

GREENHOUSE GAS ACCOUNTING AND REPORTING NEWS

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National Developments

White House Announced 54.5 MPG Fuel Efficiency Standard

President Obama announced a historic agreement with automakers, which increases the fuel economy standard to 54.5 miles per gallon for cars and light-duty trucks by model year 2025. The President was joined by Ford, GM, Chrysler, BMW, Honda, Hyundai, Jaguar/Land Rover, Kia, Mazda, Mitsubishi, Nissan, Toyota and Volvo – which together account for over 90% of all vehicles sold in the United States – as well as the United Auto Workers (UAW), and the State of California, who were integral to developing this agreement. It is estimated that the boosted fuel-economy standards would help to dramatically reduce U.S. greenhouse gas emissions - cutting more than 6 billion metric tons of greenhouse gas over the life of the program, making it easier for agencies to comply with future mandated GHG reductions. Read more [here](#).



President Obama greets President and CEO of Ford Alan Mulally and other auto industry executives following his remarks on fuel efficiency standards (Official White House Photo by Pete Souza)

Guidelines Approved for Growing the Nation's Electricity Grid

On July 21, 2011, the Federal Energy Regulatory Commission (FERC) approved [Order No. 1000](#), which reforms FERC's electric

transmission planning and cost allocation requirements for public utility transmission providers. Order No. 1000 requires public utility transmission providers to improve transmission planning processes and allocate costs for new transmission facilities to those who benefit from those facilities. Public utility transmission providers are also required to align transmission planning and cost allocation. The changes help to benefit consumers and remove blockades to transmission facility development.

International Developments

UN Approves GHG Shipping Standards

The United Nation's International Maritime Organization (IMO) has [approved](#) the first energy efficiency requirements for the shipping industry based on an Energy Efficiency Design Index (EEDI) that outlines regulations geared at new ships. The agreement applies to all ships over 400 tons. The adopted energy efficiency regulations gradually step up reduction requirements over time and are expected to cut GHGs by 45 million to 50 million tons a year by 2020.

New European Carbon Fees for Airlines Impact U.S.

Starting January 1, 2012, the European Union will require all airlines flying into airports within the EU, regardless of whether the airline is European, to reduce their emissions by 3 percent from average levels between 2004 and 2006, or buy carbon permits to make up the difference. Aviation is the newest industry to be added to the European emissions trading system, and it is the first that will directly impact the U.S. American carriers project that they will end up spending \$3.1 billion on the carbon permits by 2020. The issue has created tension. Wendell Albright,

director of the Office of Aviation Negotiations at the State Department, said in an interview, "The European Union is imposing this on U.S. carriers without our agreement. It is for the U.S. to decide on targets or appropriate action for U.S. airlines with respect to greenhouse gas emissions." Read more [here](#).

Technical Developments

NOAA Seeks Comment on National Climate Assessment

NOAA is seeking information, public comments and expressions of interest in offering technical inputs on topics related to the National Climate Assessment (NCA). The NCA acts as a status report on climate change science and impacts, and is based on observations and climate system models. It helps evaluate the effectiveness of mitigation and adaptation activities, and helps to identify economic opportunities that arise as the climate changes. The NCA also aims to help the federal government prioritize climate science investments. Expressions of interest for the draft NCA are due by October 1, 2011, and final inputs are due by March 1, 2012.

Please see the [Federal Register Notice](#) for a detailed timeline and more information.

Trading Carbon Magazine

Trading Carbon, a new magazine publication now available online to Thomson Reuters clients, will provide information to the emissions trading industry, educate and inform senior decision makers of the latest developments in the carbon market, and provide federal managers insights into how carbon markets may impact federal carbon accounting. The latest issue online issue can be accessed using this [Registration Link](#). This registration will also provide access to future issues (10 editions a year).