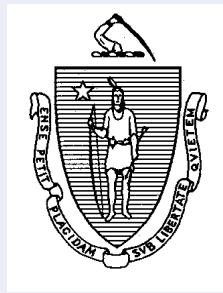


COMMONWEALTH OF MASSACHUSETTS
EXECUTIVE OFFICE OF ENERGY & ENVIRONMENTAL AFFAIRS
DEPARTMENT OF ENVIRONMENTAL PROTECTION



Greenhouse Gas Emissions
Reporting Regulations
Stakeholder Meeting
February 3, 2009

Agenda

- | | |
|-------------|-----------------------------------|
| 9:30-9:45 | Introductions and Background |
| 9:45-10:00 | Updates and Process |
| 10:00-11:45 | Discussion of Regulation Language |
| 11:45-12:00 | Next Steps |

The Global Warming Solutions Act (GWSA)

- Signed by Governor Patrick on August 7, 2008.
- Sets in motion a process to reduce greenhouse gas (GHG) emissions in MA by:
 - 10-25% by 2020
 - 80% by 2050
- Requires mandatory reporting of GHG emissions
 - Regulations must be adopted by January 1, 2009.
 - Provisions for voluntary reporting and reporting by electricity sellers must be in place by July 1, 2009.

Full text of the GWSA can be found at:

<http://www.mass.gov/legis/laws/seslaw08/sl080298.htm>

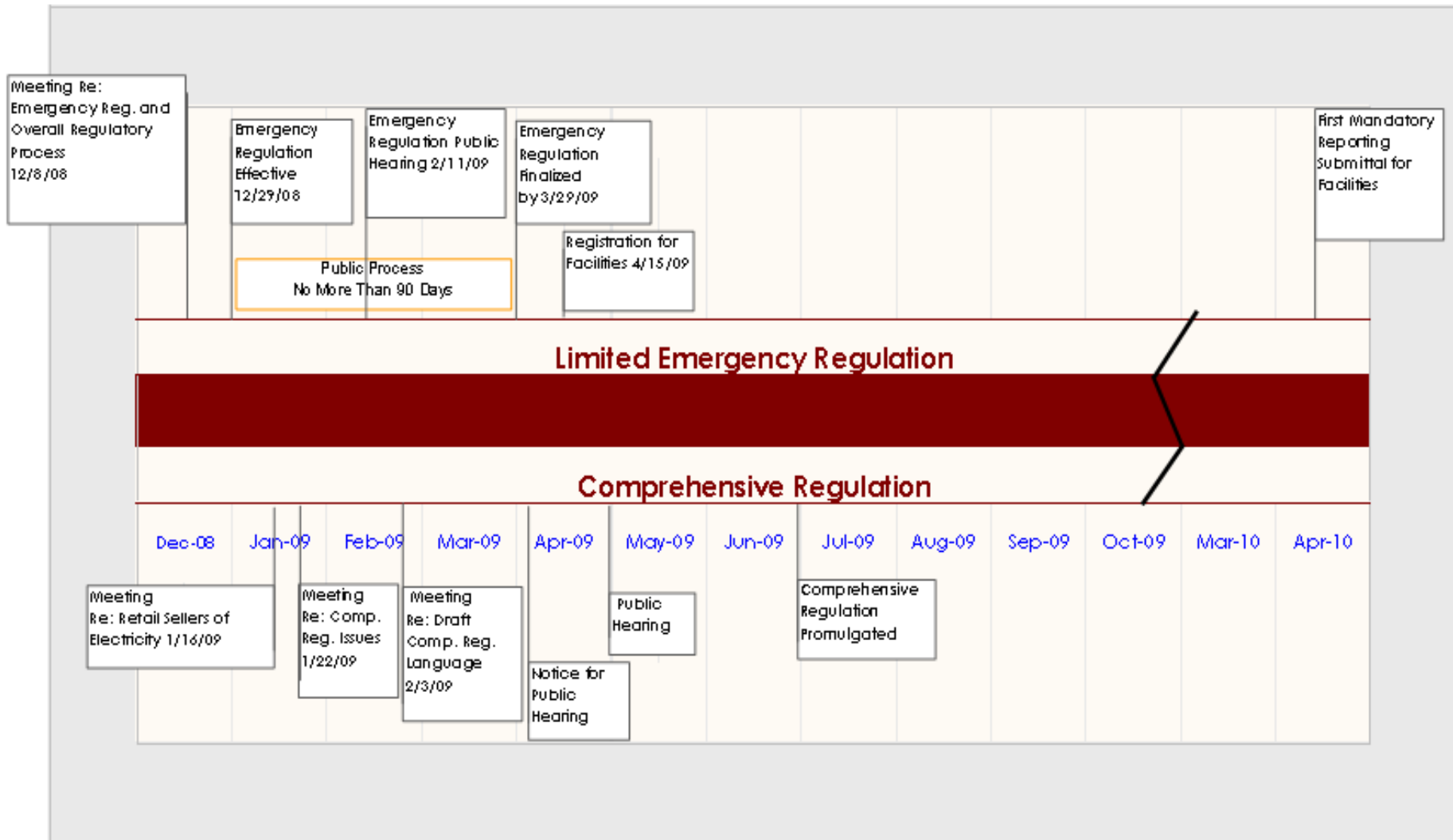
GHG Emission Reporting Purposes

- “What is measured, can be reduced”
- Measure progress to 2020 & 2050 Goals
- Target programs to reduce emissions where greatest reductions can happen
- Identify successful strategies

Proposed Schedule

- December 2008: *Emergency regulation promulgated*
- February 2009: Stakeholder meeting to discuss draft regulatory language (comments by 5pm 2/9/09 to Stacy DeGabriele)
- February 11, 2009: *Public Hearing on emergency regulation (comments by 2/23/09)*
- March 2009: *Emergency Regulation finalized*
- April 2009: Registration pursuant to emergency regulation
- April 2009: Public comment on amendments
- June 2009: Final amended “comprehensive” regulation
- April 2010: Report 2009 CO₂ emissions
- April 2011: Full implementation for 2010 emissions and future years

Draft Promulgation Timeline



Comments Received

- We have received comments on many aspects of GHG reporting in response to stakeholder meetings held in December and January.
 - No need to re-submit these comments in response to this discussion draft and today's meeting.
- Comments on this discussion draft are requested by 5PM, 2/9/09 to Stacy DeGabriele.
- We expect to hold the formal public comment period for the entire comprehensive regulation (including provisions that have been in effect since December) in April.

Registration Form

- Registration is a one-time requirement for facilities to submit a form to MassDEP by April 15, 2009 based on 2008 emissions of:
 - direct stack emissions only (no motor vehicles)
 - fossil fuels combustion only (no biomass)
 - CO₂ only
- The form may require reporting of fuel quantities, emission factors, total emissions, and information about methodology and data sources.

Comprehensive Regulation Provisions: Draft Amendments to 310 CMR 7.71

- (1) Purpose
- (2) Definitions
- (3) Applicability
- (4) Registration of 2008 Emissions
- (5) Annual Reporting by Facilities that Emit Greenhouse Gases
- (6) Requirements for Certification, Recordkeeping, and Public Releases of Facility Reports
- (7) Verification of Facility Reports
- (8) Voluntary Reporting by Facilities
- (9) Reporting Requirements for Electricity Sellers

(1) Purpose

- Implement the reporting and verification requirement in GWSA.
- GWSA: “The department shall adopt regulations to require the reporting and verification of statewide greenhouse gas emissions . . .”

(2) Definitions

- General Reporting Protocol:
 - Incorporated documents must be referenced by publication date.
 - Referenced documents will be posted on MassDEP website.
- Motor Vehicles:
 - Includes non-road vehicles (Reporting for non-road vehicles begins with 2010 reporting year.)
 - Same definition as in 310 CMR 7.00: *Definitions*
- Emissions source and Stationary emission source:
 - Means one piece of equipment
 - No references to emission “unit” in this draft

(3) Applicability

- “Once in, always in” provision.
- Retail electricity sellers.

(4) Registration of 2008 Emissions

- No changes from emergency regulation.

(5) Annual Reporting by Facilities That Emit Greenhouse Gases

- Motor Vehicle Emissions (b): “motor vehicles that supported the operations of that facility for more than 50 percent of the year.”
 - Is this sufficiently clear? Suggestions?
- Motor Vehicle Emissions (n): The definition of motor vehicles from the emergency regulation (on-road only) applies for 2009 reporting year.

(5) Annual Reporting by Facilities That Emit Greenhouse Gases

- (5)(c): Report “in accordance with all applicable requirements of the General Reporting Protocol.”
- The GRP allows flexibility. (5)(d)-(g) include specific requirements for reporting to MassDEP:
 - (d) Data tiers
 - (e) Aggregating stationary emissions sources
 - (f) Using industry best practice methods
 - (g) Using emissions factors
- Are these provisions clear? Appropriate? Suggestions?

(5) Annual Reporting by Facilities That Emit Greenhouse Gases

- (k): “Notwithstanding any other provisions of 310 CMR 7.71, all emission sources and processes at the facility shall be included in the report.”
 - Language would not allow de minimus provisions in GRP to be used.
 - Source registration regulation (310 CMR 7.12) includes similar language.
 - Source registration and operating permit (310 CMR 7.00: Appendix C) regulations include an explicit list of “insignificant” sources.
- Should the GHG reporting program include “de minimus” or “insignificant sources” provisions? Suggestions?

(6) Requirements for Certification, Recordkeeping, and Public Release of Facility Reports.

- The emergency regulation does not include these provisions.
- Provisions related to:
 - Certification statement
 - Record retention
 - Public release (through the registry)

(7) Verification of Facility Reports

- The emergency regulation does not include a verification provision.
- This discussion draft would require reporters to “employ a verifier approved by the Department to verify the greenhouse gas emissions report.”
 - Consistent with GWSA requirement that MassDEP “require reporting and verification” of GHG emissions.
 - MassDEP sees potential value in creating a public database of verified emissions reports.
 - Includes “waiver” and “postponement” provisions to provide flexibility.

(7) Verification of Facility Reports

- (a): Reporters employ a verifier approved by MassDEP
- (b): Deadline: April 15, possible postponement.
- (c): Verification “in accordance with all applicable requirements” of the General Verification Protocol.
- (d): MassDEP “may waive” the verification requirement for a “category of facilities” for “one calendar year” based on:
 - Lack of available approved verifiers
 - MassDEP determination that verification is not “necessary to ensure accuracy”

(7) Verification of Facility Reports

- Are there other verification options that would be consistent with the statute? Suggestions?
- Do these provisions adequately address concerns about cost and redundancy? Should there be any permanent exclusions (e.g., Part 75 data.)?

(8) Voluntary Reporting by Facilities

- The emergency regulation does not include a voluntary reporting provision.
- Allows for voluntary reporting by facilities not otherwise subject to 310 CMR 7.71.
 - Voluntary “compliance” with all provisions
 - Data published in the registry with other facilities
- Allows for additional data elements, beyond those required, to be included in any report.
- Should voluntary reporters be identified in the registry?

(9) Reporting Requirements for Electricity Sellers

- The emergency regulation does not include a retail sellers provision.
- (9)(a) Applicability
- (9)(b) Reporting Deadlines
 - Initial report: in 2010, due 30 days after final annual Emission Factor (EF) posted, based on 2005 or 2006 or 2007 emissions. MassDEP expects to post draft annual EF for comment ~March 15, 2010.
 - Ongoing annual reports: due 30 days after final annual EF posted, based on 2010 and thereafter emissions.
- Are these provisions clear? Appropriate? Suggestions?

(9)(a) Reporting Requirements for Electricity Sellers

- What to report: MWh and associated GHG emissions
- Note: MassDEP is looking into obtaining MWh from DPU (for municipal electric departments and light boards) and DOER (for distribution utilities and competitive suppliers), rather than requiring submittal to MassDEP by retail sellers.
- Would reporting only GHG, instead of both GHG and MWh, be of any benefit to retail sellers? Are these provisions clear? Appropriate? Suggestions?

(9)(d)3. Reporting Requirements for Electricity Sellers

- If subject to MA RPS, may subtract MA RPS-eligible non-emitting MWh before calculating GHG.
- MA RPS-eligible non-emitting resources: hydro (meeting all MA RPS criteria), wind, solar, ocean
- Not eligible to be subtracted under this provision:
 - Not MA RPS-eligible: large hydro and nuclear
 - Not non-emitting: biomass
- Should non-emitting MWh retired by a retail seller be eligible to be subtracted, even if not MA RPS-eligible? Are the provisions clear? Appropriate? Suggestions?

(9)(d)4. Reporting Requirements for Electricity Sellers

- If not subject to MA RPS (i.e., municipal electric department or light board), may subtract non-emitting MWh listed in annual return, before calculating GHG.
- Hydro and nuclear are the non-emitting resources typically seen in annual returns.
- Does any annual return include non-emitting MWh used for compliance with RPS in any state? To avoid double-counting, should muni be required to certify which non-emitting MWh were/were not used in any state's RPS?
- Are the provisions clear? Appropriate? Suggestions?

Comprehensive Regulation Provisions

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Next Steps and Future Meeting

- Comments regarding today's meeting will be accepted until 5pm Monday, February 9th
 - Please send comments to Stacy DeGabriele
- The Emergency Regulation Public Hearing is scheduled for February 11th at MassDEP's Boston Office at 1:30pm.
- The comprehensive regulation is anticipated to be promulgated in June 2009.
- For More Information see:
 - MassDEP Mandatory Greenhouse Gas Reporting Website:
<http://www.mass.gov/dep/public/hearings/ghgrmtgs.htm>
 - MassDEP Greenhouse Gases & Climate Change Website:
<http://www.mass.gov/dep/air/climate/index.htm>



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Mandatory Reporting Provisions of GWSA

Section 2 of Chapter 21N of the GWSA

Section 2. (a) The department shall monitor and regulate emissions of greenhouse gases with the goal of reducing those emissions. The department shall adopt regulations to require the reporting and verification of statewide greenhouse gas emissions and to monitor and enforce compliance with this chapter.

The regulations shall:

- (1) establish a regional greenhouse gas registry and reporting system for greenhouse gas emission sources; provided, however, that in establishing the greenhouse gas registry and reporting system, the department may collaborate with other states or a regional consortium;*
- (2) annually require the owner or operator of any facility that is required to report air emissions data to the department pursuant to Title V of the federal Clean Air Act and that has stationary emissions sources that emit greenhouse gases to report annually to the regional registry direct stack emissions of greenhouse gases from such sources;*
- (3) require the owner or operator of a facility that has stationary emissions sources that emit greenhouse gases in excess of 5,000 tons of greenhouse gases per year in carbon dioxide equivalents to report annually to the regional registry direct emissions of greenhouse gases from such sources; provided, however, that the department shall develop a simplified estimation form to assist facilities in determining who shall report emissions and shall consider, on an annual basis, requiring the expansion of reporting to the regional greenhouse gas registry;*

Mandatory Reporting Provisions of GWSA (cont.)

The regulations shall:

- (4) provide for the voluntary reporting of emissions of greenhouse gases to the regional greenhouse gas registry by entities and facilities that are not required to submit information pursuant to clauses (2) and (3); provided, however, that the greenhouse gas emissions reported shall be of a type and format that the regional greenhouse gas registry can accommodate;*
- (5) require reporting of greenhouse gas emissions from generation sources producing all electricity consumed, including transmission and distribution line losses from electricity generated within the commonwealth or imported from outside the commonwealth; provided, however, that this requirement shall apply to all retail sellers of electricity, including electric utilities, municipal electric departments and municipal light boards as defined in section 1 of chapter 164A;*
- (6) ensure rigorous and consistent accounting of emissions and provide reporting tools and formats to ensure collection of necessary data; and*
- (7) ensure that greenhouse gas emissions sources maintain comprehensive records of all reported greenhouse gas emissions.*