

# GREENHOUSE GAS ACCOUNTING AND REPORTING NEWS

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

## National Developments

### CEQ Issues Guidance on Climate Change Adaptation Plans

On March 4, 2011 The White House Council on Environmental Quality (CEQ) issued the [Federal Agency Climate Change Adaptation Planning, Implementing Instructions](#). The instructions inform agencies on how to incorporate climate change adaptation into their planning, operations, policies, and programs. To meet the terms of the guidance, agencies are required to:

- Establish an agency climate change adaptation policy by June 3, 2011
- Assess agency vulnerability of mission and operations to climate change
- Develop and begin implementing adaptation actions by Sept. 30, 2012

Adaptation planning will help an agency reduce negative effects and take advantage of new opportunities that climate change may bring.

### DOE Continues to Build Partnerships for Clean Energy Technologies and Reduced Air Pollution

The Department of Energy is building upon already existing agreements with other Federal agencies to help create a clean energy future. Using the existing Memorandum of Understanding (MOU) between DOE and the Department of Defense, the two agencies are strengthening coordination and resources. By sharing technical expertise in grid scale energy storage, batteries for electric vehicles, and similar applications, the two parties are working to develop an energy storage device that will provide future defense systems with long duration storage suitable for a variety of applications, including military bases and vehicles, and eventually commercial grids.

The DOE is also partnering with the National Park Service to reduce air pollution and preserve the environment and the National Parks' natural resources. The DOE Clean Cities initiative announced the expansion of the ongoing collaboration with the NPS's Climate Friendly Parks program. The goal of this new partnership is to reduce air pollution and identify options that assist national parks in reducing gasoline and diesel consumption.

### Ethanol Tax Credit May Be Repealed

A [Senate bill](#) has been introduced that would repeal the 45-cent per gallon blenders tax credit for ethanol producers. The bill may be amended to government funding legislation, but has met with resistance from Senate Democrats.

The tax credit cost \$5.4 billion in 2010 and was recently extended through the end of 2011. A recent Government Accountability Office [report](#) describes the tax credit as "largely unneeded" because production will increase steadily to meet requirements of the federal renewable fuel standard.

Repeal of the tax credit could affect federal fleet managers' efforts to meet renewable fuels purchasing goals if prices on ethanol and ethanol blended fuels increase.

## Local, State, and Regional Developments

### California Cap-and-Trade News

The California Air Resources Board (CARB) has proposed its cap-and-trade program be approved as equivalent to proposed EPA standards for electric utilities and refineries. Under the proposed scenario, regulated facilities in California could choose to use compliance with the state

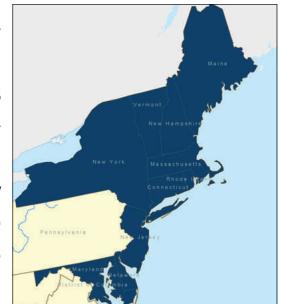
program in lieu of compliance with EPA standards directly.

The state's [cap-and-trade program](#) was approved in 2008 and is planned to go into effect in 2012. However, a California court this month blocked its implementation, finding that CARB failed to adequately consider alternatives to the plan. Read the court statement [here](#).

Depending upon federal and state rulings, federal facilities compliance could be affected.

### RGGI Auction Proceeds go to Energy Programs

A recent [review](#) shows Regional Greenhouse Gas Initiative (RGGI) member states spend most proceeds



10 states participate in RGGI  
Map courtesy from Environment Northeast

from CO<sub>2</sub> allowance auctions on energy efficiency and renewable energy. Over the past two years, allowance sales have raised \$789 million. Each state

has a plan for investing proceeds and a recent RGGI review of state plans shows that states spend 52% to improve energy efficiency and 11% to accelerate renewable energy deployment.

If a federal carbon tax or cap and trade program was ever put in place, reinvesting proceeds in renewable energy as RGGI has may be an option.

## International Developments

### UN Website To Track International Climate Change Negotiations

The United Nations Framework Convention on Climate Change (UNFCCC) has

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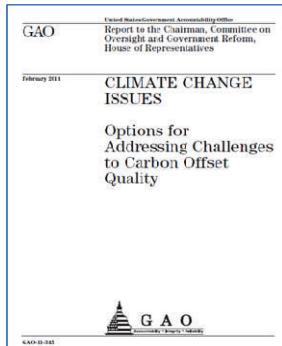
launched an online [progress tracker](#) to track developments in meeting goals set at the 16th Conference of Parties in Cancun Mexico. According to the Executive Secretary of the UNFCCC, "The agreements, reached in Cancun, at the 2010 United Nations Climate Change Conference, represent key steps forward in capturing plans to reduce greenhouse gas emissions and to help developing nations protect themselves from climate impacts and build their own sustainable futures".

### Offsets and Renewable Energy Credits

#### GAO Issues Report on Offsets

A new Government Accountability Office

*report, Climate Change Issues: Options for Addressing Challenges to Carbon Offset Quality, reviews the main challenges*



in assessing offset quality and options for addressing them in a US cap-and-trade system. GAO reviewed literature and interviewed experts and stakeholders, summarizing the results into [three main challenges](#): additionality (ensuring offsets actually increase carbon storage more than what would occur in their absence); measuring and managing soil and forestry offsets; and verification. The report includes options for addressing these challenges. This report could inform the evolution of E.O. 13514 Section 9 Guidance which calls for the development of "recommended Federal GHG reporting and accounting procedures".

### Technical Developments

#### EPA Updates eGRID

EPA has updated the Emissions and Generation Integrated Resource Database (eGRID). eGRID contains information for carbon dioxide, methane, nitrous oxide, and other emissions from almost all US electric power generation. eGRID is used as a basis to calculating GHG emissions under E.O. 13514 and will now include data from 2007, an update from the previous 2005 levels. The data on power plants is provided by Energy Information Admini-

stration throughout the country. According to one Federal GHG Accounting Expert, "this update is significant and will likely result in an update to the electricity baseload and non-baseload emission factors used for next year's reporting," however, he was quick to point out that "there shouldn't be any changes in data sources or methodology" when calculating agency GHG emissions.

### Net Zero Energy Military Installations: A Guide to Assessment and Planning

The National Renewable Energy Laboratory (NREL) recently released a guide to facilitate the assessment and planning process for examining military installations for net zero energy potential. The Net Zero Energy Installation (NZEI) is a collaborative initiative between DOE and DOD that seeks to establish a military installation which produces as much energy (by renewable means) as it consumes in its operations. This assessment guide offers a systematic framework to analyze energy projects at installations while balancing other site priorities such as mission, cost, and security.

### GHG Insider Insights

This new feature to the Greenhouse Gas Accounting and Reporting News will include interviews with Federal leaders in GHG accounting and reporting. Our first interview is with Emil Dzuray, Acting Chief Sustainability Officer for the U.S. Postal Service.

**USPS has completed a GHG inventory for the past several years as part of The Climate Registry. How have your prior experiences with GHG accounting made the most recent FEMP reporting easier?**

Those experiences made the data collection process much easier. We had already been through the inventory process, so we knew what our major emissions sources were. That made it much easier to pull the reporting information together.

**The USPS reports GHG emissions associated with contract transportation, even though this is not required. Why do you include it, and how do you work with contractors to acquire the appropriate information to generate these emissions?**

Because of our size and nationwide scope, we move large volumes of mail back and forth across the country. We chose to include contractor emissions in our reporting because these long-haul contractors are a material portion of our overall emissions. We work with them to get the best emissions data possible. For many of our long-haul trucking contractors, we track their fuel purchases through the Federal Voyager system. For some air contractors, we use fuel surcharge data. When contract transport companies don't readily provide fuel data per mail shipment, we work with them to produce estimates based on the information that is available.



**As a result of the information gathered in the GHG emissions reporting, have you been able to improve your overall operational efficiency or productivity?**

It would be more accurate to say that using the information gathered through GHG accounting efforts, we have been able to identify which operations cause most of our GHG emissions and validate how much our ongoing operational improvements actually affect these emissions. Keep in mind, we have been working on improving network and operational efficiencies more for cost reasons, and for much longer than we have been accounting for GHG emissions. This information has become an important part of our decision making processes as we evaluate how best to upgrade our fleet vehicles, improve delivery and network routes and consolidate facility operations to best match changing mail volumes and customer preferences.