



California Greenhouse Gas Reporting Program

February 29, 2016



AB 32 Statutory Requirements for Mandatory Reporting

- ▣ Include significant sources
- ▣ Account for all electricity consumed, including imports
- ▣ Ensure rigorous and consistent accounting
- ▣ Include a verification component

Goals of Reporting Program

- ▣ Completeness – all significant sources
- ▣ Consistency – within and across sectors
- ▣ Transparency – auditable and clear quantification requirements
- ▣ Accuracy – robust quantification and measurement
- ▣ Support overall program needs:
 - ▣ Cap-and-Trade Program
 - ▣ GHG state-wide inventory
 - ▣ AB 32 Cost of Implementation Fee Regulation
 - ▣ Support other ARB climate programs

Key Details

- ▣ Annual facility-based reporting for stationary sources
 - ▣ Facility reporting based on operational control
- ▣ Upstream reporting of fuels
 - ▣ Transportation fuel and natural gas suppliers report emissions that would result from complete combustion/oxidation of the fuel by downstream end-users
- ▣ Comprehensive power sector requirements
 - ▣ Includes reporting for all electricity importers that deliver electricity into the state
- ▣ Report CO₂, CH₄, N₂O emissions
- ▣ Independent third-party verification
 - ▣ ARB-accredited verifiers subject to ARB oversight
- ▣ Data Stability
 - ▣ Strict reporting and verification deadlines to support Cap-and-Trade Program
 - ▣ Cap-and-Trade Program requires stable emissions data for implementation and market certainty

Who Reports?

- Facilities that emit greater than 10,000 MT CO₂e per year and “opt-in” facilities (e.g., refineries and cement production)
- Utilities and electricity importers/exporters (no threshold)
 - Some electricity marketers could be located out of state
- Natural gas and transportation fuel suppliers (10,000 MT CO₂e threshold)
 - Some fuel suppliers could be located out of state
- Reporters that emit greater than 25,000 MT CO₂e per year are subject to the Cap-and-Trade Program

Basic Reporting Requirements

- ▣ Report combustion, process, and fugitive emissions depending on sector
- ▣ Scope of reporting – substantial detail required
 - ▣ Fuel use and types
 - ▣ Fuel characteristics
 - ▣ Data supporting calculations
 - ▣ Electricity use
- ▣ Report production data as specified in regulation
 - ▣ Production data also subject to verification
 - ▣ Support's allowance allocation in Cap-and-Trade Program

Quantification Method Tiers (follows U.S. EPA methods)

- ▣ Tier 1-lowest
 - ▣ Fuel usage, default high heat values (HHV) and emission factors
- ▣ Tier 2
 - ▣ Fuel usage, measured HHV and default emission factor
 - ▣ HHV provided by utilities in most cases
- ▣ Tier 3
 - ▣ Fuel usage and measured carbon content (CC)
- ▣ Tier 4 - highest
 - ▣ Continuous Emissions Monitoring Systems (CEMS)

California Greenhouse Gas Reporting Tool (Cal e-GGRT)

- Online reporting tool based on the U.S. EPA greenhouse gas reporting system
- Key Features:
 - Robust registration and user management functions
 - Ensures data security and controlled access to system
 - Flexibility: Many types of information and sectors may be reported
 - Module design: All sectors reported in the system
 - Data quality and completeness: Provides data validation
 - Most calculations conducted automatically in the system

Annual Reporting and Verification Schedule

- **April 10***: Reporting Deadline for Facilities and Suppliers
 - Emissions Data Report must be certified internally and submitted to ARB using Cal e-GGRT
- **June 1***: Reporting Deadline for Electricity Importers
 - Emissions Data Report must be certified internally and submitted to ARB using Cal e-GGRT
- **September 1***: Verification Deadline for all Entities
- No time extensions are granted
- Enforcement for missed deadlines
- Key Dates Reference Page:
<http://www.arb.ca.gov/cc/reporting/ghg-rep/ghg-rep-dates.htm>

* Or next business day if this day falls on a weekend or holiday

MRR Third-Party Verification

- AB 32 requires rigorous and consistent accounting, comprehensive records
 - Program built on international standards (ISO)
 - ARB is accreditation body
- Required by facilities >25,000 MT CO₂e, or otherwise subject to Cap-and-Trade (e.g., electricity importers and opt-in facilities)
- Extensive conflict of interest provisions to ensure unbiased assessment

ARB Verification Activities

- ▣ ARB trains and accredits verifiers and verification bodies
- ▣ Performs conflict of interest assessments
- ▣ ARB has oversight and audit authority for accredited verifiers to ensure they are meeting the requirements of the regulation
 - ▣ Conduct annual targeted audits of verifier performance and reported emissions
 - ▣ On-site audits and desk audits
- ▣ ARB performs comprehensive additional quality assurance checks on reported data

MRR Enforcement Program

- ▣ ARB enforcement activities are key to implementation of MRR
 - ▣ Incentivizes compliance
 - ▣ In addition to verification program
- ▣ Issues that could lead to enforcement actions
 - ▣ Incorrect data submitted
 - ▣ Errors leading to a material misstatement
 - ▣ Failure to fix correctable errors
 - ▣ Late reports or failure to report
 - ▣ Late verification or no verification
- ▣ ARB has completed multiple enforcement actions related to reporting, and continues enforcement activities
 - ▣ As completed, case settlements are posted here:
<http://www.arb.ca.gov/enf/casesett/casesett.htm>