

**The Climate Registry
Public Hearing Comments
U.S. EPA Proposed Mandatory GHG Reporting Rule**

Introduction:

The Climate Registry (The Registry) is pleased to provide comments on the United States Environmental Protection Agency's (EPA) proposed mandatory greenhouse gas (GHG) emissions reporting rule. The Registry respectfully offers our comments to strengthen the proposed rule and assist EPA in achieving its objective to collect meaningful GHG emissions data.

The Registry is a nonprofit collaboration among 41 US states, 12 Canadian provinces and territories, 6 Mexican states and 4 Native Sovereign Nations. The Registry was created by states and provinces to set consistent and transparent standards for organizations to calculate, verify, and publicly report GHG emissions into a single unified North American registry.

The Registry supports both voluntary and mandatory GHG reporting programs, provides comprehensive high quality meaningful information to reduce GHG emissions, ensures consistency with international standards, and embodies the highest levels of environmental integrity.

The Registry's Voluntary GHG Reporting Program is widely viewed as the premier GHG registry in North America. It requires organizations to annually report their entity-wide emissions of the six internationally recognized GHGs at the facility level throughout North America. In addition, The Registry requires annual third party verification. The program's North American scope, relationship with states, provinces and Nations and emphasis on comprehensive, transparent, accurate and verified data, sets it apart from other voluntary reporting initiatives.

State and Voluntary Complementary Measures

As EPA acknowledges in its proposal, states and state-based programs like The Registry have been leaders in establishing voluntary and mandatory GHG reporting programs. The Registry's voluntary program, which currently includes approximately 330 members, ranging from large Fortune 500 companies to small businesses to local government agencies, has assisted companies and organizations to develop corporate-wide GHG inventories for their operations across North America. These organizations have demonstrated environmental leadership by acting in advance of regulatory requirements to report and reduce their emissions and they have utilized their GHG inventories to proactively manage, reduce and publicly report their carbon footprint, manage risk, and reduce waste and inefficiency. The Registry's voluntary program has been

instrumental in helping companies prepare for mandatory reporting and supporting efforts of companies and organizations to share their complete organizational GHG footprint with shareholders, investors, customers, employees and the general public.

In addition, many states have implemented (or are planning to implement) state mandatory GHG reporting requirements that go beyond the scope of EPA's proposed mandatory reporting rule (i.e., thresholds lower than 25,000 mtCO₂e, all Title V facilities, etc.) These programs provide essential information to policy-makers interested in understanding GHG emission trends and the sources of GHG emissions in their states.

State and voluntary programs provide an important complement to EPA's proposed facility-based mandatory reporting program—providing useful and comprehensive information to address climate changing emissions from a wide range of sources and supporting innovative solutions to manage carbon. Given that EPA's mandatory GHG reporting rule will establish the foundation for future federal GHG initiatives and given the continuing needs of states and companies for comprehensive high quality GHG data to inform their decision-making, The Registry believes it is critical that EPA's mandatory GHG program work in concert with existing voluntary and state programs and continue to acknowledge, encourage and reinforce the activities of states and organizations which complement and enhance the federal mandatory reporting program.

At a minimum, The Registry urges EPA to:

- Encourage companies, cities, agencies and other organizations to go beyond minimum federal mandatory reporting requirements and voluntarily inventory, verify and publicly report their total corporate GHG footprints.
- Support states' initiatives to adopt GHG reporting requirements that exceed federal requirements and provide states with information to craft innovative programs to address GHG emissions in their states.
- Allow states to collect the federal mandatory GHG data on behalf of EPA, if desired.
- Support reporting solutions that allow organizations to easily participate in valuable voluntary reporting programs, as well as comply with state and federal mandatory reporting requirements.

State and Federal Partnership Opportunities

To help EPA accomplish the objectives outlined above, The Registry seeks to partner with EPA to develop information technology solutions that will ensure consistency in GHG accounting and reporting across jurisdictions and ease the burden on companies facing different reporting requirements at the state, provincial and federal levels. The Registry was specifically created and designed to serve as a central repository of GHG data for companies operating in North America. By developing one comprehensive high-quality corporate-wide GHG inventory through The Registry, our goal is for corporations and organizations to be able to use that inventory to satisfy all of their mandatory GHG reporting requirements, as well as support their own efforts to manage, reduce and publicly disclose their GHG emissions.

The Registry has developed a web-based database application to support voluntary GHG reporting and is now working with states and provinces to develop additional functionality to individually support state mandatory reporting programs via a shared reporting platform. By supporting voluntary and mandatory reporting programs in this manner, The Registry creates a “one-stop shop” reporting approach. This helps avoid duplication of reporting effort and emphasizes reporter convenience while still supporting comprehensive GHG reporting.

The Registry is interested in working closely with EPA to link its mandatory GHG reporting program to our centralized GHG data collection system. We would like to explore partnership opportunities to: collect and share GHG data in an efficient manner, align reporting requirements; and consider other joint efforts that will help meet the needs of reporters, EPA, the states and The Registry.

In the draft proposal, EPA acknowledges and commends states for their leadership in tackling climate change and indicates that it will “continue to work closely with states and state-based groups to ensure that the data management approach in this proposal would lead to efficient submission of data to multiple programs.” The Registry stands ready to assist EPA in this endeavor and will submit more detailed comments, including potential options for accomplishing this goal, in our written comments.

Specifically, The Registry encourages EPA to:

- Work with The Registry to help ensure that EPA’s data collection system, state data collection systems and The Registry’s Climate Registry Information System (CRIS) application are interoperable, such that GHG reporting requirements are consistent and data can be easily exchanged between programs to reduce the reporting burden for regulated parties interested in reporting GHG emissions to more than one GHG program.

Verification

One of the most important aspects of The Registry's voluntary reporting program is its requirement of annual third-party verification of GHG data. The European Union's Emissions Trading System (EU ETS), the United Kingdom's GHG Emissions Trading System and the California Air Resources Board also utilize third party verification to ensure data accuracy in their programs.

The Registry's primary focus with regard to verification of GHG data is ensuring that the data collected by EPA is high quality, accurate and reliable and that EPA's verification process meets established standards for assuring accuracy. GHG emissions are ubiquitous in nature and therefore are unlike traditional criteria air pollutants. While EPA is proposing that some GHG data will be captured directly at the "stack", other GHG emissions are obtained from fuel use and from other data that is not directly measured. Some of the methods proposed by EPA for calculating GHG emissions are complex and potentially subject to reporting errors. The Registry's experience with voluntary reporting is that errors are common in the development of GHG inventories and that third-party verification can cost-effectively ensure accurate and consistent data that is compliant with established protocols and methodologies.

Given that the data collected under this rule will create a foundation for future GHG programs, The Registry urges EPA to adopt an approach which emphasizes the accuracy of GHG emissions data. We encourage EPA to conduct a more comprehensive and detailed analysis of the costs of third-party verification versus EPA's preferred option of self-certification and EPA-performed verification. The Registry further encourages EPA to consider additional potential options for utilizing third-party verifiers beyond those options discussed in the draft proposal. As EPA points out in the draft proposal, there is a cost to third-party verification. However, there is also a significant cost, and level of effort, that must be expended for EPA to independently implement a high quality verification program which ensures a reasonable level of assurance and meets widely-accepted standards for accuracy.

As part of its analysis, The Registry encourages EPA to consider utilizing international standards for third-party verification and accreditation (ISO 14064-3 and ISO 14065, respectively) and partners such as the American National Standards Institute (ANSI) to ensure consistent high quality verification activities throughout the US. EPA recently utilized ANSI's accreditation services to implement certification requirements for its Water Sense program, and EPA may wish to consider such a model for GHG verification as well. The Registry has had success using international verification and accreditation standards and encourages EPA to give them their full consideration in establishing credible verification and accreditation programs.

The Registry will elaborate on our verification process, experience and cost information in our written comments.

Conclusion

The Registry commends EPA for the release of its proposed GHG mandatory reporting rule. We look forward to working with EPA to ensure that companies, organizations and states that have led the efforts to collect high quality GHG emissions data continue to have a meaningful role in the federal program. The Registry also looks forward to forging partnerships with EPA to provide programs that complement EPA's rule as well as opportunities to streamline the collection and sharing of GHG data required under the draft rule. We will further elaborate on these recommendations in our written comments and we appreciate the opportunity to provide our input on the draft rule. Thank you.