Fact Sheet for Additional Sources of Fluorinated Greenhouse Gases: Subparts I, L, DD, QQ, SS



Final Rule: Mandatory Reporting of Greenhouse Gases (40 CFR part 98)

## Action

- On November 9, 2010, the U.S. Environmental Protection Agency (EPA) issued a rule for the mandatory reporting of greenhouse gases (GHGs) from large sources of fluorinated GHGs such as hydrofluorocarbons (HFCs), nitrogen trifluoride (NF<sub>3</sub>), perfluorocarbons (PFCs), and sulfur hexafluoride (SF<sub>6</sub>).
- This rule requires reporting of fluorinated GHGs from the following source categories:
  - Electronics manufacturing including manufacture of semiconductors (which include light-emitting diodes), photovoltaic cells, liquid crystal displays, and micro-electro-mechanical systems (Subpart I);
  - Fluorinated gas production (Subpart L);
  - Imports and exports of pre-charged equipment or closed-cell foams containing fluorinated GHGs (Subpart QQ);
  - Use of electric transmission and distribution equipment (Subpart DD); and
  - o Manufacture of electric transmission and distribution equipment (Subpart SS).
- Fluorinated GHGs emissions account for about two percent of U.S. GHG emissions and emissions are growing. Fluorinated GHGs are the most potent and persistent of the greenhouse gases. These gases are generally thousands of times more effective than CO<sub>2</sub> at trapping heat in the atmosphere, and many (e.g., PFCs and SF<sub>6</sub>) remain in the atmosphere for millennia. Due to their high global warming potential, relatively small quantities of these gases can yield large GHG emissions in CO<sub>2</sub>-equivalent terms.
- The data submitted under the GHG Reporting Program will provide important information on the location and magnitude of the largest emission sources of fluorinated GHGs. This rule also allows facilities to track their own emissions, compare them to similar facilities, and aid in identifying cost-effective opportunities to reduce emissions in the future.
- EPA estimates that the rule covers more than 95 percent of the total GHG emissions from these sources, with approximately 385 facilities reporting. Most small businesses fall below the reporting threshold and are not required to report.

## **Final Rule Overview**

• This rule generally requires electronics manufacturing and fluorinated gas production facilities that emit 25,000 metric tons of carbon dioxide equivalent (metric tons CO<sub>2</sub>e) or more to report their GHG emissions to EPA annually. For electric power systems, this rule uses a nameplate capacity threshold; for manufacturers of electrical power transmission and distribution equipment, the threshold is expressed in terms of annual GHG purchases. This rule also requires importers or exporters that supply 25,000 metric tons CO<sub>2</sub>e or more of fluorinated GHGs to report their supply to EPA annually.

- Reporting is at the facility level with data collection beginning on January 1, 2011. Reports will be submitted annually with the first report due to EPA on March 31, 2012, for 2011 data.
- Under this rule, EPA estimates that the total cost of reporting for the private sector will be approximately \$7.6 million for the first year and \$7.2 million in subsequent years.
- As required in other subparts of the reporting rule, EPA will verify the data. Prior to EPA verification, reporters are required to self-certify the data they submit to EPA, a practice consistent with other Clean Air Act programs.
- EPA modified the proposal based on additional comments received during the public comment period. The table below summarizes major revisions made since the April 2010 proposal. A more detailed description of these changes is available in each subpart's preamble.

## **Next Steps and Implementation**

- The final rule and preamble will be published in the Federal Register, and will be made available at <u>www.regulations.gov</u>.
- EPA will be conducting outreach and training webinars on the reporting requirements.
- Information sheets and monitoring checklists on reporting requirements for each subpart will be posted on the website for this rulemaking.

## **More Information**

For more information on this rulemaking go to: http://www.epa.gov/ghgreporting/reporters/subpart/index.html

For more information on the Greenhouse Reporting Rule generally, including guidance and a schedule of training opportunities, please visit EPA's GHG Reporting Program Web site: <u>http://www.epa.gov/ghgreporting/index.html</u>.

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