

MANDATORY REPORTING OF GREENHOUSE GASES

FACT SHEET

ACTION

- On September 22, 2009, the U.S. Environmental Protection Agency (EPA) issued a final rule for mandatory reporting of greenhouse gases (GHG) from large GHG emissions sources in the United States.
- This reporting rule will provide a better understanding of where GHGs are coming from and will guide development of the best possible policies and programs to reduce emissions. This comprehensive, nationwide emissions data will help in the fight against climate change.
- In general, this national reporting requirement will provide EPA with accurate and timely GHG emissions data from facilities that emit 25,000 metric tons or more of carbon dioxide (CO₂) per year. This publically available data will allow the reporters to track their own emissions, compare them to similar facilities, and aid in identifying cost effective opportunities to reduce emissions in the future.
- This action includes final reporting requirements for 31 of the 42 emission sources listed in the proposal. At this time, EPA is not finalizing the remaining source categories as we further consider comments and options.

BACKGROUND

- EPA Administrator signed the proposed rule for mandatory reporting of GHGs from large emission sources in the United States on March 10, 2009. It was published in the Federal Register on April 10, 2009.
- EPA received almost 17,000 written comments on the proposal and heard from approximately 60 people at the two public hearings. The final rule reflects changes EPA made as it carefully considered and responded to significant comments.
- The GHG reporting methods for this final rule were built upon existing GHG reporting programs and guidance documents including those developed by the private sector, state and regional programs, and national voluntary programs.

FINAL RULE OVERVIEW

- In general, the threshold for reporting is 25,000 metric tons or more of carbon dioxide (CO₂) equivalent per year. Reporting is at the facility level, except that certain suppliers of fossil fuels and industrial greenhouse gases along with vehicle and engine manufacturers will report at the corporate level. Facilities and suppliers will begin collecting data on January 1, 2010. The first emissions report is due on March 31, 2011, for emissions during 2010. Manufacturers of vehicles and engines outside of the light-duty sector will begin reporting CO₂ for model year 2011 and other GHGs in subsequent model years as part of existing EPA certification programs.
- An estimated 85 percent of the total U.S. GHG emissions, from approximately 10,000 facilities, are covered by this final rule.

- Most small businesses would fall below the 25,000 metric ton threshold and are not required to report GHG emissions to EPA.
- Reports are submitted annually unless they are facilities with electric generating units that also report to the Acid Rain Program. Those reporters will continue with current practices, as well as submit annual GHG emission reports under this rule.
- EPA will verify the data submitted and will not require third party verification. Prior to EPA verification, reporters will be required to self-certify the data they submit to EPA. This is consistent with other Clean Air Act programs.
- The only emission source in the agriculture sector covered by the rule is manure management systems at livestock operations with GHG emissions that meet or exceed the threshold of 25,000 metric tons. EPA modeling estimates that just over 100 manure management systems at large livestock operations meet this threshold.
- EPA estimates the average cost of reporting for the private sector under this rule will be approximately \$115 million in the first year of reporting and \$72 million in subsequent years.
- Some key changes from the proposed rule to the final rule are as follows:
 - **Applicability.** Reduced the number of source and supply categories that facilities and suppliers must report under this final rule. The following source and supply categories are not required to report at this time:

Electronics manufacturing	Oil and natural gas systems
Ethanol production	SF ₆ from electrical equipment
Fluorinated GHG production	Underground coal mines
Food processing	Wastewater treatment
Industrial landfills	Suppliers of coal
Magnesium production	

- **Exiting the Program.** Added a mechanism for facilities and suppliers to cease annual reporting by reducing their GHG emissions.
 - Cease reporting after 5 consecutive years of emissions below 25,000 metric tons CO₂e/year.
 - Cease reporting after 3 consecutive years of emissions below 15,000 metric tons CO₂e/year.
 - Cease reporting if the GHG-emitting processes or operations are shut down.
- **Measuring Devices.** Added a provision to allow use of best available data in lieu of the required monitoring methods for January - March 2010. Facilities can request a date extension beyond March 2010, but EPA will not approve any requests for an extension beyond 2010.
- **Monitoring Equipment.** In several subparts, added monitoring options, changed monitoring locations, or allowed engineering calculations to reduce the need for installing new monitors.
- **Sampling Frequency.** For fuel combustion and some other source categories, reduced the required frequency for sampling and analysis.
- **Exemption.** Excluded R&D activities from reporting.
- **Quality Assurance.** Added calibration requirements for flow meters and other monitoring devices including a five percent accuracy specification.

- **Report Revision.** Added provision to require submittal of revised annual GHG reports if needed to correct errors.
- **Records Retention.** Changed the general records retention period from 5 years to 3 years.
- **Verification.** In several subparts, required more data to be reported rather than kept as records to allow EPA to verify reported emissions.
- **Combustion Sources.** Added exemptions for unconventional fuels, flares, hazardous wastes, and emergency equipment. Reduced the need for mass flow monitors for some units or fuels. Allowed more facilities to aggregate reporting of emissions from smaller units rather than report emissions for each individual unit.
- **Manure Management Systems.** Added an animal population threshold to reduce the burden of determining applicability. Reduced the monitoring requirements.

PUBLIC INVOLVEMENT

- Since the publication of the proposal, EPA has held more than 150 public meetings involving over 4,000 stakeholders including trade associations, industries, states, and state- and regional-based groups since the proposal was issued. This is in addition to over 100 meetings that were held prior to issuing the proposed rule.

NEXT STEPS AND IMPLEMENTATION

- The preamble and final regulatory text will be published in the *Federal Register* shortly, and will be made available at www.regulations.gov.
- A prepublication version is available on our website at: www.epa.gov/climatechange/emissions/ghgrulemaking.html
- To assist reporters in complying with this regulation, EPA has developed a suite of information and training resources including:
 - An on-line applicability tool that will assist potential reporters to assess if they meet the threshold for reporting
 - A series of webinars on the reporting requirements of the rule
 - A variety of guidance documents for different audiences
 - Information sheets on reporting requirements for each of the covered sectors
 - A comprehensive website with information on upcoming training opportunities along with all the available information on this website.

MORE INFORMATION

For more information, including guidance and a schedule of training opportunities, please visit EPA's GHG Mandatory Reporting Rule Website: www.epa.gov/climatechange/emissions/ghgrulemaking.html .