

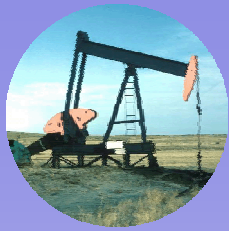


Overview of State Greenhouse Gas Reporting Activities



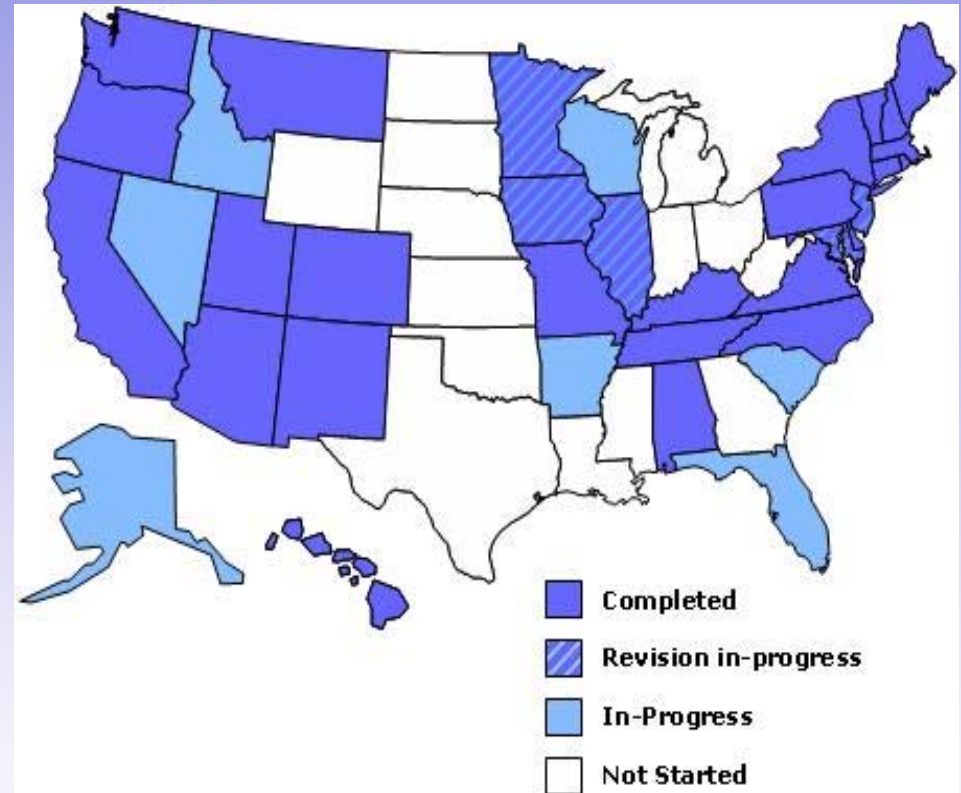
*April 8, 2008
Orlando, Florida
Karin Ritter, API*

2008 PIPELINE CONFERENCE



Common Elements of State Crosscutting Reporting Issues

- ❑ Inventory & Forecasting
- ❑ GHG Reporting
- ❑ GHG Registry
- ❑ Statewide GHG Reduction Goals and Targets
- ❑ State and Local Government operations GHG Emissions
- ❑ Community Land Use Planning Climate Action
- ❑ Public Education and Outreach
- ❑ Vulnerability and Adaptation



Status of State Climate Action Plans

Source: Pew Climate Center, February 2008



WCI Objectives

- ❑ Collaborate to reduce greenhouse emissions collectively among the WCI members
- ❑ Three deliverables:
 - Set a regional emissions reduction goal
 - Design a regional multi-sector mechanism to achieve the reduction goal
 - Join The Climate Registry
- ❑ Work jointly to:
 - Promote clean and renewable energy in the region
 - Increase energy efficiency
 - Advocate for regional and national climate policies that are in the interest of western states
 - Identify measures to adapt to climate change impact



WCI States & Provinces

GHG Emission Reduction Targets

Arizona: 2000 by 2020; 50% below 2000 levels by 2040

California:* 1990 by 2020

New Mexico: 2000 by 2012; 10% below by 2020; 75% below by 2050

Oregon:* 1990 by 2010; 10% below by 2020; 75% below by 2100

Washington:* 1990 by 2020; 25% below 1990 by 2035; 50% below 1990 by 2050

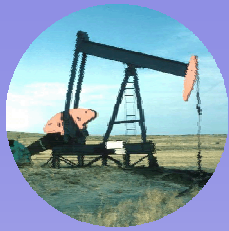
Utah: Will adopt state goal by May 2008

British Columbia:* 10% below 1990 levels by 2020

Manitoba: 1990 levels by 2012; 6% below 1990 by 2020

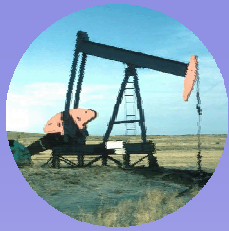
Montana: 1990 levels by 2020

* Statutory



Other Regional Initiatives

- ❑ Midwest Governors' Accord
 - Nine US Governors and one Canadian Premier
 - Indiana, Illinois, Iowa, Kansas, Michigan, Minnesota, Ohio, South Dakota, Wisconsin and Manitoba
 - GHG reduction targets and develop a market based cap-and-trade to achieve reductions
- ❑ The Regional Greenhouse Gas Initiative (RGGI)
 - Participating Northeastern and Mid-Atlantic states developed a Cap-and-Trade
 - Program limited to electric power generators
 - Initial allowance allocation late 2008



The Climate Registry (TCR)

□ Background

- Founded by states/provinces
- Support state GHG reporting programs
- A non-profit organization governed by member states/provinces
- Currently seeking organizations to be founding reporters before May 1, 2008



□ The largest climate initiative in North America

- Covers 80% of population of North America
- Policy neutral—leaves policy to the states
- Aims to become the recognized platform and the supporting arm for states and provinces initiatives



TCR Mission & Participants



- British Columbia
- Manitoba
- Québec
- Saskatchewan
- Ontario
- Prince Edward Island
- New Brunswick



- Sonora
- Tamaulipas

States, Provinces and Tribes that have joined *The Climate Registry* as of February 1, 2008



- **MEMBERS:**
 - 39 U.S. States
 - 7 Canadian Provinces
 - 3 Indian tribes
 - 2 Mexican states
- **REPORTERS**
 - 58 Reporters

MISSION: To standardize and centralize high quality GHG data into a North American GHG registry to support voluntary and mandatory reporting programs



TCR Program Principles

- ❑ Precise, accurate and representative
 - Consistent with WRI/WBCSD GHG Protocol
 - Compatible with ISO 14064
- ❑ Entity-wide facility-level reporting
- ❑ All Six Kyoto GHGs
- ❑ North American Reporting, including
 - Direct GHG emissions from stationary and mobile combustion, process vents and fugitive emissions, and
 - Indirect emissions from electricity
- ❑ Third-party verification



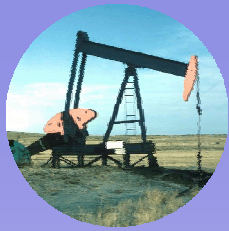
The Registry's Support of Mandatory Programs

- ❑ States' mandatory GHG reporting could be aligning protocols and software with the Registry
 - TCR clarified that mandatory data would be housed separately from voluntary data
- ❑ TCR board to consider relationship between the Registry's voluntary program and mandatory programs
 - Proposal at June 2008 Board Meeting
- ❑ Mandatory programs **WILL NOT** require regulated entities to meet all of the Registry's reporting requirements (6 gases in 3 countries),
 - programs could encourage entities to **ALSO** participate in the Registry's Voluntary Reporting Program

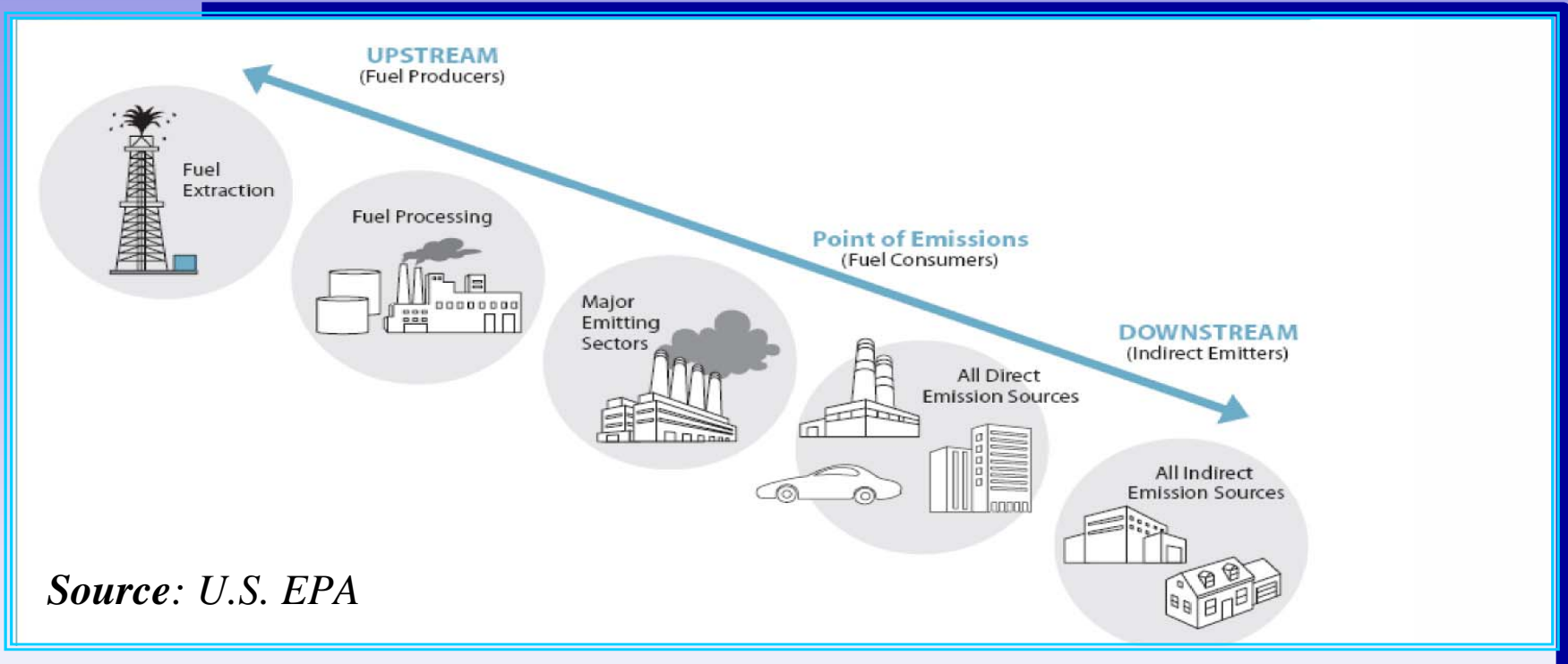


Mandatory Federal Reporting

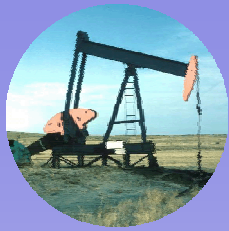
- ❑ New law included in Omnibus Appropriate Bill requires the EPA to develop a federal reporting regulation within 18 months
 - Draft rule September 2008
 - Final rule June 2009
- ❑ Law mandates that EPA consider
 - Coverage of all sectors of economy
 - Inclusion of both ‘upstream’ and ‘downstream’ sources
 - Information collection authorization under CAA
- ❑ TCR is seeking alignment with EPA
- ❑ EPA seeking broad input on options for designing the reporting rule
 - API is meeting with EPA on April 10th



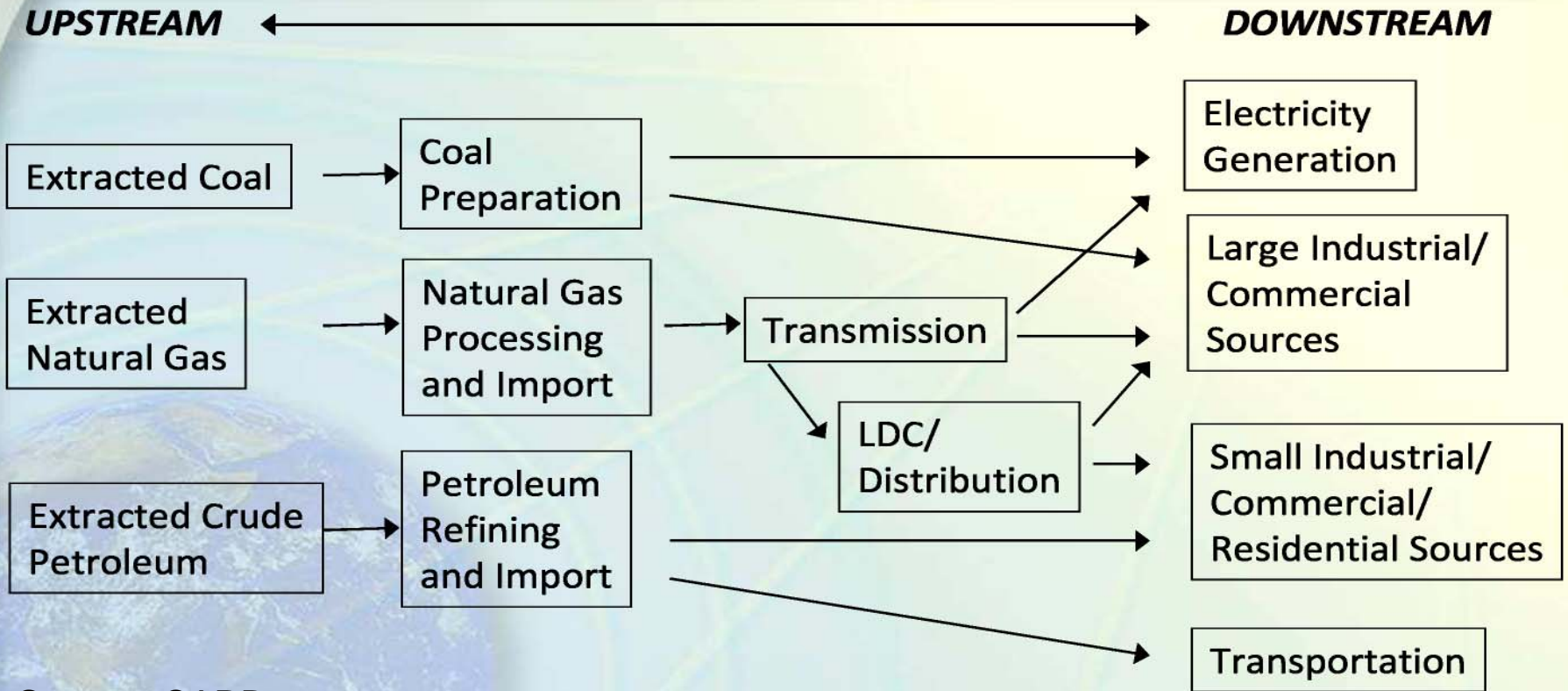
Options for Mandatory Federal GHG Reporting Points



- ❑ **Upstream:** Would apply to about 85% of economy-wide GHG emissions
 - Coal: 29%, Petroleum: 34%; Natural Gas: 17%; Others: 3-5%
- ❑ **Downstream:** Would apply to about 70% of economy-wide GHG emissions
 - Power generation: 33%, Transportation: 27%, and Industry: 11%



Upstream Vs. Downstream



Source: CARB

- ❑ **Downstream:** at the point of emissions
- ❑ **Upstream:** at 'choke' points toward the upstream end of the spectrum
 - Most fuels move through these facilities



Contact Information

Karin Ritter

Regulatory and Scientific Affairs

American Petroleum Institute

1220 L Street, NW

Washington, D.C. 20005

(202) 682-8472

ritterk@api.org

