



# CLIMATE LEADERS

SETTING THE STANDARD IN GREENHOUSE GAS MANAGEMENT



## Green Power, GHG Reporting & Goal Achievement

Renewable Energy Markets Conference  
Portland, Oregon  
22 October 2010



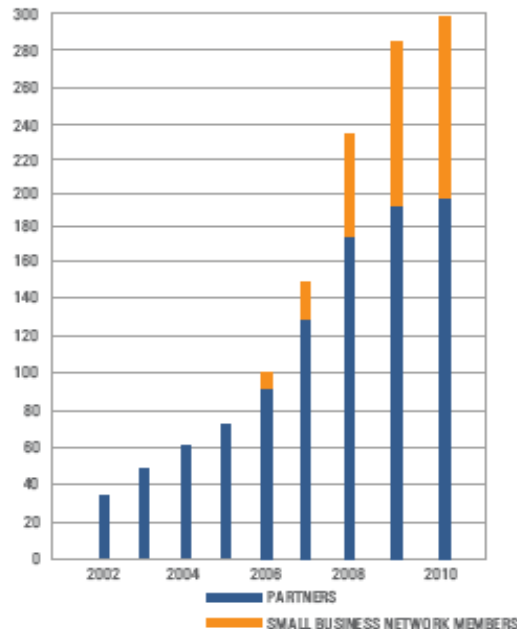
# EPA Voluntary Programs



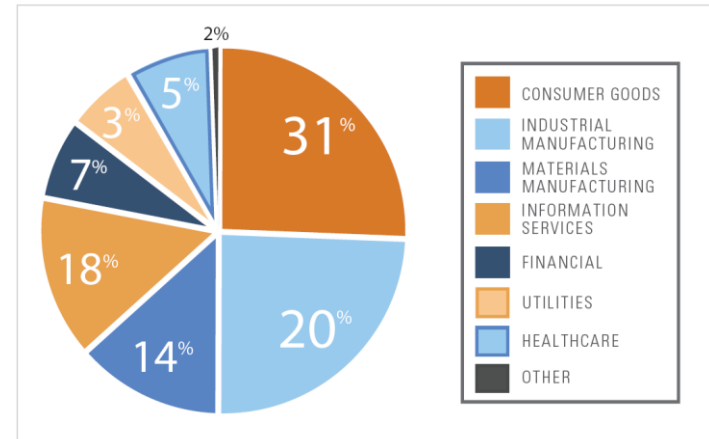
U.S. Environmental Protection Agency

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

Partner Growth  
March 2010

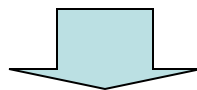


Climate Leaders Partner Companies By Sector (%)





**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**

# 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

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

# 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).



# 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

# 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](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](http://www.epa.gov/climateleaders/documents/greenpower_guidance.pdf)