

Final Rule: Revision of Certain Provisions of the Mandatory Reporting of Greenhouse Gases Rule

ACTION

- EPA is finalizing revisions to certain provisions of the Greenhouse Gas (GHG) Reporting Rule, published on October 30, 2009, that established EPA's Greenhouse Gas Reporting Program (under 40 CFR Part 98). The GHG Reporting Program requires annual reporting of GHGs from certain large emissions sources and suppliers in the United States.
- This action generally finalizes technical and editorial corrections, as well as addresses certain issues identified as a result of working with facilities and suppliers during implementation and outreach for the GHG Reporting Program. The amendments also include a new requirement that units that calculate their CO₂ emissions under Part 98 using methods in 40 CFR part 75 separately report CO₂ emissions from biomass combustion beginning in 2011 and a new applicability threshold for reporting for local distribution companies that deliver natural gas to consumers.
- Some of the amendments are being made as part of settlement agreements regarding challenges to the Greenhouse Gas Reporting Rule filed by the American Chemistry Council, American Public Gas Association, American Petroleum Institute/American Petrochemical and Refiner's Association, the Energy Recovery Council, The Fertilizer Institute, and the Utility Air Regulatory Group.
- The net effect of the amendments will reduce the burden for those required to report, and in general, improve the accuracy of data. The changes have almost no effect on the total amount of GHG emissions that this program covers.
- The final amendments apply to data reported to EPA in March 2011, except for the mandatory reporting of biogenic CO₂ emissions from part 75 units, which does not apply until the 2011 reporting year.
- This final rule is complementary to the final rulemaking: Technical Corrections, Clarifying and Other Amendments, published October 28, 2010. Together, these two actions address the most significant questions raised across all subparts during implementation of the GHGRP.

BACKGROUND

- The proposed amendments were published in the *Federal Register* on August 11, 2010.
- EPA received over 50 public comment letters on the proposed amendments and the related technical issues discussed in this action. EPA did not receive a request for a public hearing.

FINAL RULE OVERVIEW

- Most facilities and suppliers required to report under the GHG Reporting Program will be affected by this rule to some degree. The final amendments in today's action affect subpart A (General Provisions) as well as 11 other subparts, including subpart C (General Stationary Fuel Combustion Sources). Subpart A affects all reporters and subpart C affects a majority of reporters. Amendments are finalized for the following subparts:

Table 1. Subparts Included in Today's Action

Subpart A- General Provisions	Subpart V- Nitric Acid Production
Subpart C- General Stationary Fuel Combustion Sources	Subpart X- Petrochemical Production
Subpart D- Electricity Generation	Subpart Y- Petroleum Refineries
Subpart F- Aluminum Production	Subpart AA- Pulp and Paper Manufacturing
Subpart G- Ammonia Production	Subpart OO- Suppliers of Industrial Gases
Subpart P- Hydrogen Production	Subpart PP- Suppliers of Carbon Dioxide

- Amendments to **subpart A (General Provisions)** include:
 - Adding a threshold for local natural gas distribution companies subject to subpart NN (Suppliers of Natural Gas and Natural Gas Liquids) of 460,000 thousand standard cubic feet of natural gas delivered per year.
 - Amending the facility level reporting requirements to require facilities with units subject to reporting requirements under the Acid Rain Program (40 CFR part 75) as well as other facilities with part 75 units to separately report biogenic emissions beginning with the 2011 reporting year. Separate reporting of biogenic emissions is optional for the 2010 reporting year.
 - Amending the recordkeeping requirements for missing data events.
 - Amending the requirements for correction and resubmission of annual reports.
 - Revising the calibration accuracy requirements for measurement devices.
 - Allowing facilities subject to subpart P (Hydrogen Production), subpart X (Petrochemical Production) or subpart Y (Petroleum Refineries) to petition EPA to approve use of best available monitoring methods past December 2010 in limited circumstances where installation of a measurement device would require process equipment or unit shutdown or a “hot tap.”
- Amendments to **subpart C (General Stationary Fuel Combustion Sources)** include:
 - Raising the Tier 4 monitoring threshold for units combusting municipal solid waste (MSW) from 250 tons of MSW per day to 600 tons of MSW per day.
 - Allowing Tier 3 units to use actual high heating value data to calculate CH₄ and N₂O emissions.
 - Providing an equation for estimating CO₂ emissions where gas billing records are in “therms.”
 - Allowing the use of site-specific moisture default values for fuels for which no applicable default moisture value is available in 40 CFR Part 75¹.
 - Adding provisions so owners or operators of Tier 4 units would not have to install a continuous emissions monitoring system (CEMS) on a slipstream.
 - Clarifying the calculation, monitoring and reporting requirements for CO₂ emissions from biomass combustion.
 - Providing additional guidance on the calculation of CO₂, CH₄ and N₂O emissions from blended fuels.

¹ 40 CFR Part 75 establishes requirements for the monitoring, recordkeeping, and reporting of sulfur dioxide (SO₂), nitrogen oxides (NO_x), and CO₂ emissions data under the Acid Rain Program. The moisture default values for fuels in Part 75 can be used in calculating emissions from Stationary Fuel Sources under the GHGRP.

- Adding an alternative reporting option where small units such as space heaters share a common liquid or gaseous fuel supply with large combustion units.
- Amendments to **subpart D (Electricity Generation)** include:
 - Clarifying that subpart D applies only to Acid Rain Program (ARP) unit and non-ARP electricity generating units that are required to report CO₂ mass emissions data to EPA year-round.
 - Providing procedures for separately reporting biogenic CO₂ emissions.
 - Clarifying that the recordkeeping requirements in 40 CFR 75.57(h) for missing data events also satisfy the Part 98 requirements for missing data.
- Amendments to **subpart F (Aluminum Production)** are to clarify the perfluorocarbons to be reported and the frequency of monitoring.
- Amendments to **subpart G (Ammonia Production)** include:
 - Removing calculation, monitoring and reporting requirements related to the waste recycle stream or purge.
 - Removing data reporting requirements related to the ultimate end uses of urea produced.
 - Removing data reporting requirements related to quantity of fertilizer produced, and the nitrogen content of the fertilizer.
- Amendments to **subpart P (Hydrogen Production)** include:
 - Amendments to ensure consistency with the amendments to subpart A on the calibration accuracy requirements.
 - Providing the option to use a gas chromatograph to measure carbon content or molecular weight.
- Amendments to **subpart V (Nitric Acid Production)** remove data reporting requirements related to fertilizer production.
- Amendments to **subpart X (Petrochemical Production)** and **Y (Petroleum Refineries)** include allowing the use of lower-tiered monitoring methods for limited combustion units, clarifying application of calibration accuracy requirements, and allowing additional analytical methods for determining different parameters (e.g., carbon content for feedstocks under subpart X and average molecular weight under subpart Y).
- Amendments to **subpart AA (Pulp and Paper Manufacturing)** include allowing the use of higher tiered methods and referring to subpart C for CO₂ specific emission factors.
- Amendments to **subpart OO (Suppliers of Industrial Gases)** are designed to clarify the scope of the monitoring and reporting requirements, specifically, what is considered to be part of the supply that is reported to EPA.
- Amendments to **subpart PP (Suppliers of Carbon Dioxide)** include:
 - Allowing the annual mass of CO₂ supplied in containers to be quantified using weigh bills, scales, load cells, or loaded container volume readings as an alternative to flow meters.
 - Ensuring that the calculation and monitoring methods provide estimates of only the CO₂ supplied offsite.

PUBLIC INVOLVEMENT

- EPA has conducted and will continue to conduct extensive outreach with stakeholders affected by and interested in the GHG Reporting Program. Many of the amendments in today's action are in response to questions received during these stakeholder meetings and outreach. Approximately 10,000 facilities and suppliers are estimated to be subject to the GHG Reporting Program. These

facilities and suppliers cover a range of industries. Since September 2009, EPA has interacted with approximately 10,000 persons, including many who represent facilities and suppliers subject to the final reporting rule.

- EPA offered the opportunity for a public hearing on the amendments being finalized in today's actions, but a hearing was not requested. The comment period was open for 45 days after publication of the proposed amendments in the Federal Register.

NEXT STEPS AND IMPLEMENTATION

- The preamble and final regulatory text will be published in the Federal Register shortly after signature and will be made available at www.regulations.gov.

MORE INFORMATION

- Information on the final rule amendments and supporting background information is available electronically at www.regulations.gov, EPA's electronic public docket and comment system. The Docket ID number is: EPA-HQ-OAR-2008-0508.
- Information is also available at the EPA Docket Center (EPA/DC) Public Reading Room. For more information, please call 202-566-1744 between the hours of 8:30 A.M. and 4:30 P.M. Eastern Time.
- For more information on this rulemaking please visit:
www.epa.gov/ghgreporting/leguleqttevkpuj You can also find updated source-category-specific information sheets and monitoring checklists, by selecting the uwdr ctv'qh interest at www.epa.gov/ghgreporting/leguleqttevkpuj
- For more information on other provisions of 40 CFR part 98 finalized in October 2009, including guidance and a schedule of training opportunities, please visit:
<http://www.epa.gov/ghgreporting/reporters/index.html>.
- For background information about GHGs and climate change science and policy, please see EPA's climate change web site at: www.epa.gov/climatechange.
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