

Proposed Amendments to the
Regulation for the

Mandatory Reporting of Greenhouse Gas Emissions

and

Conforming Amendments to the Definition
Sections of the AB 32 Cost of
Implementation Fee Regulation and the
Cap-and-Trade Regulation

September 20, 2012



California Environmental Protection Agency

 **Air Resources Board**

Overview of Proposed Amendments

- Harmonize with U.S. EPA requirements
- Add technical clarifications
- Require additional product and process data for Cap-and-Trade

History of Mandatory Reporting

Jan.
2007

- AB 32 legislation effective

Dec.
2007

- Mandatory Reporting Regulation (MRR) approved by ARB

Dec.
2010

- MRR amendments approved by ARB to harmonize with U.S. EPA and support California's Cap-and-Trade program

Who is Subject to Reporting?

- Facilities with $\geq 10,000$ MT CO₂e emissions
- Suppliers of Fuels
- All Electricity Importers

Data Reporting

- Online reporting of GHG emissions data and product data via the Cal e-GGRT system
 - Designed to be consistent with U.S. EPA's reporting tool



Harmonizing Amendments

- Petroleum and natural gas systems
 - Include language directly from U.S. EPA rule
 - Update calculation methods and emission factors
 - Clarify use of Best Available Methods for emission calculation
 - Maintain current facility boundary definition

Technical Clarifications

- Remove verification requirements for no-threshold reporters under 25,000 MT CO₂e
- Add option to perform voluntary annual field accuracy assessment for meters

Changes to Support Cap-and-Trade

- Require additional product data for refineries and natural gas processors
- Modify product data verification requirements
- Add process emissions reporting for facilities 10,000 – 25,000 MT CO₂e for leakage monitoring

Other Clarifications

- Clarify process for Asset Controlling Supplier (ACS)
 - Added step-by-step application process
 - Require full reporting and verification to maintain ACS status
 - Calculate emission factor yearly, dependent upon resources of each ACS

Areas for Proposed 15-day changes

- Definitions related to imported electricity
- Petroleum and Natural Gas Systems
 - Clarify reporting requirements for crude oil, condensate and produced water
- Correct additional references
- Other changes needed

Conclusion

- Technical updates are needed for implementation
- Overall cost-savings from the proposed amendments

Staff Recommendation

- Staff recommends approval of the proposed amendments to the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions and conforming definition changes to AB 32 Cost of Implementation Fee Regulation and Cap-and-Trade Regulation.

