EPA Voluntary Programs

- largest corporate GHG goal-setting program
- ~ 200 industrial and commercial leaders
- partners revenues equivalent to 12% of US GDP
**Partner Joins Program**

- EPA assists Partner in developing GHG inventory and inventory management plan

**Partner sets agency wide 5-10 year GHG reduction goal**

**Partner participates in meetings, public outreach, press events, etc.**

**Partner reports annual inventory data to EPA and documents progress toward goal**

**Partner Achieves Goal**
EPA Proposed Transition for Climate Leaders

• Continued Support for Corporate GHG Management
  – GHG Inventories and IMPs
  – Tools and Guidance Documents
  – Climate Leaders Goal Setting Model
  – Other Federal Climate Programs

• Jointly Sponsored Recognition Opportunities

• Supply Chain Initiatives

• Communications and Outreach
<table>
<thead>
<tr>
<th>Scope</th>
<th>Description</th>
<th>Applicability</th>
<th>Allowable Reduction Claims</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Scope 1 (Direct Emissions)</strong></td>
<td>Emissions from sources that the organization owns or controls, such as industrial processes, natural gas consumption in buildings, owned vehicles, and owned energy generators *</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Scope 2 (Indirect Emissions)</strong></td>
<td>Emissions associated with the generation of electricity, steam, or heat—from sources that the organization does not own—that is purchased and consumed by the organization</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Scope 3 (Other Indirect Emissions)</strong></td>
<td>Emissions from other sources the organization does not own or control; examples include waste disposal, leased/outsourced activities, business travel, and employee commuting</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>
RECs are not Offsets

• Voluntary RECs might be confused with voluntary carbon offsets

• Direct emission reductions resulting from voluntary REC purchases are typically realized at conventional power generation facilities owned by entities other than the REC owner or generator
  – REC purchasers do not have clear title to direct emission reductions because green power or REC contracts typically do not include the originator of the Scope 1 emission as a third party to the agreement

• The role of RECs in reducing an organization’s GHGs is limited to indirect emissions (i.e., scope 2).
## External Projects

<table>
<thead>
<tr>
<th>Year</th>
<th>Base Year</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
<th>Year 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>6,464,000</td>
<td>10,592,000</td>
<td>0</td>
</tr>
</tbody>
</table>

### Reductions from REC's and Green Power Purchases to Indirect Emissions

- **Annual CO₂-eq. (metric tons)**
- **Total kW-hr of REC's/Green Power:**
- **Total Reductions from REC's/Green Power:**

### Reductions from Offsets

- **Annual CO₂-eq. (metric tons)**
- **Offsets (specify source):**
  - Landfill Methane

### Insert Additional Offset

<table>
<thead>
<tr>
<th>Year</th>
<th>0</th>
<th>0</th>
<th>4,000</th>
<th>4,000</th>
<th>10,000</th>
<th>0</th>
</tr>
</thead>
</table>

### Partner Base Year:
- 2005

### Partner Goal Year:
- 2010

### Goal Emissions Tracking "Absolute" or "Normalized":
- **Absolute**

### Goal Year Emissions Target:
- **15%**

### Specify Normalization Factor (NF) Units:
- (only if tracking normalized emissions for goal)

## Corporate Goal Tracking

### Base Year | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Absolute Emissions Goal Tracking

<table>
<thead>
<tr>
<th>Year</th>
<th>CO₂-eq. (metric tons)</th>
<th>CO₂-eq. (metric tons)</th>
<th>% change from base yr</th>
<th>CO₂-eq. (metric tons)</th>
<th>% change from base yr</th>
<th>CO₂-eq. (metric tons)</th>
<th>% change from base yr</th>
<th>CO₂-eq. (metric tons)</th>
<th>% change from base yr</th>
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<th>% change from base yr</th>
<th>CO₂-eq. (metric tons)</th>
<th>% change from base yr</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>1,587,000</td>
<td>1,492,000</td>
<td>-6.0%</td>
<td>1,430,000</td>
<td>-6.1%</td>
<td>1,474,000</td>
<td>-7.1%</td>
<td>1,409,000</td>
<td>-11.2%</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

### Total U.S. Emissions:
- 1,587,000

### Total Non-U.S. Emissions:
- --

### Total Absolute Emissions:
- 1,587,000

### Total Reductions from External Projects:
- --

### Total Net Absolute Emissions:
- 1,587,000

### Goal Year Absolute Emissions Target:
- N/A
Environmental Marketing Claims

• Climate Leader Partners that purchase RECs that meet EPA’s standard:
  – Buying emission-free, renewable electricity
  – Addressing the emissions associated with purchased electricity
  • Adjusting scope 2 emissions
  – Lessening their organization’s carbon footprint
  – Helping them to achieve their GHG goal
Sources of EPA Guidance

- For more information about RECs and other green power product options, see: