

units. This effect was reflected only in the first annual report. While some of these emissions had actually taken place as many as two years earlier, IOU believed it was sufficiently realistic to account them all to the first reporting year. Second, the project emissions also showed a sudden drop in emissions for the oil-fired plant due to displacement of daytime oil-fired generation by the PVCs, whose entire capacity was not initially required to meet midday peak demand. However, as expected, the emissions from the oil-fired plant climbed each year as daytime peak demand grew and increasingly the PVC capacity was used to meet that demand. This increase was reflected in IOU's annual reports. Third, under the reference case, IOU reported constant emissions from its own oil-fired plant and annually increasing emissions from IPP's natural gas combined cycle plant. The emissions reduction each year was calculated by subtracting the project emissions from the reference case emissions.

GG-5.4 What if Two or More Organizations Wish To Report the Same Project?

You may report activities undertaken in association with others. If you do so, you must identify other potential reporters of the same activity so that the program can account for multiple reports of the same activities. You may wish to make arrangements for reporting with others involved in your project.

Joint activities generally fall into one of two categories. The first category includes one-time transactions that are large enough to require negotiation before the exchange takes place and generally involve a written contract, such as demand-side management (DSM) programs. The second category comprises transactions that take place repeatedly between manufacturers and consumers where negotiated contracts are generally not involved, such as individual purchases of household appliances.

Three Examples of Joint Activities

Demand-side management programs: When an electric utility undertakes a DSM program, three parties are involved in reducing carbon dioxide emissions: (1) Manufacturers of the energy-efficient equipment, such as improved lighting, refrigeration, and other energy-consuming goods; (2) consumers of electricity (households, commercial operations, and industrial firms); and (3) the utility itself. All three parties may wish to report the reductions in emissions.

High-efficiency automobiles: EPA section 1605(b) also suggests that the manufacture of high-efficiency automobile fleets be reportable under this program. On the one hand, the purchaser of a high-efficiency car makes the ultimate decision to reduce emissions related to personal transportation. On the other hand, the automobile manufacturers who shifted their fleet composition are enabling the automobile owners to obtain more efficient automobiles.

Tree-planting agreements: Some utilities have entered into agreements with landowners to plant trees. The utilities provide funding for establishing the trees; in return the landowners agree to leave the new

trees in place for a specified number of years. Both landowners and utilities have played essential roles in carbon sequestration.

Where contracts are involved, you may make arrangements to assign the ability to report resulting emissions reductions before they are reported under this program. You are not required to do this sorting out before you report, but, depending upon how you believe this information will be used, you may wish to resolve any questions before reporting.

You may also wish to mutually decide reporting capabilities for purchases. If you can most easily aggregate many small reports, for example, as a manufacturer of high-efficiency automobiles or efficient appliances, you may wish to include, as part of the purchase transaction, an agreement with the consumer that you will report the energy-efficiency information, unless consumers notify you that they wish to do so.

However, for some technologies, consumers are in a better position to estimate actual accomplishments. For example, new automobile owners can better estimate annual vehicle miles traveled and, hence, the fuel and emissions savings associated with the purchase of a high-efficiency car. You need to consider the trade-off between the ease of reporting and accuracy of estimating the emissions reductions when deciding who will report the reduction—the manufacturer, the automobile owner, or both. If parties report separately, each should identify the other as potential reporters of the same information.

GG-5.5 May I Report Through My Trade Association or Other Third Parties?

You may wish to explore reporting through another party—for example, through a trade association, civic association, or fraternal organization. Each of the supporting documents discusses third-party reporting as it may apply to particular sectors.

Third-party reporting may be appropriate for a number of reasons. Organizations may be able to provide technical or administrative assistance to you in reporting. Multiple reports may be aggregated to provide a quantity of emissions and reductions which each individual reporter would not choose to report. Furthermore, confidentiality of some data reported may be enhanced by third party reporting.

Third-party reporting may not be appropriate for your purpose in reporting. For example, it does not provide the transparent link to you that is necessary for creating a formal public record of your emissions and achievements for any purpose.

GG-5.6 What Else Will I Be Asked To Report?

As part of your report, you will be asked to choose one of three descriptors of the project(s) whose effects you are reporting. This identification will be limited to those provided in the language in EPA section 1605(b): (1) Voluntary reductions, (2) plant or facility closing, and (3) state or Federal requirements.

Projects may be undertaken for other purposes, for more than one purpose, or may have greenhouse gas impacts that were not the reason for implementing the project. You

may wish to, but will not be required to, report more detailed information on why you undertook the project.

GG-5.7 May I Report International Projects?

Considerable interest has been generated regarding the potential for cooperation among parties in different countries. For example, there may be opportunities for U.S. parties to reduce greenhouse gas emissions and increase carbon sequestration outside the United States, perhaps at lower cost than possible through domestic activities.

Under this program, you may report the relevant results of your activities outside the United States, under the same process applicable to similar domestic activities. Note that you may have special difficulty in analyzing international activities: determining an appropriate reference case, defining project boundaries, selecting appropriate measurement or estimation methods, and obtaining credible data. Special attention should be given to all the identifiable effects of your international activities.

Under the United Nations Framework Convention on Climate Change, nations that are parties to the Convention will determine how cooperative efforts between member nations and their respective citizens ("joint implementation") will be counted toward meeting each country's commitments under that treaty. The President's Climate Change Action Plan, announced in October 1993, includes a pilot program called the United States Initiative on Joint Implementation (USIJI) designed to help establish an empirical basis for considering approaches to joint implementation. The USIJI program has developed evaluation criteria and will develop emissions measurement and verification methods for international projects accepted into the pilot program.

If you are reporting the results of any international project to this program, you will also indicate whether it has been accepted under the USIJI or under the Convention as an accountable joint implementation project. Reporting the results of an international activity under the EPA section 1605(b) program alone does not bring it under the umbrella of formal joint implementation.

GG-5.8 May I Report Prospective Emissions Reductions?

Many projects that reduce greenhouse gas emissions or sequester carbon achieve their results over several years, or even decades. For some of these projects, the accomplishments are evaluated by means of computer modeling or engineering estimates, rather than by direct measurement and monitoring of greenhouse gas emissions and flows. In those cases, the estimation process is generally carried out before the project begins.

If you have analyzed your project using a method that estimates effects prospectively, you may choose in the first reporting year to report the expected annual emissions reductions or carbon sequestration for future years. However, that information will be maintained separately from the EPA section 1605(b) database.