CLIMATE LEADERS

SETTING THE STANDARD IN GREENHOUSE GAS MANAGEMENT

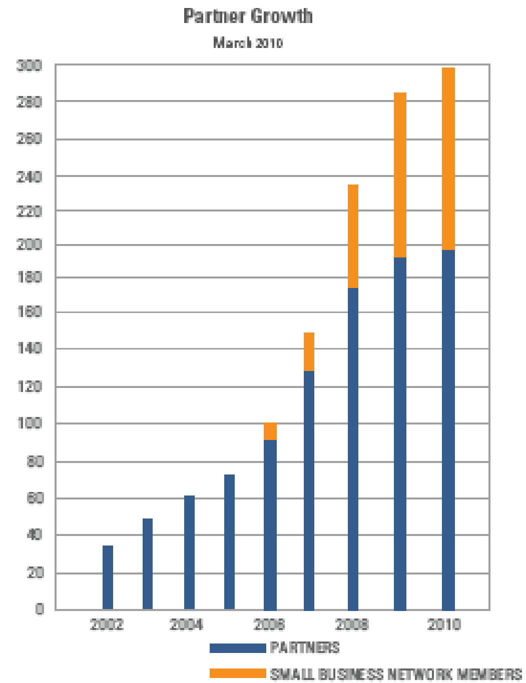
Green Power, GHG Reporting & Goal Achievement

Renewable Energy Markets Conference
Portland, Oregon
22 October 2010

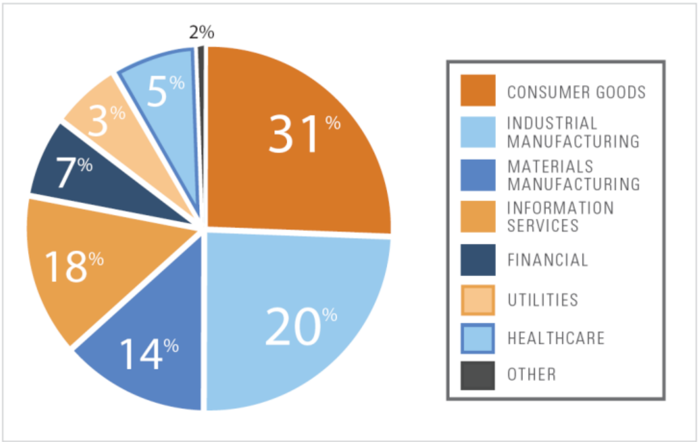
EPA Voluntary Programs

CLIMATE LEADERS
U.S. Environmental Protection Agency

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



Climate Leaders Partner Companies By Sector (%)



ENERGY STAR

EPA GREEN POWER PARTNERSHIP

CHP
EPA COMBINED HEAT AND POWER PARTNERSHIP
Producing Reliable Energy & Preserving the Environment

EPA United States Environmental Protection Agency

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

CLIMATE LEADERS U.S. Environmental Protection Agency

United States Environmental Protection Agency

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

CLIMATE LEADERS
U.S. Environmental Protection Agency

Scope	Description	Applicability		Allowable Reduction Claims
		RECs	Offsets	
Scope 1 (Direct Emissions)	**Emissions from sources that the organization owns or controls, such as industrial processes, natural gas consumption in buildings, owned vehicles, and owned energy generators ***	**No**	**Yes**	**Total GHG emission reductions; direct emission reductions**
Scope 2 (Indirect Emissions)	**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**	**Yes**	**Yes**	**Carbon footprint reductions; indirect emission reductions**
Scope 3 (Other Indirect Emissions)	**Emissions from other sources the organization does not own or control; examples include waste disposal, leased/outsourced activities, business travel, and employee commuting**	**No**	**Yes**	**Carbon footprint reductions; indirect emission reductions**

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	Base Year	Year 2	Year 3	Year 4	Year 5	Year 6 Goal Year
Year	2005	2006	2007	2008	2009	2010
Reductions from RECs and Green Power Purchases to Indirect Emissions- Annual CO_2-eq. (metric tons)	Hide RECs					
Total kW-hr of RECs/Green Power	0	0	0	6,484,000	10,592,000	
Total Reductions from RECs/Green Power	0	0	0	6,170	9,074	
Reductions from Offsets - Annual CO_2-eq. (metric tons)	Hide Offsets					
Offsets (specify source):						
Landfill Methane	0	0	4,000	4,000	10,000	
Insert Additional Offset						
Total Reductions from Offsets	**0**	**0**	**4,000**	**4,000**	**10,000**	**0**

Partner Base Year:	2005
Partner Goal Year:	2010
Goal Emissions Tracking "Absolute" or "Normalized":	Absolute
Goal Year Emissions Target:	15%
(expressed as a percent decrease from base year)	
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 Goal Year	
Year	2005	2006		2007		2008		2009		2010	
ABSOLUTE EMISSIONS GOAL TRACKING											
	CO_2-eq. (metric tons)	CO_2-eq. (metric tons)	% change from base yr	CO_2-eq. (metric tons)	% change from base yr	CO_2-eq. (metric tons)	% change from base yr	CO_2-eq. (metric tons)	% change from base yr	CO_2-eq. (metric tons)	% change from base yr
Total U.S. Emissions	1,587,000	1,492,000	-6.0%	1,490,000	-6.1%	1,474,000	-7.1%	1,409,000	-11.2%	--	--
Total Non-U.S. Emissions	--	--	--	--	--	--	--	--	--	--	--
Total Absolute Emissions	1,587,000	1,492,000	-6.0%	1,490,000	-6.1%	1,474,000	-7.1%	1,409,000	-11.2%	--	--
	CO_2-eq. (metric tons)	CO_2-eq. (metric tons)	% change from base yr	CO_2-eq. (metric tons)	% change from base yr	CO_2-eq. (metric tons)	% change from base yr	CO_2-eq. (metric tons)	% change from base yr	CO_2-eq. (metric tons)	% change from base yr
Total Reductions from External Projects	--	--	N/A	-4,000	N/A	-10,170	N/A	-19,074	N/A	--	N/A
Total Net Absolute Emissions	1,587,000	1,492,000	-6.0%	1,486,000	-6.4%	1,463,830	-7.8%	1,389,926	-12.4%	--	--
Goal Year Absolute Emissions Target	N/A	--	--	--	--	--	--	--	--	**1,348,950**	**-15.0%**

EPA United States Environmental Protection Agency

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

CLIMATE LEADERS®
U.S. Environmental Protection Agency

Sources of EPA Guidance

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

- U.S. Environmental Protection Agency, U.S. Department of Energy, World Resources Institute, and Center for Resource Solutions, *Guide to Purchasing Green Power*, http://www.epa.gov/greenpower/documents/purchasing_guide_for_web.pdf

- U.S. Environmental Protection Agency, Climate Leaders Greenhouse Gas Inventory Protocol Optional Modules Methodology for Green Power and Renewable Energy Certificates, 2008, p. 4, http://www.epa.gov/climateleaders/documents/greenpower_guidance.pdf