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GREENHOUSE GAS ACCOUNTING AND REPORTING NEWS

Helping Federal leaders keep track of the world of GHG accounting.

National Developments

Climate Change Bill

On July 22, Senate Majority Leader Harry Reid announced that Democrats are shelving plans for a climate change bill.

CBO Finds Net Effect of APA Would Be Deficit Reduction

The Congressional Budget Office (CBO) reviewed the American Power Act (APA) and estimates it would cut the deficit by $19 billion over the next decade.

CBO said the bill would increase Federal revenues by about $751 billion over the next decade, while increasing spending by about $732 billion.

Read CBO's findings here.

EIA Reviews the Energy Market and Economic Impacts of APA

An Energy Information Administration (EIA) report—responding to a request from Senators Kerry, Graham, and Lieberman for an analysis of the APA—was released on May 12. The APA regulates emissions of greenhouse gases (GHGs) through market-based mechanisms, efficiency programs, and other economic incentives.

Energy Market and Economic Impacts of the American Power Act of 2010

July 2010

WRI Publishes Report of Potential for Emissions Reductions without New Federal Bill

The World Resources Institute (WRI) published a report in July analyzing the potential GHG emissions reductions under existing Federal authorities and announced state actions through 2030.

As part of its conclusions, the report states, "It is likely that the US Congress and states will need to step up to augment existing regulatory tools, especially if the United States is to gear up to reduce emissions by the approximately 80 to 95 percent needed by 2050 to ward off the most deleterious effects of climate change."

Federal Contractors May Need to Start Reporting Emissions

Proposed new General Services Administration rules will increase pressure on Federal contractors to report their GHG emissions. Preference would be given to those that are reporting, reducing, and independently verifying their GHG emission reductions.

Local, State, and Regional Developments

Western Climate Initiative Releases Economic Analysis of Regional GHG Reduction Plan

The partner jurisdictions of the Western Climate Initiative (WCI) have released an updated economic analysis, which states that the regional GHG reduction plan is achievable and economically beneficial.

The report concludes that the WCI jurisdictions can achieve the goal of reducing emissions to 15 percent below 2005 levels by 2020 and save net costs of approximately $100 billion between 2012 and 2020.

The analysis shows net cost savings for a range of scenarios with varying assumptions about future economic growth, fuel prices, and other factors.

The report also highlights the importance of carbon allowance banking and offsets in the design of the cap-and-trade program. Agencies with facilities in WCI states should continue to track developments of the cap-and-trade program for potential impacts on their programs.

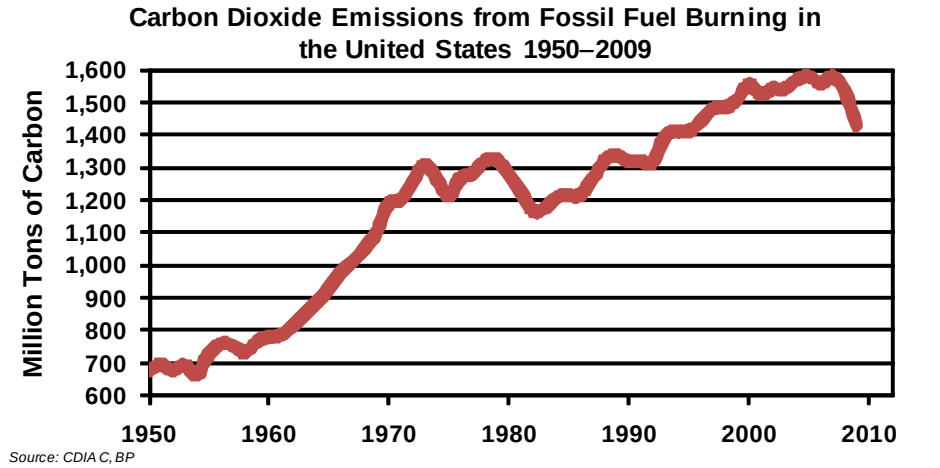
International Developments

China to Pilot Test Emissions Trading Program

According to news reports, China will pilot test an emissions trading program by 2015. The decision was made at a high-level, closed door meeting between government and industry, chaired by Xie Zhenhua, deputy director of the National Development and Reform Commission. Pilot testing the new domestic carbon trading program would be part of the next 5-year plan (2011–15), which will be finalized during the next few months. No decision was reported on the sectors or geographical areas to be included.

Global Carbon Dioxide Emissions Fall in 2009, Following Decades of Rapid Growth

During 2009, CO_2 emissions from the



world's leading emitter (China) grew by nearly 9 percent, while most industrialized countries saw a drop. As a result, global CO_2 emissions from fossil fuel use fell from 8.5 billion tons of carbon in 2008 to 8.4 billion tons in 2009. However, this drop follows a decade of rapid growth, rising an average of 2.5 percent a year for the previous decade. This growth is about four times faster than in the 1990s.

In the United States, CO_2 emissions shrank by nearly 10 percent from 2007 to 2009, from a high of 1.58 billion tons of carbon to 1.43 billion tons, the lowest level since 1995.

Read more about Global GHG Emissions.

New Executive Secretary of the UNFCCC

Federal agencies working in the international sector have a new partner. Christiana Figueres will be taking over for Yvo de Boer , who stepped down on July 1 as executive secretary of the United Nations Framework Convention on Climate Change (UNFCCC), at the United Nations Climate Change Secretariat, based in Bonn, Germany.

The UNFCCC has 194 parties and is the parent convention to the 1997 Kyoto Protocol.

Offsets and Renewable Energy Credits

Maine to Sell Carbon Credits from Weatherization

Maine officials have developed a plan to sell carbon credits from GHG emission reductions achieved through the state's weatherization efforts. Weatherization generally saves money and reduces reliance on fossil fuels. The plan would leverage the growing international market for carbon credits, using revenues to invest in the state's energy efficiency and weatherization programs.

The plan could set an international precedent. "We're the first in the world. We're not just the first state," said Dale McCormick, director of MaineHousing, the state's affordable housing agency.

The draft GHG reporting guidance from the U.S. Council on Environmental Quality (CEQ) for Executive Order 13514 does not allow Federal agencies to use offsets to reduce an agency's emissions.

Technical Developments

CEQ Proposes Guidance for Federal Agencies on Measurement of GHG Emissions

As part of its implementation of Executive Order 13154, which directs Federal agencies to set GHG emission reduction targets for the next decade, the CEQ proposed guidance establishing government-wide requirements for the calculation and reporting of GHG emissions. Comments on the guidance are due by Sept 1, 2010.

DID YOU KNOW…GHG ACCOUNTING FACTS

What's the difference between the Tailoring and Mandatory Reporting Rules?

The U.S. Environmental Protection Agency's (EPA's) Mandatory Reporting Rule (MRR) does not place limits or require permits for GHGs: it is simply a way to account for gain knowledge of what is being emitted from large stationary sources. Currently, those who emit 25,000 metric tons per year (tpy) or more of GHGs must submit annual reports to EPA documenting those emissions.

EPA's Tailoring Rule allows permitting requirements to be phased in as some stationary sources of GHG emissions are also subject to Prevention of Significant Deterioration (PSD) and Title V requirements under the Clean Air Act. This rule requires sources that create a significant increase in emissions to obtain preconstruction permits for facilities and install Best Available Control Technology for all pollutants subject to regulation. The Tailoring Rule will be implemented in three phases:

Phase 1: *January 2, 2011, to June 30, 2011*
Requires PSD permits for sources making modifications that result in an additional 75,000 tpy or more and from sources required to submit PSD permits for pollutants other than GHGs.

Phase 2: *July 1, 2011, to June 3, 2013*
Requires PSD permits from new sources emitting 100,000 tpy or more and existing sources that increase emissions by 75,000 tpy or more . Title V permits will be required for facilities emitting over 100,000 tpy.

Phase 3: *July 1, 2013*
Involves a commitment from EPA to make rules regarding PSD and Title V permits for sources below the 75,000 and 100,000 tpy thresholds. EPA will not apply the permitting requirements to sources with emissions below 50,000 tpy prior to April 2016.