



June 5, 2002

Electronic submission to [ghgregistry.comments@hq.doe.gov](mailto:ghgregistry.comments@hq.doe.gov)

Hard copy submission to:

Office of Policy and International Affairs,  
Office of Electricity and Natural Gas Analysis, PI-23

*Attention: Voluntary Reporting Comments*

U.S. Department of Energy  
Forrestal Building, Room 7H-034  
1000 Independence Ave., SW.  
Washington D.C. 20585

Re: Comments on Voluntary Reporting of Greenhouse Gas Emissions, Reductions, and Carbon Sequestration; Notice of Inquiry (67 FR 30370, May 6, 2002)

Dear Sir/Madam:

The Alliance of Automobile Manufacturers (Alliance) is a trade association of 12 car and light truck manufacturers who account for more than 90 percent of U.S. vehicle sales. Member companies, which include BMW Group, DaimlerChrysler, Fiat, Ford Motor Company, General Motors, Isuzu, Mazda, Mitsubishi Motors, Nissan, Porsche, Toyota, and Volkswagen, employ about 600,000 people in the United States at 250 facilities in 35 states. The Alliance is pleased to offer the following comments regarding modifications to the guidelines governing voluntary reporting of greenhouse gases (GHG) under the Energy Policy Act of 1992, pursuant to the U. S. Department of Energy's May 6 Notice of Inquiry referenced above.

The Alliance supports improving voluntary reporting of greenhouse gases as currently structured under the existing protocol established by the Department of Energy's (DOE) 1605(b) Voluntary Greenhouse Gas Registry. In light of a recent proliferation of proposed state and federal GHG reporting initiatives, we urge the DOE to take the lead in advancing a single, coordinated, national, voluntary reporting system. This will help avoid the intrinsic inefficiencies of multiple federal and state-level reports and the likelihood of non-uniform, irreconcilable reporting approaches. For Alliance members, with facilities in many different states, multiple reporting requirements would be unnecessarily burdensome, and provide no incremental benefit to a single, centralized system.

Two of the President's announced goals are to ensure that businesses that register reductions are not penalized under a future climate policy, and to give transferable credits to companies that can show real emissions reductions. We fully support these goals, as they provide positive incentives for reporting and avoid penalizing companies that contribute to the national goal of an 18% GHG intensity reduction by 2012.

In support of the GHG intensity metric, the DOE 1605(b) Registry should continue to allow for reporting of GHG emissions on a production-normalized basis. This is in line with the Administration's GHG intensity metric and allows for production fluctuations and growth, important factors influencing the amount of energy used in operations and the efficiency of that use.

**BMW Group • DaimlerChrysler • Fiat • Ford Motor Company • General Motors  
Isuzu • Mazda • Mitsubishi Motors • Nissan • Porsche • Toyota • Volkswagen • Volvo**

In its May 6<sup>th</sup> Notice of Inquiry, the DOE raised questions regarding the need for independent verification and certification of reported emissions reductions. The current DOE 1605(b) system is already verifiable, and reports submitted to the agency are required to be accurate and complete under the 1992 Energy Policy Act. The Department of Energy should continue to permit internal verification and certification of data reported by, for example, a registered Professional Engineer (PE) or an officer of the company, rather than require third party auditing.

The DOE 1605(b) system should anticipate and allow for a future emissions trading program, using a market-based approach. At the point of credit transfer under an emissions trading scheme, the verifiable data submitted under the DOE 1605(b) system can be subjected to a centralized audit function (e.g., Securities and Exchange Commission) or an independent third party certification in order to provide accurate valuation of the credits being negotiated for transfer. Baseline protection should be ensured.

Entities devoting considerable resources to energy conservation and efficiency projects should continue to benefit from using the DOE 1605(b) GHG Registry. Facilities should have the option of reporting and receiving transferable credits related to both direct emissions (resulting from on-site combustion of fossil fuel for on-site use) and indirect emissions (resulting from on-site consumption of electricity, heat, and steam generated off-site). Providing this option would encourage voluntary reporting by facilities with indirect emissions greater than their direct emissions and ensure that those responsible for energy conservation and/or improved energy efficiency receive credit for those reductions.

Published Energy Information Administration (EIA) emission factors should be used for all fuels except landfill gas and renewable energy sources. For direct use landfill gas and renewable energy sources an emission factor of zero, and/or a reduction credit, should be used to account for the offset of emissions from conventional fuel sources, to encourage industry use of these alternatives. The CO<sub>2</sub> sequestration benefit of all carbon sink projects (including international projects) should also be recognized within the DOE 1605(b) Registry.

In conclusion, we express our support for improving the DOE 1605(b) Voluntary Greenhouse Gas Reporting Registry to develop a flexible, effective, and coordinated national voluntary reporting system. We appreciate the opportunity to submit these comments and look forward to participating in the planned workshops. Individual Alliance member companies may also submit comments. Please call if you have any questions.

Sincerely,



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