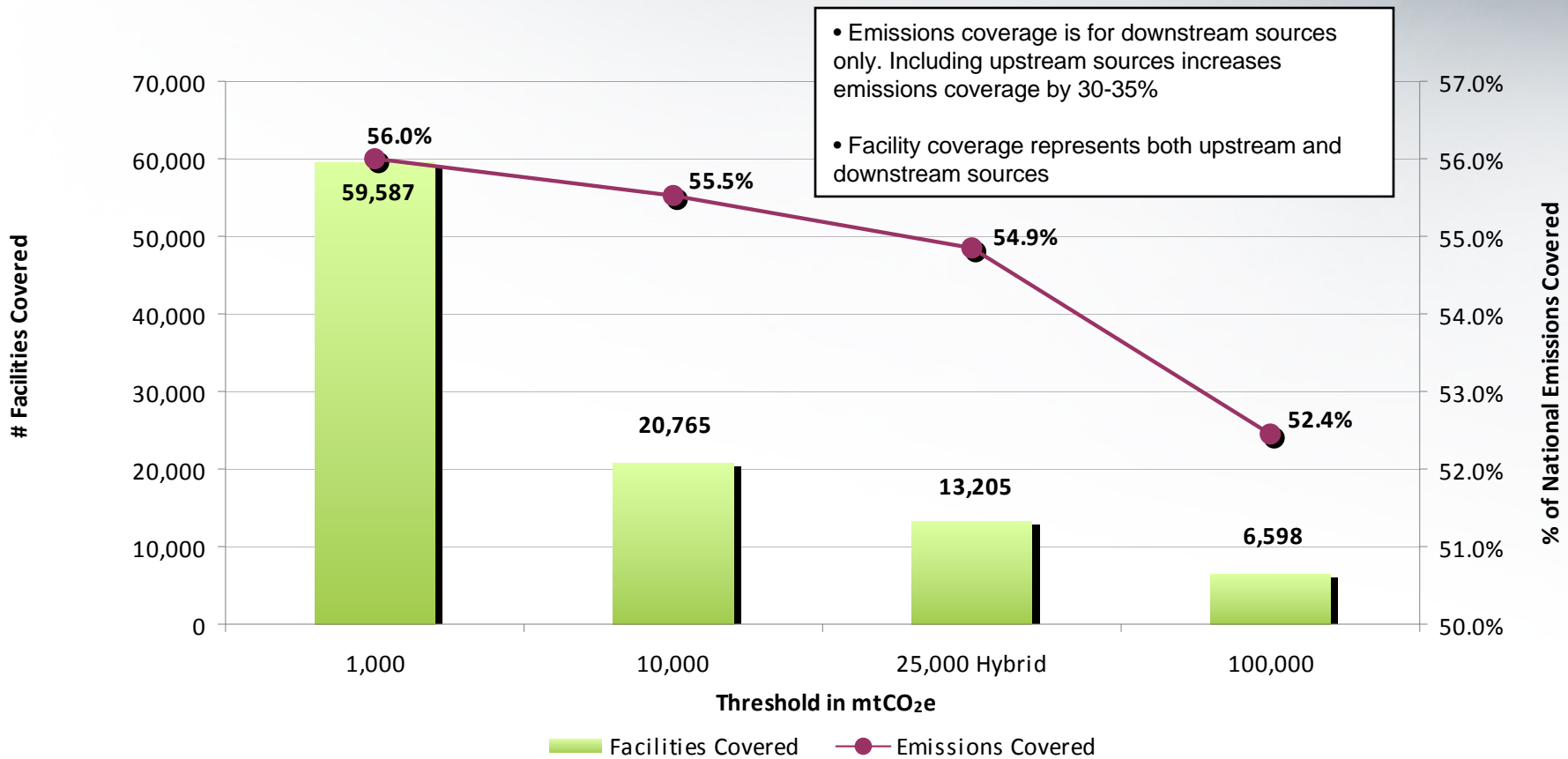


- **Reporter:** Hybrid approach
  - Facility based reporting for all source categories for which there are methods
  - Limited exceptions for a few reporters (e.g. fuel importers, vehicle and engine manufacturers)
- **Threshold:** Hybrid approach
  - A facility that meets the emissions threshold of 25,000 tons CO<sub>2</sub>e reports all source categories for which there are methods in the rule
  - May develop capacity thresholds where feasible (e.g., ARP)
- **Methodology:** Hybrid approach
  - Direct measurement of stationary combustion source categories where data currently collected (e.g., CO<sub>2</sub> emissions from EGUs in ARP)
  - Facility-specific calculation methods for other source categories at the facility
- **Frequency:** Annual
  - Annual for new reporters
  - Facilities already reporting similar data more frequently to other mandatory programs (e.g., Acid Rain Program) continue current practice
- **Verification:** EPA as the verifier
  - Reporter self-certifies emissions data and other specified activity data and submits to EPA who performs QA/QC of reports

# Estimated Proposal Coverage



## Downstream Facility and Emissions Coverage by Threshold



# What is in the Rule



- Preamble
- Rule
  - 41 Subparts in Part 98
  - Amendments to existing mobile source regulations
- Regulatory Impact Analysis (RIA)
- Technical Support Documents
  - For source categories and other components (e.g. thresholds)

# Preamble Outline



- I. Background
  - GHGs, Climate Change, Statutory Authority, Inventory, Other Climate Efforts, etc.
- II. Summary of Existing Federal, State and Regional Emission Reporting Programs
  - 1605(b), EPA Voluntary and Mandatory Programs, CARB, RGGI, etc.
- III. General Reporting, Recordkeeping and Verification Requirements
  - Selection of GHGs and Source Categories, Thresholds, Level of Reporting, Monitoring, Reporting, Recordkeeping, Verification, etc.
- IV. Source Category Specific Reporting, Recordkeeping and Verification Requirements
  - 42 subsections
- V. Collection, Management and Dissemination of GHG Emissions Data
- VI. Compliance and Enforcement
- VII. Economic Impacts
  - Compliance costs, economic impacts, small businesses, etc.
- VIII. Statutory and Executive Orders Reviews

# Electronic Reporting



- **Preamble III: General Reporting and Recordkeeping Requirements**

- D. How do I submit the report?

- “The reports would be submitted electronically, in a format to be specified by the Administrator after publication of the final rule. To the extent practicable, we plan to adapt existing facility reporting programs to accept GHG emissions data. We are developing a new electronic data reporting system for source categories or suppliers for which it is not feasible to use existing reporting mechanisms”

# Data Sharing



- As proposed in rule, reporting would be electronic and direct from facilities to EPA.
- EPA is taking comments on whether States and Local Agencies should be delegated implementation responsibilities, assuming the requirements of the rule are met.
- To help States, Local Agencies and other stakeholders access GHG emissions data collected under the rule, EPA would publish the data in multiple formats including the Consolidated Emissions Reporting Schema (CERS).
- To leverage existing data exchange infrastructure, EPA would use the Exchange Network for facility to EPA and EPA to State transfer of GHG emissions data.

# Status of Rule



- Proposed Rule published in the Federal Register April 10, 2009
- 60 day public comment period ends June 9, 2009
- First reporting year would be 2010 [except vehicle and engine manufacturers]
- Reporting period would start Jan 1 2011 – March 31 2011

# For more information



- Preamble and proposed regulatory text available at: [www.regulations.gov](http://www.regulations.gov) Published in the Federal Register 4/10/2009
- Follow instructions for submitting comments, go to [www.regulations.gov](http://www.regulations.gov)
- Official Comment Period: 4/10/09 to 6/9/09
- Additional information:  
[www.epa.gov/climatechange/emissions/ghgrulemaking.html](http://www.epa.gov/climatechange/emissions/ghgrulemaking.html)  
Hotline: 1-877-GHG-1188  
Email: [GHGMRR@epa.gov](mailto:GHGMRR@epa.gov)

This information is intended to assist reporting facilities/owners in understanding key provisions of the proposed rule. However, this information is not intended to be a substitution for the rule.