NESCAUM
www.nescaum.org

The Clean Air Association of the Northeast States
101 Merrimac Street, 10th Floor Boston, MA 02114
Phone 617-259-2000 Fax 617-742-9162
Arthur N. Marin, Executive Director

June 9, 2009

Lisa Jackson, Administrator
U.S. Environmental Protection Agency
EPA Docket Center (EPA/DC)
Mail Code 6102T
1200 Pennsylvania Avenue, N.W.
Washington, DC 20460

Attention: Docket ID No. EPA-HQ-OAR-2008-0508

Re: *Mandatory Reporting of Greenhouse Gases – Proposed Rule*

Dear Administrator Jackson:

The Northeast States for Coordinated Air Use Management (NESCAUM) is pleased to provide the following comments on the U.S. Environmental Protection Agency's (EPA's) Proposed Rule, entitled *Mandatory Reporting of Greenhouse Gases* published on April 10, 2009 in the Federal Register (74 FR 16448 - 16731). NESCAUM is the regional association of air pollution control agencies representing Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, and Vermont.

NESCAUM supports EPA's efforts to develop a greenhouse gas (GHG) reporting program. A robust GHG inventory provides the cornerstone data for developing, monitoring, and evaluating GHG policies and regulatory programs. EPA should develop a GHG reporting program that has the following core attributes:

- *Adequate flexibility to meet current program needs and adapt to future data and policy needs:* Any federal reporting program must be flexible enough to accommodate and adapt to future regulatory structures and changing data needs. The climate regulatory arena is nascent, and it is appropriate to assume that new regulatory approaches and opportunities will open up in the future. A federal reporting program should not limit regulatory action by creating a platform unable to accommodate additional data fields or new emissions sources. The program should be configured to support a broad range of analytical queries and provide information that supports a broad range of climate mitigation strategies. Failure to collect a full spectrum of data could significantly limit not only EPA's ability to support future regulatory programs, but may also limit policymakers' ability to identify and anticipate future emissions trends and mitigation opportunities.

- *Accessible and streamlined:* A federal reporting program must be easy for reporters to use, and should not require extensive or expensive data interface systems. It is important that the program allow reporters to focus their resources on building capacity to collect and report data of high quality, rather than on developing systems specially designed to access the federal reporting system.

- *Compatible with existing state and federal reporting systems:* A federal reporting program platform should be compatible with existing state mandatory GHG reporting programs as well as The Climate Registry's voluntary reporting program, which was designed by the states. Existing federal and state programs, such as Clean Air Act's Title V reporting requirements, already collect source-level greenhouse gas data. EPA's final reporting program should be designed to limit the additional potential reporting burden by interfacing with such programs. EPA should review all Clean Air Act-related mandatory data reporting programs affecting potential sources and align and consolidate reporting dates and requirements to the extent possible. Such alignment and consolidation efforts must be done in consultation with states to ensure that any related state reporting requirements are not adversely affected or pre-empted in any way.

- *Recognizes The Climate Registry and state knowledge:* EPA must consider the role and work to date of the states through The Climate Registry, especially with respect to the design of the data reporting platform. At a minimum, EPA must adopt consistent data reporting guidelines, calculation methodologies, GHG conversation factors, and emissions factors. EPA should also strive to ensure that entities that report to The Climate Registry can easily migrate their data to the federal reporting system, as appropriate. Finally, EPA should recognize that state agencies often know their large sources best, having worked with operators of these facilities for years on various aspects of implementing the Clean Air Act and other federal and state environmental regulations. EPA should consider creative approaches that will help take advantage of state-based knowledge. Such approaches should include (but not be limited to) working with states to incorporate and interpret GHG data provided by reporters to The Climate Registry.

- *Includes data that characterize less "traditional" GHG sources:* EPA should not limit its reporting program to an Acid Rain model, as it has proposed. By focusing primarily on traditional stationary sources, EPA would be limiting the scope of its abilities to recognize promising GHG mitigation opportunities in the future. We urge EPA to partner with The Climate Registry and other agencies to evaluate data that characterize other sectors, such as the commercial and land use (i.e., agriculture and forestry) sectors that fall outside traditional criteria pollutant reporting but could be critical to the success of GHG policy. Specifically, EPA should explore partnering with The Climate Registry with respect to assessing emissions data from facilities that fall below EPA's proposed and final emissions thresholds. While these facilities are small emitters under current economic conditions, some will grow to become major emitters in the future. Moreover, early monitoring of changes in emissions trends in these emerging sectors may help

policymakers to begin benchmarking emerging sectors and to better anticipate structural changes in the economy in order to plan for changes in climate mitigation policies accordingly.

- *Robust verification standards:* Any federal reporting program must ensure that its data are of the highest quality and have been appropriately quality assured and controlled. EPA should require data verification standards that are consistent with the ISO methodology adopted by The Climate Registry and recommended by the Intergovernmental Panel on Climate Change. Again, there are substantial differences between the quality and credibility of criteria pollutant reporting and that for GHG emissions. While self-certification of emissions is appropriate and generally effective for electricity generation units and other large stationary sources that use continuous emissions monitoring, deriving emissions of carbon dioxide and other GHGs for smaller sources will require a higher level of verification than under the Acid Rain program. As such, NESCAUM recommends that EPA consider the possible benefits of a two-tiered approach to verification, and verification by third parties.

We also would like to go on record supporting the comments submitted in response to this proposal by the National Association of Clean Air Agencies (NACAA) and The Climate Registry. If you or your staff have any questions regarding the issues raised in our comments, please contact Michelle Manion at 617-259-2033.

Sincerely,

Arthur N. Marin
Executive Director

Cc: NESCAUM Directors
Brian McLean, EPA/OAP
Dina Kruger, EPA/OAP
Diane Wittenberg, The Climate Registry
Denise Sheehan, The Climate Registry
S. William Becker, NACAA