



## Mandatory Greenhouse Gas (GHG) Reporting Rule Requirements

### Introduction:

The USEPA's mandatory GHG Reporting rule was signed on September 22, 2009, establishing the first comprehensive national system for reporting GHG emissions. The gases covered by the proposed rule include what are referred to as the "Kyoto Gases" - Carbon Dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons, (HFC), perfluorocarbons (PFC) and sulfur hexafluoride (SF<sub>6</sub>). Other fluorinated gases including nitrogen trifluoride (NF<sub>3</sub>) and hydrofluorinated ethers (HFE) are also covered. Under the reporting rule, large emitters of greenhouse gases will be required to collect GHG data beginning on January 1, 2010.

### Is Your Facility Covered?

Suppliers of fossil fuels or industrial GHGs, manufacturers or vehicles and engines, and facilities that emit 25,000 metric tons or more per year of GHGs are required to submit annual reports to USEPA beginning in the year 2011. USEPA estimates that approximately 10,000 facilities will be covered by the rule and that these facilities account for around 85% of GHG emissions in the United States. The two tables appearing below summarize specific source categories covered by the rule:

Table 1: Source Categories for which Emissions must be Reported, Regardless of Quantity

Adipic Acid Production	HFC-23 Destruction Processes	Petroleum Refineries
Aluminum Production	Lime Manufacturing	Phosphoric Acid Production
Ammonia Manufacturing	Manure Management Systems	Silicon Carbide Production
Cement Production	Municipal Solid Waste	Soda Ash Production
Electricity Generating	Nitric Acid Production	Titanium Dioxide Production
HCFC-22 Production	Petrochemical Production	

Table 2: Source Categories for which Emissions must be Reported by a Facility if it Emits 25,000 metric tons of CO<sub>2</sub>e or More

Ferroalloy Production	Iron and Steel Production	Zinc Production
Glass Production	Lead Production	
Hydrogen Production	Pulp and Paper Manufacturing	

Table 2, Note 1: 25,000 metric tons of CO<sub>2</sub>e or more includes combined emissions from stationary fuel combustion, miscellaneous carbonate use and the source categories listed.

Table 2, Note 2: CO<sub>2</sub> from the combustion of biogenic fuels is excluded from the applicability determination; however, CH<sub>4</sub> and N<sub>2</sub>O must be included.

USEPA has prepared additional information sheets for most of these source categories. You can review them on the USEPA web site at:

[http://www.epa.gov/climatechange/emissions/ghg\\_infosheets.html](http://www.epa.gov/climatechange/emissions/ghg_infosheets.html)

If your facility does not have any of the source categories listed in Tables 1 or 2 that doesn't necessarily mean you're off the hook. You still need to determine if your operations emit 25,000 metric tons of CO<sub>2</sub>e from



stationary combustion sources. If your facility exceeds 25,000 metric tons of CO<sub>2</sub>e you will report emissions from stationary fuel combustion sources only. The rule assumes that if the maximum rated heat input for all stationary fuel combustion equipment is less than 30 million Btu per hour, the facility falls below the reporting threshold.

If you are a supplier of fossil fuels, your facility will report the volume of fuel that is placed into the economy each year and the emissions associated with the complete combustion of the fuel. The term “Supplier” includes producers, importers and exporters. Suppliers of coal are not immediately required to report; however, suppliers of coal-based liquids, petroleum products, natural gas and natural gas liquids are required to report.

If you are a supplier of industrial GHGs (carbon dioxide, fluorinated gases or nitrous oxide), your facility will report the mass of GHG emissions that would result from the release of these gases which are produced, imported, exported, transformed or destroyed in a calendar year. In this case the term “Supplier” includes all producers, as well as importers and exporters supplying product equivalent to 25,000 metric tons of CO<sub>2</sub>e or more when released.

### **So I’m In, What Do I Need To Do?**

The rule requires that data collection begin on January 1, 2010 with the first emission reports due to USEPA by March 31, 2011. For vehicle and engine manufacturers, reporting begins with model year 2011.

At this time third-party verification is not required. Instead, each report must be signed by a designated representative of the facility owner/operator certifying that the report has been prepared in accordance with the requirements of the rule.

The annual emission report will include the following information:

- Total facility emissions, in metric tons of CO<sub>2</sub>e, aggregated for all source categories (excluding biogenic CO<sub>2</sub>).
- Total biogenic CO<sub>2</sub> emissions for all applicable source categories.
- Total emissions, in metric tons of CO<sub>2</sub>e, aggregated for all supply categories.
- Emissions from each source category and supply category, expressed in metric tons of each GHG. Biogenic CO<sub>2</sub> emissions are to be included, but reported separately.
- Additional information such as process- or unit-level emissions, activity data like fuel use or raw material throughputs and quality assurance/quality control data specified for certain source categories.

The rule does not require reporting “indirect” emissions such as the purchase of electricity for source categories other than fossil fuel and industrial gas suppliers. Biomass fuel combustion sources are required to report, and biomass-related emissions need to be separately identified. However, biomass combustion emissions are excluded from applicability determinations.

### **Okay, I’m In, But Can I Get Out?**

If you are initially required to report you’ll have to go through the process, probably for at least three (3) years. However, you can get out by reducing your GHG emissions as follows:

- Five (5) consecutive years of emissions below 25,000 metric tons of CO<sub>2</sub>e per year.
- Three (3) consecutive years of emissions below 15,000 metric tons of CO<sub>2</sub>e per year.



- Shut down the GHG emitting processes (this approach gets you out immediately).

### **Do The State Rules Still Matter?**

In a word, yes. USEPA explicitly states that the rule does not override state GHG reporting requirements. If you have a facility located in California or another state with mandatory reporting requirements you will probably need to submit two different reports, one to USEPA and one to your state. If you voluntarily choose to report to the Climate Action Registry, Climate Leaders, Chicago Climate Exchange or some other program and you continue to do so, that would require yet another report.

### **What Should I Do Next?**

If you are a covered source category or you think you might be subject to the rule, by January 1, 2010 you should have systems in place to collect and store data in accordance with the requirements of the new rule. You should also make an initial determination, based on emission calculations, of whether you will be subject to the rule if you are not a specifically listed source category.

### **How Can I Find Out More Information?**

More information on the rule is available through USEPA on their web site at:

<http://www.epa.gov/climatechange/emissions/ghgrulemaking.html>

### **How Can Associates Environmental Help?**

Associates Environmental's staff includes Greenhouse Gas Verifiers accredited by the California Air Resources Board (CARB) prepared to help you through what can be a confusing process. We are prepared to help you:

- Perform an analysis to determine whether you are subject to the rule.
- Identify differences between current recordkeeping procedures and those required by the rule.
- Prepare a compliance plan that outlines the steps necessary to achieve full compliance.
- Prepare GHG Monitoring Plans and perform emission calculations.
- Document data management procedures.

### **How Do I Contact Associates Environmental?**

Call our lead Greenhouse Gas consultant, Drew Delaney or send him an e-mail. His contact information appears below.

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