

Frequently Asked Questions Mandatory Reporting of Greenhouse Gases (GHGs) Rule (Part 98)



Final Rule: Revision of Certain Provisions of the Mandatory Reporting of Greenhouse Gases Rule

General Information

What is the action being taken?

EPA is finalizing revisions to certain provisions of the Greenhouse Gas (GHG) Reporting Rule, published on October 30, 2009, that established EPA's Greenhouse Gas Reporting Program (under 40 CFR Part 98). The GHG Reporting Program requires large direct emitters of GHGs, and certain suppliers (e.g., of fossil fuels, petroleum products, industrial gases and CO₂) to report GHG information annually beginning in 2011. With this action, EPA is amending 12 subparts of Part 98 to address technical and other issues that have been raised by stakeholders during the implementation phase of the Greenhouse Gas Reporting Program. The net effect of the changes is to reduce the burden for those required to report, and in general, improve the accuracy of data. The changes have almost no effect on the total amount of GHG emissions that this program covers.

Which subparts in Part 98 are being affected by the proposed rule amendments?

EPA is finalizing amendments to the following subparts:

- Subpart A – General Provisions
- Subpart C – General Stationary Fuel Combustion Sources
- Subpart D- Electricity Generation
- Subpart F – Aluminum Production
- Subpart G – Ammonia Production
- Subpart P – Hydrogen Production
- Subpart V – Nitric Acid Production
- Subpart X – Petrochemical Production
- Subpart Y– Petroleum Refineries
- Subpart AA – Pulp and Paper Manufacturing
- Subpart OO – Suppliers of Industrial Gases
- Subpart PP– Suppliers of Carbon Dioxide

When do the rule amendments go into effect?

The rule amendments will be effective in 2010. Facilities and suppliers must incorporate the changes into the first reports submitted to EPA by September 30, 2011, with the exception of mandatory reporting of biogenic CO₂ emissions from units that calculate their CO₂ emissions under Part 98 using methods in part 75, which does not begin until the 2011 reporting year. Based on comments received, EPA has concluded that incorporating these amendments will not present a problem for facilities or suppliers.

Did EPA consider input from stakeholders in the development of these amendments?

Yes. Since October 2009, EPA has been working closely with owners and operators of facilities to communicate the requirements of the Greenhouse Gas Reporting Program. Outreach activities consisted of webinars, live seminars, and an electronic hot-line. During that outreach, EPA received questions from affected facilities and other interested parties on each of the subparts being addressed in today's action.

In addition, some of the final rule amendments relate to settlement agreements regarding challenges to the final rule by the American Chemistry Council, American Public Gas Association, the American Petroleum Institute/National Petrochemical and Refiner's Association, Energy Recovery Council, The Fertilizer Institute, and the Utility Air Regulatory Group.

Do the final amendments increase the burden on reporting facilities?

No. Overall these amendments reduce burden for reporting facilities by providing additional flexibility, and clarifying reporting requirements. Together, the amendments reduce the overall national cost of reporting under the Greenhouse Gas Reporting Program by an estimated \$2.8 million in the first year (approximately 2% of total first year costs). This estimate for first year costs includes the costs associated with reporters reviewing the rule and determining how the rule might affect their reporting. Subsequent year national costs are reduced by \$3.5 million annually (a decrease of approximately 4% from the final rule).

What impact would this rule have on small businesses and other small entities?

This rule will not have a significant impact on small businesses or small entities. In fact, this rule further reduces the impact on local distribution companies (LDCs) for natural gas, a majority of which are small businesses. Most of these small business LDCs will no longer be required to report as a result of the application of a threshold. Under the original provisions of the GHG Reporting Program all LDCs were required to report. These amendments change the reporting requirements so that only LDCs that deliver 460,000 thousand standard cubic feet or more per year of natural gas will have to report. This change reduces the number of LDC required to report from 1,207 to 359, while reducing the emissions covered by the program by less than 0.1 percent of national emissions.

How does this final rulemaking relate to the final rulemaking: Technical Corrections, Clarifying and Other Amendments that was published by the Administrator on October 28, 2010?

This final rule is complementary to the final rulemaking: Technical Corrections, Clarifying and Other Amendments, published October 28, 2010. Together, these two actions address the most significant questions raised across all subparts during implementation of the GHGRP.

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