

US Greenhouse Gas Management Programs: Are Different Paths Leading to the Same Place?

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Existing US GHG Management Programs

- Voluntary Public/Private Programs
 - ◆ Climate VISION
 - ▶ Promote cost-effective means to reduce emissions intensity (by 18%) through technology development.
 - ▶ Also includes measures to enhance accounting and reporting – enhancing 1605(b)
 - ◆ Climate Leaders – EPA
 - ▶ Encourage members to set targets to reduce GHG
 - ▶ Account for and report emissions and reductions (based on GHG Protocol)
- State-Level Inventories/Registries
- Mandatory Reductions

Other Industry Initiatives

- Electric Industry – Power Partners
 - ◆ Builds on Climate Challenge Program launched in 1994
 - ◆ Aimed at supporting 18% reduction in GHG intensity by 2012
 - ◆ Supports voluntary, flexible measures
 - ◆ Advocates technology and efficiency approaches
- API
 - ◆ Climate action challenge – reduce intensity by 10% by 2012
 - ◆ Developed industry-specific accounting and reporting tools
- Business Roundtable – Climate RESOLVE
 - ◆ Aimed at voluntary participation by BRT members (107 of 150 participating)
 - ◆ Advocates a technology-based approach
 - ◆ Allows members to report emission. No advocacy for specific calculation method, though tools provided.

Federal Programs

- Multiple partnerships discussed
- EPA 1605(b) Reporting Program



State Programs

- 29 States have Action Plans
- Many States have programs
 - ◆ Many Efficiency-related (incentives, codes, etc)
 - ◆ Renewable Energy Production (incentives, RPS)
 - ◆ Alternative Fuels
- Voluntary emission reduction registries (WI, NH, TX, etc)
- California Climate Action Registry
- Mandatory reductions (MA, NH, WA, OR)

Other Initiatives

- NESCAUP/RGGI
- West Coast Governor's Initiative

What Actions are being taken?

- Many industry organizations support Climate VISION principles
- US Electric Production
 - ◆ Intensity Reductions (FPL, PSEG – 18%)
 - ◆ Real Reductions (AEP, Cinergy, DTE)
 - ◆ Reporting (39 of top 100 reported under 1605(b))
- Petroleum
 - ◆ Real Reductions (BP, Shell)
 - ◆ Reporting (ExxonMobil, BP, Shell)

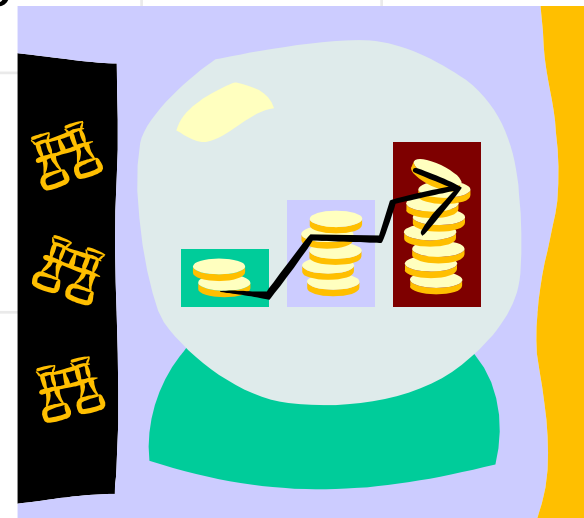
The International Perspective – Programs

- Kyoto
 - ◆ Joint Implementation
 - ◆ Clean Development Mechanism
- EU Emissions Trading Program
- WRI/WBCSD



The Future

- Domestic Uncertainties
 - ◆ Political
 - ◆ NGO
 - ◆ Shareholder
 - ◆ Litigants
- Upcoming International Challenges
 - ◆ EU
- Consensus Position is Elusive



Working Ahead

- Inventory Development
- Reductions Identification
- Participation
- Making the easy changes now

Inventories – Challenges

- Inventories
 - ◆ Bottom-up approach
 - ◆ Geographic and operational boundaries – no firm guidelines
 - ◆ How detailed to get?
 - ▶ CCAR – 95%
 - ▶ WRI/WBCSD –
 - ◆ The baseline question
 - ◆ Site-specific versus published emissions factors
 - ◆ Double-counting?

What Can I Do Now? - Inventory

- Inventory
 - ◆ Consider your boundaries
 - ◆ Consider your sources – do you have them all? Are you looking at the right data? This takes a lot of work...
 - ◆ When you've got the right data – set up consistent data management methods (EMS integration?)
 - ◆ Consider your baseline – what is normal?
 - ◆ Make sure M&A and divestitures get reported and included
 - ◆ Take a shot at a complete inventory; the details may change, but if you've already considered the basis, it's much easier.

Reductions – Challenges

- What counts?
- Total vs. project-based
- Establishing a baseline
 - ◆ Historic
 - ◆ Modified
- Who's is it? – The ownership question

What Can I Do Now? – Reductions

- Make sure your baseline is consistent
- Identify opportunities – you probably already have them
- Ownership – do agreements now have benefit?
- Consider the reporting question

Using Your Resources

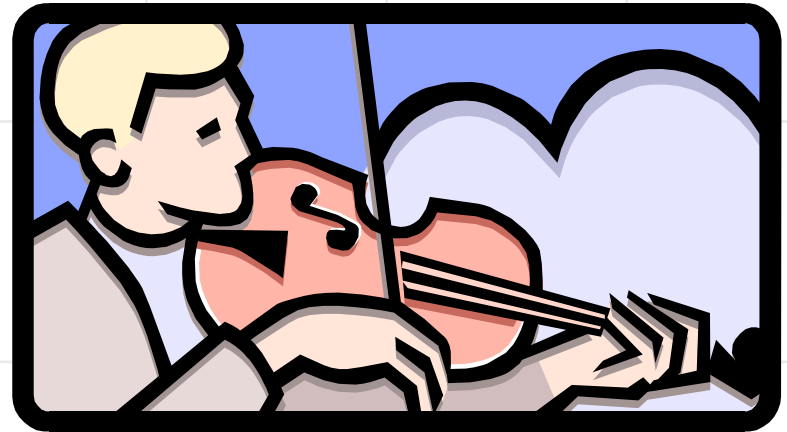
- Planning Efforts (IRP)
- Existing Emissions Reporting
- EMS/EMIS

Developing a Balanced Position

“Play the A Quartet”

- Affordable energy
- Acceptable impacts
- Accessible (and secure)
- Adequate returns

Consensus position of the
World Business Council
for Sustainable
Development



*Source: World Business Council on Sustainable Development
[http: www.wbcSD.org](http://www.wbcSD.org)*

Discussion

- Are mitigation costs recoverable now?
- How to best provide future credit for good-faith actions now?
- Are emission or reduction agreements likely to hold up?
- The business case for Sustainable Development

Contact Information

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