

6. Recognizing Emission Offsets

As proposed, the General Guidelines would permit entities to report and register emission reductions achieved by others, as long as the entity that achieved the reductions observed all of the requirements applicable to reporters and the entities involved indicated that they had an agreement stipulating who would report the emission reductions. These provisions are designed to enable and encourage large emitters to support efforts to reduce emissions outside the boundaries of their entities. DOE believes this may be especially desirable when the opportunities for reducing emissions within an entity's boundaries are comparatively limited or costly. However, these provisions raise a number of issues upon which DOE is seeking public comment.

Most of these issues concern the information that must be submitted by a reporting entity about the emission reductions achieved by a non-reporting entity. For example, must the reporting entity provide all of the information that the non-reporting entity would have been required to submit directly, including an Entity Statement, an emissions inventory (unless exempted), and an entity-wide assessment of emission reductions (unless exempted)? Must the chief executive officer or other senior manager of the non-reporting entity certify to the accuracy of all of the information reported by the reporting entity? Could a non-reporting entity enter into agreements permitting some of its emission reductions to be registered by one entity and the remainder by one or more other entities? Must the reporting entity demonstrate that it helped finance or manage the achievement of the emission reductions achieved by some other entity? One approach that might avoid many of these potential issues would be to require direct reporting by all entities that generate emission reductions. This approach would ensure that complete reports, submitted directly by the entity that owned the facilities or land that produced the emission reductions, would be available for all registered emission reductions. But requiring direct reports by all entities might discourage emission reductions by entities that are unwilling to report directly and might discourage support for such offset projects by large emitters, such as utilities. DOE solicits comments on the approach proposed and on possible alternatives.

7. International Emission Reductions

The proposed revised Guidelines do not address either the reporting of non-

U.S. emissions and emission reductions or the registration of non-U.S. emissions reductions. DOE is soliciting public comments on whether non-U.S. emissions and emission reductions should continue to be eligible for reporting under the revised program, recognizing that the current guidelines provide for reporting of international activities.¹ DOE is also soliciting public comments on whether non-U.S. emissions and emission reductions should qualify for registration and, if so, what procedures and requirements should be established for registration of such emissions and emission reductions.

Many factors are relevant to how non-U.S. emissions and emission reductions should be treated under the program with respect to both reporting and registration. Since 1994, many entities have reported on overseas activities; many companies likely to participate in the revised program have substantial business operations both inside and outside the United States. At the same time, reporting and registration of non-U.S. emissions and emission reductions raise certain issues that do not arise in the context of the reporting and registration of U.S. emissions and emission reductions. (For example, certifying the accuracy of data may be more complicated.)

In addition to requesting comment on the overall issue of whether to include international activities, DOE specifically requests comment on the following questions: How would the concept of "entity-wide" reporting be extended to include non-U.S. activities? Should an entity wishing to report non-U.S. emission reductions achieved in its own non-U.S. operations be required to inventory and report on all non-U.S. emissions and to assess changes in its emissions worldwide? Or should such entity only be required to report on its non-U.S. operations in specific countries? What requirements should third-party non-U.S. offsets be required to meet? To be eligible for registration, should reports of non-U.S. emissions reductions require independent verification? What would be the implications, including for participation in the 1605(b) program, if non-U.S. activities were excluded from reporting and/or registration?

¹ Since the current Guideline became effective in 1994, DOE has interpreted the Congressional intent underlying the statute to allow for the reporting of international activities.

8. Relationship of Proposed Guidelines to Climate VISION, Climate Leaders and Other Voluntary Programs To Reduce Greenhouse Gas Emissions

DOE, the Environmental Protection Agency and other Federal agencies have established programs to encourage companies, trade associations and other non-government organizations to take voluntary actions to reduce, sequester, or avoid greenhouse gas emissions. For example, industry participants in DOE's "Climate VISION" program, a Presidential initiative launched in February 2003, and EPA's Climate Leaders program have made voluntary commitments to reduce GHG emissions or emissions intensity by a specified amount, and to monitor and report on their progress.

The Administration intends to use the 1605(b) program to document, where possible, the progress of participants in these voluntary Federal programs. This is consistent with the President's desire that the 1605(b) registry be a "tool that goes hand-in-hand with voluntary business challenges * * * by providing a standardized, credible vehicle for reporting and recognizing progress." However, additional reporting may be required for other specific voluntary Federal programs in order to provide distinct benefits to program participants.

DOE is soliciting comment on the merits of using the 1605(b) program for documenting progress of participants in voluntary Federal programs towards meeting their emissions reduction goals.

III. Opportunity for Public Comment

A. Written Comments

You should submit written comments by February 3, 2004. Because we continue to experience occasional mail delays due to extra processing required for delivery of mail to Federal agencies, we encourage you to submit comments electronically by e-mail at 1605bgeneralguidelines.comments@hq.doe.gov. We will consider comments received after the comment deadline only to the extent practicable. Comments should be submitted to the e-mail or street addresses given in the **ADDRESSES** section of this notice. Written comments should be identified on the documents themselves and on the outside of the envelope, or in the e-mail message, with the designation [insert name of rulemaking and docket number]. All comments received and transcripts of any public workshop held will be available for public inspection at the following Web site: <http://www.pi.energy.gov/>