

Mandatory Reporting of Greenhouse Gas Emissions Under AB 32

California Energy Commission
Electricity and Natural Gas Committee Workshop
April 13, 2009
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California Environmental Protection Agency
AIR RESOURCES BOARD



1

Annual GHG Reporting

- Regulation approved by ARB December 2007 now effective
- First reports due June 1, 2009
 - 2009 reports may rely on “best available” data for 2008
- Reporters will report to ARB using online GHG Reporting Tool
(<http://www.arb.ca.gov/cc/reporting/ghg-rep/ghg-tool.htm>)

2

Who Reports?

- Oil refineries and hydrogen plants
- Cement plants
- Major stationary combustion sources ($\geq 25,000$ MT CO₂)
- Electricity generating and cogeneration facilities (≥ 1 MW and $\geq 2,500$ MT CO₂)
- Electricity retail providers and marketers
- Up to 800 reports expected overall

3

Reporting Basics

- Report Kyoto gases as specified by sector
- Regulation specifies quantification methods
 - Most methods adapted from California Climate Action Registry protocols
 - Up to 3 percent of emissions may be estimated using simplified *de minimis* methods, limited to 20,000 MT CO₂e
- Report stationary combustion emissions
- Report process and fugitive emissions, indirect energy use where specified
- Mobile emissions are optional

4

Third Party Verification

- Verification required beginning 2010 (optional in 2009)
- ARB to train and accredit verifiers
- Both private firms and air districts may receive accreditation
- Reporters may choose their verification bodies, subject to ARB conflict-of-interest review

5

Reporting and Verification Costs

- \$5,000 to \$25,000 for most facilities
- More for larger and complex reporters
- Verification adds value of credibility in future cap-and-trade program
- Reporting tool will reduce costs in future years while assisting compliance

6

Cogeneration Facilities

- Report when ≥ 1 MW and $\geq 2,500$ MT CO₂ from electricity generating activities
- Distribute CO₂ from fossil fuels using specified equations
 - Efficiency methods for topping cycle and bottoming cycle
 - Both assign some emissions to electricity

7

Why Distribute Emissions?

- CCAR Protocols provided starting point
- Important for load-based approach to regulation
- Appropriate from energy flow perspective and for emissions inventory needs
- Policy decisions may lead to modified methods or different uses of data

8

Next Steps

- Complete first round of emissions reporting June 1
- Data sharing and analysis
- Finalize reduction strategies (including cap-and-trade regulation)
- Augment reporting requirements as needed in future

9

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GHG Mandatory Reporting Website
<http://www.arb.ca.gov/cc/reporting/ghg-rep/ghg-rep.htm>

