

107TH CONGRESS
2^D SESSION

H. R. 4611

To amend the Clean Air Act to establish an inventory, registry, and information system of United States greenhouse gas emissions to inform the public and private sectors concerning, and encourage voluntary reductions in, greenhouse gas emissions.

IN THE HOUSE OF REPRESENTATIVES

APRIL 25, 2002

Mr. OLVER (for himself, Mr. ALLEN, Mr. INSLEE, Mr. HINCHEY, Mr. GILCHREST, Mr. GEORGE MILLER of California, and Mr. FARR of California) introduced the following bill; which was referred to the Committee on Energy and Commerce

A BILL

To amend the Clean Air Act to establish an inventory, registry, and information system of United States greenhouse gas emissions to inform the public and private sectors concerning, and encourage voluntary reductions in, greenhouse gas emissions.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “National Greenhouse
5 Gas Emissions Inventory Act of 2002”.

1 **SEC. 2. FINDINGS AND PURPOSE.**

2 (a) FINDINGS.—Congress finds the following:

3 (1) Human activities have caused rapid in-
4 creases in atmospheric concentrations of carbon di-
5 oxide and other greenhouse gases in the last century.

6 (2) According to the Intergovernmental Panel
7 on Climate Change and the National Research
8 Council—

9 (A) the Earth has warmed in the last cen-
10 tury; and

11 (B) the majority of the observed warming
12 is attributable to human activities, including
13 fossil fuel-generated carbon dioxide emissions.

14 (3) Despite the fact that many uncertainties in
15 climate science remain, the potential impacts from
16 human-induced climate change pose a substantial
17 risk that should be managed in a responsible man-
18 ner.

19 (4) To begin to manage climate change risks,
20 public and private entities will need a comprehen-
21 sive, accurate inventory, registry, and information
22 system of the sources and quantities of United
23 States greenhouse gas emissions.

24 (5) Assurances that early action to reduce
25 greenhouse gases will not be penalized in any future
26 emission reduction program would encourage more

1 companies and other entities to make investments to
2 reduce those emissions.

3 (6) The United States has ratified the
4 UNFCCC (United Nations Framework Convention
5 on Climate Change), which states, in part, “the Par-
6 ties to the Convention are to implement policies with
7 the aim of returning to their 1990 levels anthropo-
8 genic emissions of carbon dioxide and other green-
9 house gases.

10 (7) According to the Department of Energy’s
11 Energy Information Administration, United States
12 anthropogenic greenhouse gas emissions increased
13 by 13.6 percent between 1990 and 2000.

14 (8) Global climate change poses a significant
15 threat to national security, the American economy,
16 public health and welfare, and the global environ-
17 ment.

18 (b) PURPOSE.—The purpose of this Act is to estab-
19 lish a mandatory greenhouse gas inventory, registry, and
20 information system that—

21 (1) is complete, consistent, transparent, and ac-
22 curate;

23 (2) will create accurate data that can be used
24 by public and private entities to design efficient and

1 effective greenhouse gas emission reduction strate-
 2 gies;

3 (3) will encourage greenhouse gas emission re-
 4 ductions; and

5 (4) will avoid penalizing early action to reduce
 6 emissions by providing assurances that any future
 7 emission reduction program—

8 (A) will not assign emissions control re-
 9 sponsibility by reference to an entity’s emissions
 10 during a baseline period; or

11 (B) if a baseline period is used will not use
 12 a period ending later than the first year for
 13 which emissions reporting is required under this
 14 Act.

15 **SEC. 3. GREENHOUSE GAS EMISSIONS.**

16 The Clean Air Act (42 U.S.C. 1701 et seq.) is amend-
 17 ed by adding at the end the following:

18 **“TITLE VII—GREENHOUSE GAS**
 19 **EMISSIONS**

20 **“SEC. 701. DEFINITIONS.**

21 “In this title:

22 “(1) **CARBON DIOXIDE EQUIVALENT.**—The
 23 term ‘carbon dioxide equivalent’ means, for each
 24 greenhouse gas, the amount of each such greenhouse

1 gas that makes the same contribution to global
2 warming as one metric ton of carbon dioxide.

3 “(2) DIRECT EMISSIONS.—The term ‘direct
4 emissions’ means greenhouse gas emissions from
5 sources that are owned or controlled by the report-
6 ing entity

7 “(3) DOE LISTED PRODUCT.—The term ‘DOE
8 listed product means a product for which the Sec-
9 retary of Energy has published a final rule estab-
10 lishing a standard for energy conservation, energy
11 efficiency, maximum energy use, thermal efficiency,
12 fuel utilization efficiency, or energy consumption, or
13 any similar standard, including standards authorized
14 under section 325 of the Energy Policy and Con-
15 servation Act of 1975 (42 U.S.C. 6295).

16 “(4) EMISSIONS.—The term ‘emissions’ in-
17 cludes any of the following:

18 “(A) Stationary combustion source emis-
19 sions, which are emitted as a result of combus-
20 tion of fuels in stationary equipment such as
21 boilers, furnaces, burners, turbines, heaters, in-
22 cinerators, engines, flares, and other similar
23 sources.

1 “(B) Process emissions, which consist of
2 emissions from chemical or physical processes
3 other than combustion.

4 “(C) Fugitive emissions, which consist of
5 intentional and unintentional emissions from
6 equipment leaks such as joints, seals, packing,
7 and gaskets, or from piles, pits, cooling towers,
8 and other similar sources.

9 “(D) Mobile source emissions, which are
10 emitted as a result of combustion of fuels in
11 transportation equipment such as automobiles,
12 trucks, trains, airplanes, and vessels.

13 “(5) ENTITY.—The term ‘entity’ means a per-
14 son (including a firm, a corporation, an association,
15 a partnership, a Federal, state, or local govern-
16 mental agency or any other public or private entity)
17 located in or operating in the United States.

18 “(6) FACILITY.—The term ‘facility’ means all
19 sources located on any one or more of contiguous or
20 adjacent property or properties under common own-
21 ership or control of the same entity.

22 “(7) GREENHOUSE GAS.—The term ‘greenhouse
23 gas’ means—

24 “(A) carbon dioxide;

25 “(B) methane;

1 “(C) nitrous oxide;

2 “(D) hydrofluorocarbons;

3 “(E) perfluorocarbons;

4 “(F) sulfur hexafluoride; and

5 “(G) any other chemical or physical sub-
6 stance not controlled under title VI of this Act
7 which is emitted into the air and which the Ad-
8 ministrator determines, by rule, may reasonably
9 be anticipated to cause or contribute to global
10 warming.

11 “(8) GREENHOUSE GAS EMISSIONS.—The term
12 ‘greenhouse gas emissions’ means emissions of a
13 greenhouse gas from any source located in the
14 United States.

15 “(9) GREENHOUSE GAS EMISSIONS RECORD.—
16 The term ‘greenhouse gas emissions record’ means
17 all of the greenhouse gas reports submitted by an
18 entity under this title, including any adjustments to
19 such data under section 703(c).

20 “(10) GREENHOUSE GAS REPORT.—The term
21 ‘greenhouse gas report’ means an annual list of—

22 “(A) the direct greenhouse gas emissions
23 of a reporting entity,

24 “(B) the indirect greenhouse gas emissions
25 of a reporting entity,

1 “(C) greenhouse gas emissions from prod-
2 ucts manufactured or imported by the reporting
3 entity.

4 “(D) emissions of greenhouse gases manu-
5 factured or imported by the reporting entity,
6 and

7 “(E) greenhouse gas emissions from the
8 combustion of fossil fuels distributed by the re-
9 porting entity
10 and the sources of those emissions.

11 “(11) INDIRECT EMISSIONS.—The term ‘indi-
12 rect emissions’ means greenhouse gas emissions—

13 “(A) associated with the production of
14 electricity, heat, or steam acquired or purchased
15 by the reporting entity, and

16 “(B) that are the consequence of activities
17 of reporting entity but are emitted by sources
18 owned or controlled by an entity other than the
19 reporting entity.

20 “(12) NATIONAL GREENHOUSE GAS EMISSIONS
21 INFORMATION SYSTEM.—The term ‘national green-
22 house gas emissions information system’ means the
23 information system established under section 702(a).

24 “(13) NATIONAL GREENHOUSE GAS EMISSIONS
25 INVENTORY.—The term ‘national greenhouse gas

1 emissions inventory’ means the national inventory of
2 greenhouse gas emissions established under section
3 704.

4 “(14) PROJECT REDUCTION.—The term
5 ‘project reduction’ means—

6 “(A) a greenhouse gas emission reduction
7 achieved by carrying out a greenhouse gas
8 emission reduction project in the United States,
9 provided that the emissions reduction did not
10 occur at a source included in the greenhouse
11 gas report of any reporting entity; and

12 “(B) sequestration achieved by carrying
13 out a sequestration project in the United
14 States, provided that the sequestration did not
15 occur at a site included in the greenhouse gas
16 report of any reporting entity.

17 “(15) REPORTING ENTITY.—The term ‘report-
18 ing entity’ means an entity that reports to the Ad-
19 ministrator under section 703.

20 “(16) SEQUESTRATION.—The term ‘sequestra-
21 tion’ means the capture, long-term separation, isola-
22 tion, or removal of greenhouse gases from the at-
23 mosphere, including through a biological or geologic
24 method such as reforestation or an underground res-
25 ervoir.

1 “(17) SOURCE.—The term ‘source’ means any
2 building, structure, installation, unit, point, oper-
3 ation, vehicle, land area, or other item that emits or
4 may emit a greenhouse gas.

5 “(18) VERIFICATION.—The term ‘verification’
6 means the objective and independent assessment of
7 whether a greenhouse gas report submitted by a re-
8 porting entity accurately reflects the greenhouse gas
9 impact of the reporting entity.

10 **“SEC. 702. NATIONAL GREENHOUSE GAS EMISSIONS INFOR-**
11 **MATION SYSTEM.**

12 “(a) ESTABLISHMENT.—In consultation with the
13 Secretary of Commerce, the Secretary of Agriculture, the
14 Secretary of Energy, States, the private sector, and non-
15 governmental organizations concerned with establishing
16 standards for reporting of greenhouse gas emissions, the
17 Administrator shall establish and administer a national
18 greenhouse gas emissions information system to collect in-
19 formation reported under section 703(a), including a na-
20 tional greenhouse gas reduction registry to collect infor-
21 mation reported under section 703(a)(7).

22 “(b) SUBMISSION TO CONGRESS OF DRAFT DE-
23 SIGN.—Not later than 180 days after the date of enact-
24 ment of this title, the Administrator shall submit to Con-

1 gress a draft design of the national greenhouse gas emis-
2 sions information system.

3 “(c) AVAILABILITY OF DATA TO THE PUBLIC.—The
4 Administrator shall publish all information in the national
5 greenhouse gas emissions information system through the
6 website of the Environmental Protection Agency, except
7 in any case in which publishing the information would dis-
8 close information vital to national security. Emission data,
9 including data relating to project reductions, shall have
10 the same meaning as in section 114 of title I of this Act
11 and regulations promulgated thereunder prior to the date
12 of enactment of this title.

13 “(d) RELATIONSHIP TO OTHER GREENHOUSE GAS
14 DATABASES.—To the extent practicable, the Adminis-
15 trator shall ensure coordination between the national
16 greenhouse gas emissions information system and existing
17 and developing Federal and State greenhouse gas data-
18 bases and registries. Nothing in this title shall alter any
19 existing requirements for reporting of greenhouse gas
20 emissions data or other data relevant to calculating such
21 emissions.

22 “(e) INTEGRATION WITH OTHER ENVIRONMENTAL
23 INFORMATION.—To the extent practicable, the Adminis-
24 trator shall integrate information in the national green-

1 house gas emissions information system with other envi-
2 ronmental information managed by the Administrator.

3 **“SEC. 703. REPORTING.**

4 “(a) MANDATORY REPORTING OF GREENHOUSE GAS
5 EMISSIONS.—

6 “(1) IN GENERAL.—Not later than April 30 of
7 each year after the date of enactment of this title,
8 in accordance with this paragraph and the regula-
9 tions promulgated under section 705, each entity
10 that exceeds the threshold for reporting in para-
11 graph (2) shall submit to the Administrator, for in-
12 clusion in the national greenhouse gas emissions in-
13 formation system, the greenhouse gas report of the
14 entity with respect to the preceding calendar year.
15 Once an entity has exceeded the threshold for re-
16 porting, it shall continue to submit reports for sub-
17 sequent years.

18 “(2) THRESHOLD FOR REPORTING.—(A) An
19 entity shall submit a report under paragraph (1) for
20 greenhouse gas emissions if in the relevant calendar
21 year—

22 “(i) one of the following exceeds 10,000
23 metric tons of carbon dioxide equivalent:

24 “(I) The total direct emissions of the
25 entity.

1 “(II) The total indirect emissions of
2 the reporting entity.

3 “(III) The total emissions from the
4 combustion of fossil fuels distributed by
5 the entity.

6 “(IV) The total quantity of green-
7 house gases manufactured or imported by
8 the reporting entity, or

9 “(ii) the entity either—

10 “(I) is a major industrial manufac-
11 turer or importer of motor vehicles, or

12 “(II) manufactures or imports DOE
13 listed products.

14 “(B) Farms shall not be required to submit re-
15 ports under this section.

16 “(C) An entity that owns more than 250,000
17 acres of timberland shall report on the carbon stock
18 of such land as provided in paragraph (4)(E) of this
19 subsection.

20 The Administrator may adjust the 10,000 metric ton
21 threshold set forth in this paragraph to a higher threshold
22 if the Administrator determines that the reports under
23 this paragraph at such higher threshold will include at
24 least 90 percent of greenhouse gas emissions.

25 “(3) REQUIRED ELEMENTS.—

1 “(A) SEPARATE REPORTING.—Each green-
2 house gas report submitted under paragraph
3 (1) shall include and separately quantify each
4 of the following:

5 “(i) All direct emissions of greenhouse
6 gases.

7 “(ii) All indirect emissions of green-
8 house gases.

9 “(iii) All emissions of greenhouse
10 gases from motor vehicles manufactured or
11 imported by the entity.

12 “(iv) All emissions of greenhouse
13 gases from DOE listed products manufac-
14 tured or imported by the reporting entity.

15 “(v) All emissions of greenhouse gases
16 from the combustion of fossil fuels distrib-
17 uted by the entity.

18 “(vi) All emissions of greenhouse
19 gases manufactured or imported by the re-
20 porting entity.

21 “(B) OTHER REPORTING REQUIRE-
22 MENTS.—Each greenhouse gas report under
23 paragraph (1)—

24 “(i) shall express greenhouse gas
25 emissions in metric tons of each such

1 greenhouse gas and in metric tons of the
2 carbon dioxide equivalent of each green-
3 house gas;

4 “(ii) shall be reported on an entity
5 wide basis and on a facility wide basis;

6 “(iii) shall specify the sources of di-
7 rect emissions at each facility included in
8 the greenhouse gas report;

9 “(iv) in the case of a reporting entity
10 that owns more than 250,000 acres of
11 timberland, shall include estimates, by
12 State, of the timber and carbon stocks of
13 such land, which estimates shall be up-
14 dated at least every 5 years; and.

15 “(v) to the maximum extent prac-
16 ticable, shall be reported electronically to
17 the Administrator in such form as the Ad-
18 ministrator may require.

19 “(4) METHOD OF REPORTING OF ENTITY WIDE
20 EMISSIONS, PRODUCTION, OR IMPORTATION.—Under
21 paragraph (1)(C), entity wide emissions, production,
22 or importation of greenhouse gases shall be reported
23 on the bases of financial control and equity share in
24 a manner consistent with the financial reporting
25 practices of the entity. If ownership or control of a

1 facility (or portion thereof) whose emissions were in-
2 cluded in a prior report under this section is trans-
3 ferred to another entity, then any entity subse-
4 quently having ownership or control of such facility
5 shall submit a greenhouse gas report regarding the
6 transferred facility, even if such entity does not oth-
7 erwise exceed the threshold for reporting under
8 paragraph (2).

9 “(5) VOLUNTARY REPORTING OF EARLIER
10 EMISSIONS.—Any entity may submit to the Adminis-
11 trator, for inclusion in the national greenhouse gas
12 emissions information system, a greenhouse gas re-
13 port for the entity with respect to one or more years
14 prior to 2002, provided that such report substan-
15 tially meets the data quality requirements for re-
16 ports required for 2002 and thereafter.

17 “(6) VOLUNTARY REPORTING BY OTHER ENTI-
18 TIES.—Any entity that does not exceed the threshold
19 for reporting under paragraph (2) may elect to sub-
20 mit a greenhouse gas report under paragraph (1).
21 Such an entity shall be a reporting entity from that
22 time forward.

23 “(7) VOLUNTARY REPORTING OF PROJECT RE-
24 Ductions.—Any entity may voluntarily submit to
25 the Administrator, for inclusion in a registry main-

1 tained within the national greenhouse gas informa-
2 tion system, a report with respect to the preceding
3 calendar year on any project reductions, provided
4 that the emissions or sequestrations associated with
5 such project reductions are not included in the
6 greenhouse gas emissions report submitted to the
7 Administrator by any reporting entity. The reporting
8 entity shall demonstrate that the project and its re-
9 ported reductions or sequestrations would not have
10 occurred anyway in the business-as-usual case, and
11 shall account for any changes in emissions outside
12 boundaries of the project. Each report shall provide
13 such further information on the emission reduction
14 or carbon sequestration project as required by regu-
15 lations promulgated by the Administrator under sec-
16 tion 705(e). If the project reductions are associated
17 with a farm or forestland owned or operated by an
18 entity, the entity shall account for all emissions and
19 reductions on all farmland or forestland under own-
20 ership or control of the entity.

21 “(8) VOLUNTARY REPORTING OF OTHER INDI-
22 RECT PRODUCT EMISSIONS.—Any entity may volun-
23 tarily submit to the Administrator, for inclusion in
24 a registry maintained within the national greenhouse
25 gas information system, a report with respect to any

1 calendar year on indirect emissions from any prod-
2 uct manufactured by that entity for which a report
3 is not required under clause (iii) of subsection
4 (a)(3)(A).

5 “(b) ADJUSTMENT FACTORS.—

6 “(1) CALCULATION CHANGES AND ERRORS.—

7 The greenhouse gas emissions record of a reporting
8 entity for preceding years shall be adjusted for—

9 “(A) changes in calculation methodologies;

10 or

11 “(B) errors that significantly affect the
12 quantity of greenhouse gases in the greenhouse
13 gas emissions record.

14 “(2) EXPLANATIONS OF ADJUSTMENTS.—A re-
15 porting entity shall explain, in a statement included
16 in the greenhouse gas report of the reporting entity
17 for a year—

18 “(A) any significant adjustment in the
19 greenhouse gas emissions record of the report-
20 ing entity; and

21 “(B) any significant change between the
22 greenhouse gas emissions record for the pre-
23 ceding year and the greenhouse gas emissions
24 reported for the current year.

1 “(c) QUANTIFICATION AND VERIFICATION PROTO-
2 COLS AND TOOLS.—

3 “(1) IN GENERAL.—The Administrator, and the
4 Secretary of Commerce, the Secretary of Agri-
5 culture, and the Secretary of Energy shall jointly
6 work with the States, the private sector, and non-
7 governmental organizations to develop—

8 “(A) protocols for quantification and
9 verification of greenhouse gas emissions;

10 “(B) electronic methods for quantification
11 and reporting of greenhouse gas emissions, in-
12 cluding a mechanism by which a reporting enti-
13 ty may, at its option, electronically transfer in-
14 formation from its data system to the national
15 greenhouse gas emissions information system;
16 and

17 “(C) greenhouse gas accounting and re-
18 porting standards.

19 “(2) BEST PRACTICES.—The protocols and
20 methods developed under paragraph (1) shall con-
21 form, to the maximum extent practicable, to the best
22 practice protocols that have the greatest support of
23 experts in the field.

24 “(3) INCORPORATION INTO REGULATIONS.—
25 The Administrator shall incorporate the protocols

1 developed under paragraph (1)(A) into the regula-
2 tions promulgated under subsections (c), (d), and (e)
3 of section 705.

4 “(4) OUTREACH PROGRAM.—The Adminis-
5 trator, the Secretary of Commerce, the Secretary of
6 Agriculture, and the Secretary of Energy shall joint-
7 ly conduct an outreach program to provide informa-
8 tion to all reporting entities and the public on the
9 protocols and methods developed under this sub-
10 section.

11 “(d) VERIFICATION.—

12 “(1) PROVISION OF INFORMATION BY REPORT-
13 ING ENTITIES.—Each reporting entity shall provide
14 information sufficient for the Administrator to
15 verify, in accordance with greenhouse gas accounting
16 and reporting standards developed under subsection
17 (c)(1)(C), that the greenhouse gas report of the re-
18 porting entity has been accurately reported.

19 “(2) INDEPENDENT THIRD-PARTY
20 VERIFICATION.—A reporting entity may—

21 “(A) obtain independent third-party
22 verification; and

23 “(B) present the results of the third-party
24 verification to the Administrator for consider-

1 ation by the Administrator in carrying out
2 paragraph (1).

3 “(3) CERTIFICATION OF REPORTS.—Each re-
4 port submitted by a reporting entity shall include an
5 appropriate certification, signed by a senior official
6 with management responsibility for the person or
7 persons completing the report, regarding the accu-
8 racy and completeness of the report.

9 “(e) ENFORCEMENT.—The Administrator may bring
10 a civil action in United States district court against an
11 entity that fails to comply with a requirement of this sec-
12 tion, or a regulation promulgated under section 705, to
13 impose a civil penalty of not more than \$25,000 for each
14 day that the failure to comply continues.

15 **“SEC. 704. NATIONAL GREENHOUSE GAS EMISSIONS INVEN-**
16 **TORY.**

17 “(a) IN GENERAL.—Not later than April 30 of each
18 year after the date of enactment of this title, the Adminis-
19 trator shall publish a national greenhouse gas emissions
20 inventory that includes—

21 “(1) comprehensive estimates of the quantity of
22 United States greenhouse gas emissions for the sec-
23 ond preceding calendar year, including—

1 “(A) for each greenhouse gas, an estimate
2 of the quantity of emissions contributed by each
3 key source category;

4 “(B) a detailed analysis of trends in the
5 quantity, composition, and sources of United
6 States greenhouse gas emissions; and

7 “(C) a detailed explanation of the method-
8 ology used in developing the national green-
9 house gas emissions inventory; and

10 “(2) a detailed analysis of the information re-
11 ported to the national greenhouse gas emissions in-
12 formation system and the national greenhouse gas
13 registry.

14 If total direct emissions reported in a given year are re-
15 duced in comparison with the amount reported in the pre-
16 ceding year, the analysis referred to in paragraph (2) shall
17 include a detailed assessment of what proportion of such
18 reduction is a consequence of activities by entities that re-
19 ported reductions in indirect emissions.

20 (b) ENERGY STAR COMPARISONS.—The Adminis-
21 trator shall include in the analysis under subsection (a)(2)
22 a comparison of the indirect emissions associated with
23 each manufactured product for which a report is required
24 under clause (iii) of section 703(a)(3)(A) and the indirect

1 emissions of comparable products entitled to the Adminis-
2 trator’s Energy Star label.

3 **“SEC. 705. REGULATIONS.**

4 “(a) IN GENERAL.—The Administrator may promul-
5 gate such regulations as are necessary to carry out this
6 title.

7 “(b) BEST PRACTICES.—In developing regulations
8 under this section, the Administrator shall seek to leverage
9 leading protocols for the measurement, accounting, report-
10 ing, and verification of greenhouse gas emissions.

11 “(c) NATIONAL GREENHOUSE GAS EMISSIONS IN-
12 FORMATION SYSTEM.—Not later than one year after the
13 date of enactment of this title, the Administrator shall
14 promulgate such regulations as are necessary to establish
15 the national greenhouse gas emissions information system.

16 “(d) MANDATORY REPORTING REQUIREMENTS.—
17 Not later than one year after the date of enactment of
18 this title, the Administrator shall promulgate such regula-
19 tions as are necessary to implement the mandatory report-
20 ing requirements under section 703(a)(1).

21 “(e) VOLUNTARY REPORTING PROVISIONS.—Not
22 later than two years after the date of enactment of this
23 title, the Administrator shall promulgate such regulations
24 and issue such guidance as are necessary to implement

1 the voluntary reporting provisions under paragraphs (5)
2 through (7) of section 703(a).

3 “(f) ADJUSTMENT FACTORS.—Not later than two
4 years after the date of enactment of this title, the Admin-
5 istrator shall promulgate such regulations as are necessary
6 to implement the adjustment factors under section
7 703(b).”.

○