

**Resolution of the Board of Directors in Support of Comments on the Environmental Protection Agency's Mandatory Reporting of Greenhouse Gas Emissions Proposed Rule**

---

The U.S. Environmental Protection Agency (EPA) developed a proposed rule that would require mandatory reporting of greenhouse gases from large emission sources in the United States.

The Greater Houston Partnership supports the following comments on options considered in the proposed rulemaking:

**Threshold level** – The Partnership supports the EPA's proposed thresholds, which generally correspond to an annual facility-wide emission level no lower than 25,000 metric tons of CO<sub>2</sub>e. The Partnership also supports development of sector-appropriate screening tools to facilitate applicability determination. The Partnership further emphasizes the need for a de minimis definition to streamline the program and balance completeness with resource requirements.

**Measurement methodology** – The Partnership supports EPA's recommended hybrid of direct measurement, where already required to collect under federally enforceable programs, and facility-specific calculation for other sources.

**Reporting frequency** – The Partnership supports annual reporting, at least initially, while policy options are under development.

**Verification** – The Partnership supports self-certification under this policy development rule, and in the future, until a program with market/cap and trade requirements or emissions reductions is implemented.


The Partnership offers the following additional comments:

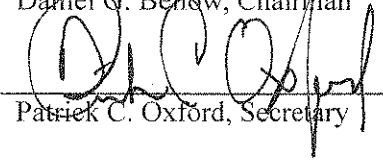
**Use of existing data** – The Partnership supports the incorporation of existing reporting data, where appropriate.

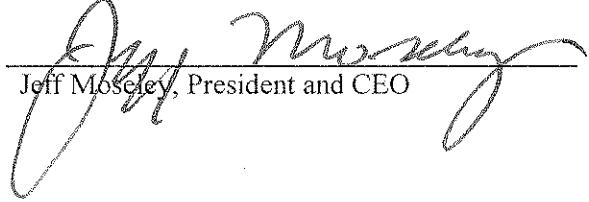
**Compatibility with existing reporting frameworks** – The Partnership supports utilization of existing federal, regional, and state reporting frameworks to ensure compatibility and consistency.

**Duration of program** – The EPA should review this rulemaking at regular intervals to ensure applicability and make necessary mid-course revisions as needed.

**Focus of the program** – The rule should be designed to meet the information needs to inform national greenhouse gas policy decisions without predetermining the structure of the eventual regulatory framework. Updated monitoring and reporting provisions should be promulgated within the context of these anticipated regulations.

  
Daniel G. Bellow, Chairman

  
Patrick C. Oxford, Secretary

  
Jeff Moseley, President and CEO

# MEMORANDUM

**DATE:** TBD, 2009

**TO:** Greater Houston Partnership Board of Directors

**FROM:** John White  
Chairman, Environmental Policy Advisory Committee

**SUBJECT:** Resolution of the Board of Directors in Support of Comments on the Environmental Protection Agency's Mandatory Reporting of Greenhouse Gas Emissions Proposed Rule

---

## RECOMMENDATION

The U.S. Environmental Protection Agency (EPA) developed a proposed rule that would require mandatory reporting of greenhouse gases from large emission sources in the United States.

The Greater Houston Partnership supports the following comments on options considered in the proposed rulemaking:

**Threshold level** – The Partnership supports the EPA's proposed thresholds, which generally correspond to an annual facility-wide emission level no lower than 25,000 metric tons of CO<sub>2</sub>e. The Partnership also supports development of sector-appropriate screening tools to facilitate applicability determination. The Partnership further emphasizes the need for a de minimis definition to streamline the program and balance completeness with resource requirements.

**Measurement methodology** – The Partnership supports EPA's recommended hybrid of direct measurement, where already required to collect under federally enforceable programs, and facility-specific calculation for other sources.

**Reporting frequency** – The Partnership supports annual reporting, at least initially, while policy options are under development.

**Verification** – The Partnership supports self-certification under this policy development rule, and in the future, until a program with market/cap and trade requirements or emissions reductions is implemented.

The Partnership offers the following additional comments:

**Use of existing data** – The Partnership supports the incorporation of existing reporting data, where appropriate.

**Compatibility with existing reporting frameworks** – The Partnership supports utilization of existing federal, regional, and state reporting frameworks to ensure compatibility and consistency.

**Duration of program** – The EPA should review this rulemaking at regular intervals to ensure applicability and make necessary mid-course revisions as needed.

**Focus of the program** – The rule should be designed to meet the information needs to inform national greenhouse gas policy decisions without predetermining the structure of the eventual regulatory framework. Updated monitoring and reporting provisions should be promulgated within the context of these anticipated regulations.

## BACKGROUND

The FY2008 Consolidated Appropriations Amendment authorized the EPA to develop a rule requiring mandatory reporting of greenhouse gas emissions above an appropriate threshold in all sectors of the economy. On March 10, 2009, the EPA issued a proposed rule for mandatory greenhouse gas reporting from large greenhouse gas emission sources in the United States. The public comment period is open until June 9, 2009.

The EPA has identified the following goals for the proposed mandatory reporting system:

- Obtain data that is of sufficient quality that it can be used to support a range of future climate change policies and regulations;
- Balance the rule coverage to maximize the amount of emissions reported while excluding small emitters; and
- Create reporting requirements that are consistent with existing greenhouse gas reporting programs by using existing greenhouse gas emission estimation and reporting methodologies to reduce reporting burden, where feasible.

The proposed rule calls for suppliers of fossil fuels or industrial greenhouse gases, manufacturers of vehicles and engines, and facilities that emit 25,000 metric tons or more of greenhouse gas emissions per year to submit annual reports to the EPA. The proposed rule would require reporting of carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF<sub>6</sub>), and other fluorinated compounds as defined in the rule. According to the EPA, 85-90% of the total U.S. greenhouse gas emissions, from approximately 13,000 facilities, would be covered by the proposed rule.

The agency is considering and requests comments on the following rule options:

- Threshold level (level of emissions below which entities are not required to report)
  - 1,000 tons CO<sub>2</sub>e/year
  - 10,000 tons CO<sub>2</sub>e/year
  - 25,000 tons CO<sub>2</sub>e/year
  - 100,000 tons CO<sub>2</sub>e/year
  - Equivalent capacity based threshold where data exists
- Methodology for measuring emissions
  - Direct measurement
  - Facility specific calculation methods
  - Default emissions factors

- Frequency of reporting
  - Annually
  - Quarterly
  - Some other frequency
- Verification responsibility
  - EPA
  - Third party
  - Self-certification without independent verification

## **IMPLEMENTATION**

To implement this recommendation, the Partnership would communicate its support via written comments to the implementing agency.

## **RESOURCES REQUIRED**

This resolution can be implemented within current budgetary constraints.