



• August 15-18, 2010 • Dallas, Texas •
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Scope 3 GHG Reporting: A Crash Course for Energy Managers

Agenda

- EO 13514 Scope 3 Overview
- Section 9 Scope 3 Reporting Requirements
- Default and Advanced Methodologies
- Scope 3 Methodology Nuances
- FEMP Reporting Tools
- Coming Soon...
 - More Scope 3 Categories?
 - Reducing Federal Supply Chain GHG “Footprint”

Current Federal GHG Requirements

- EPA's Mandatory Reporting Rule (MRR)
 - Some Federal facilities may already need to report GHGs under MRR
- Executive Order (E.O.) 13514
 - Section 9 sets the Federal “rules of the road” for agencies’ calculation and reporting of GHG emissions that supports other E.O. GHG sections
 - Section 13 requires GSA to provide recommendations for tracking and reducing scope 3 GHG emissions related to the supply of products and services to the Government
- For Federal Statutory and E.O. GHG Requirements, visit:
www.eere.energy.gov/femp/regulations/regulations.html

Executive Order 13514

- On October 5, 2009, President Obama Signed Executive Order 13514, Federal Leadership in Environmental, Energy, and Economic Performance.



Key E.O.13514 Provisions Related to GHG Emission Reporting



Key E.O.13514 Provisions Related to GHG Emission Reporting

Section 9a -c:

- Recommendations for GHG Accounting and Reporting

Section 13:

- Recommendations for Vendor and Contractor Emissions

Section 17-18:

- Limitations and Exemption Authority

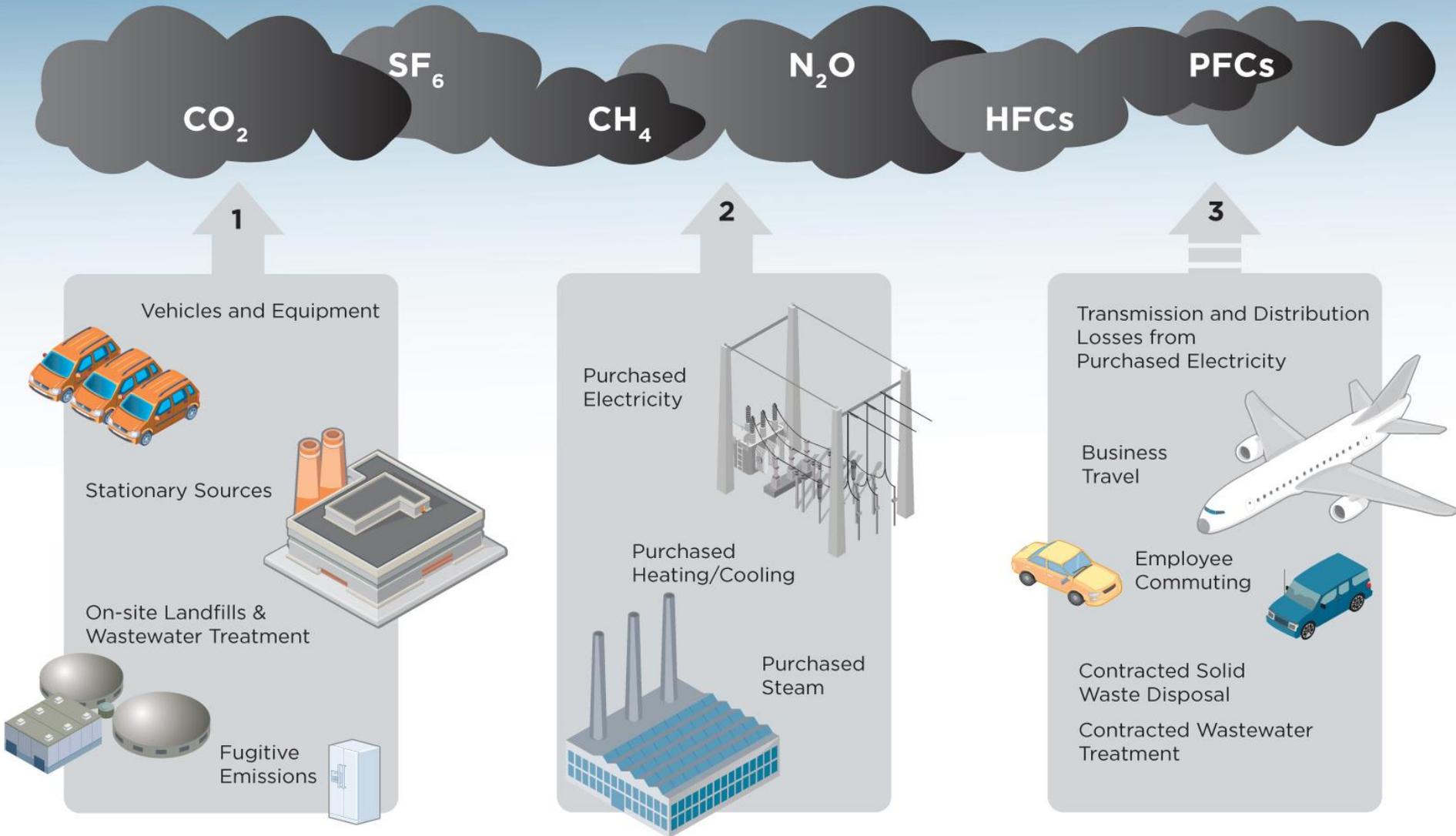
Sec. 9 GHG Guidance (1)

- Establishes standardized procedures for reporting GHG emissions across the Federal Government
- FEMP worked with GSA, DOI, USDA, DOD, EPA, and most agencies to formulate Sec. 9 Recommendations
- Sec. 9 recommendations were submitted to Council on Environmental Quality (CEQ) by DOE FEMP
- **CEQ to issue final guidance** but draft is now available <http://www.whitehouse.gov/administration/eop/ceq/sustainability/fed-ghg>

Sec. 9 GHG Guidance (2)

- GHG inventory reporting performed at agency-level
- But, guidance designed for use at HQ or facility levels
- September 2010 – FEMP will post a FREE web-based training on Federal GHG accounting and reporting
- **October 5, 2010** – FEMP will roll out Energy and GHG Reporting Portal
 - Right now – a draft MS Excel workbook version is available
- **January 31, 2011** – Agencies submit comprehensive GHG inventories via the FEMP GHG Reporting Portal

Common Sources of Federal Greenhouse Gas Emissions



SCOPE 1:

Greenhouse gas emissions from sources that are owned or controlled by a Federal agency.

SCOPE 2:

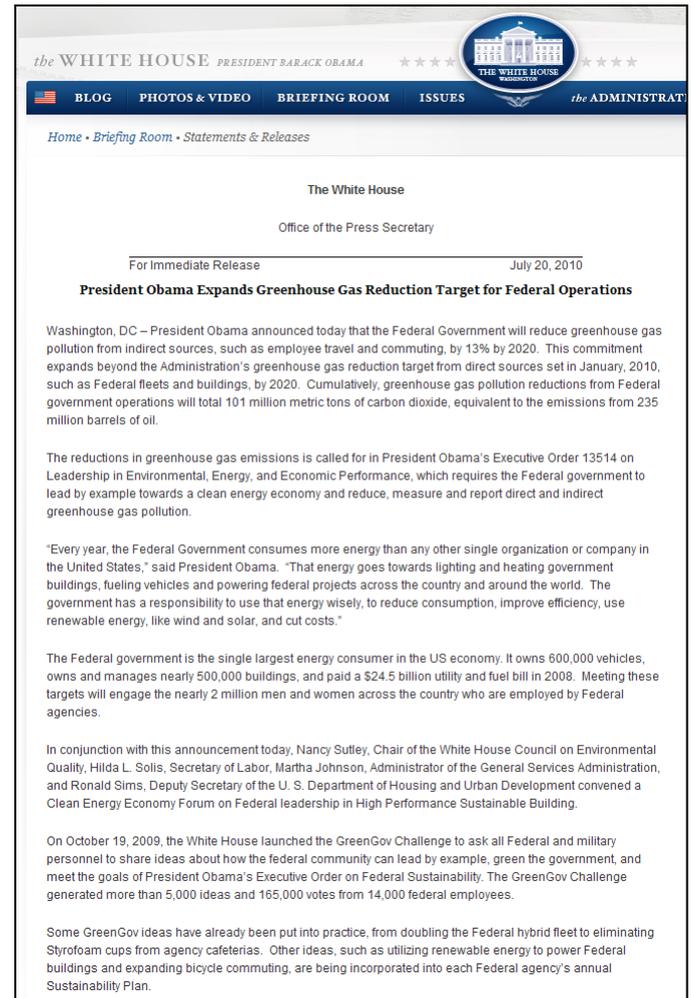
Greenhouse gas emissions resulting from the generation of electricity, heat, or steam purchased by a Federal agency.

SCOPE 3:

Greenhouse gas emissions from sources not owned or directly controlled by a Federal agency but related to agency activities.

Federal GHG Reduction Goals

- On January 29, 2010, President Obama announced that the Federal Government will **reduce its greenhouse gas (GHG) emissions (Scope 1 & 2) by 28% by 2020**
- On July 20, 2010, the White House released its indirect GHG emissions (Scope 3) **reduction goal of 13% by 2020**



the WHITE HOUSE PRESIDENT BARACK OBAMA

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The White House
Office of the Press Secretary

For Immediate Release July 20, 2010

President Obama Expands Greenhouse Gas Reduction Target for Federal Operations

Washington, DC – President Obama announced today that the Federal Government will reduce greenhouse gas pollution from indirect sources, such as employee travel and commuting, by 13% by 2020. This commitment expands beyond the Administration's greenhouse gas reduction target from direct sources set in January, 2010, such as Federal fleets and buildings, by 2020. Cumulatively, greenhouse gas pollution reductions from Federal government operations will total 101 million metric tons of carbon dioxide, equivalent to the emissions from 235 million barrels of oil.

The reductions in greenhouse gas emissions is called for in President Obama's Executive Order 13514 on Leadership in Environmental, Energy, and Economic Performance, which requires the Federal government to lead by example towards a clean energy economy and reduce, measure and report direct and indirect greenhouse gas pollution.

"Every year, the Federal Government consumes more energy than any other single organization or company in the United States," said President Obama. "That energy goes towards lighting and heating government buildings, fueling vehicles and powering federal projects across the country and around the world. The government has a responsibility to use that energy wisely, to reduce consumption, improve efficiency, use renewable energy, like wind and solar, and cut costs."

The Federal government is the single largest energy consumer in the US economy. It owns 600,000 vehicles, owns and manages nearly 500,000 buildings, and paid a \$24.5 billion utility and fuel bill in 2008. Meeting these targets will engage the nearly 2 million men and women across the country who are employed by Federal agencies.

In conjunction with this announcement today, Nancy Sutley, Chair of the White House Council on Environmental Quality, Hilda L. Solis, Secretary of Labor, Martha Johnson, Administrator of the General Services Administration, and Ronald Sims, Deputy Secretary of the U. S. Department of Housing and Urban Development convened a Clean Energy Economy Forum on Federal Leadership in High Performance Sustainable Building.

On October 19, 2009, the White House launched the GreenGov Challenge to ask all Federal and military personnel to share ideas about how the federal community can lead by example, green the government, and meet the goals of President Obama's Executive Order on Federal Sustainability. The GreenGov Challenge generated more than 5,000 ideas and 165,000 votes from 14,000 federal employees.

Some GreenGov ideas have already been put into practice, from doubling the Federal hybrid fleet to eliminating Styrofoam cups from agency cafeterias. Other ideas, such as utilizing renewable energy to power Federal buildings and expanding bicycle commuting, are being incorporated into each Federal agency's annual Sustainability Plan.

Sec. 9 Scope 3 Categories

Transmission and Distribution Losses (Purchased Electricity)

Federal Employee Business Air Travel

Federal Employee Business Ground Travel (Rail, Rental, Bus, POV)

Federal Employee Commuting

Contracted Wastewater Treatment

Contracted Municipal Solid Waste Disposal

Tenant Emissions from Private Sector and GSA Leases (*GHG Workgroup to develop methodology*)

Other Agency-Specific Emissions - Visitor Emissions (e.g., National Parks)

Other Agency-Specific Emissions - Oil and Gas Leasing Activities

Other Agency-Specific Emissions - Enteric Fermentation (i.e., Federal land / Non-Fed Animals)

Other Agency-Specific Emissions - Manure Management Systems (i.e., Federal land / Non-Fed Animals)

Other Agency-Specific Emissions?

FY10 Required Scope 3 Categories

- Transmission and Distribution Losses
- Federal Employee Business Air Travel
- Federal Employee Business Ground Travel:
Rail, Rentals, Buses
- Federal Employee Commuting
- Contracted Municipal Solid Waste Disposal
- Contracted Wastewater Treatment

Default and Advanced Methodologies Explained

- Default methodology
 - Agency only needs activity-level data inputs
 - Some data from existing programs and systems
 - e.g., FEMP Energy Report and FAST system
 - GHG emissions calculated by GHG Reporting Portal
- Advanced methodology
 - Agency needs more detailed source category data
 - GHG Reporting Portal calculates some categories
 - Other calculations done by agency independently

Scope 3 Categories and Data

<i>Emission Source</i>	<i>Data Source</i>
T&D Losses from Purchased Electricity	<ul style="list-style-type: none"> • FEMP Energy Report • eGrid T&D loss factors
Federal Employee Business Travel (Air and Ground)	<ul style="list-style-type: none"> • Travel agent records • TDY records
Commuter Travel	<ul style="list-style-type: none"> • Commuter surveys • Regional commuter studies
Contracted Wastewater Treatment	<ul style="list-style-type: none"> • Human resource records • WWTP contracts
Contracted Solid Waste Management	<ul style="list-style-type: none"> • Disposal and recycling records • Waste disposal contracts
Optional – Leased Assets	<ul style="list-style-type: none"> • Communication with lessors
Optional – Visitor Related Emissions	<ul style="list-style-type: none"> • Visitor records
Optional – Activities on Leased Property (oil/gas, grazing, manure)	<ul style="list-style-type: none"> • Lease records

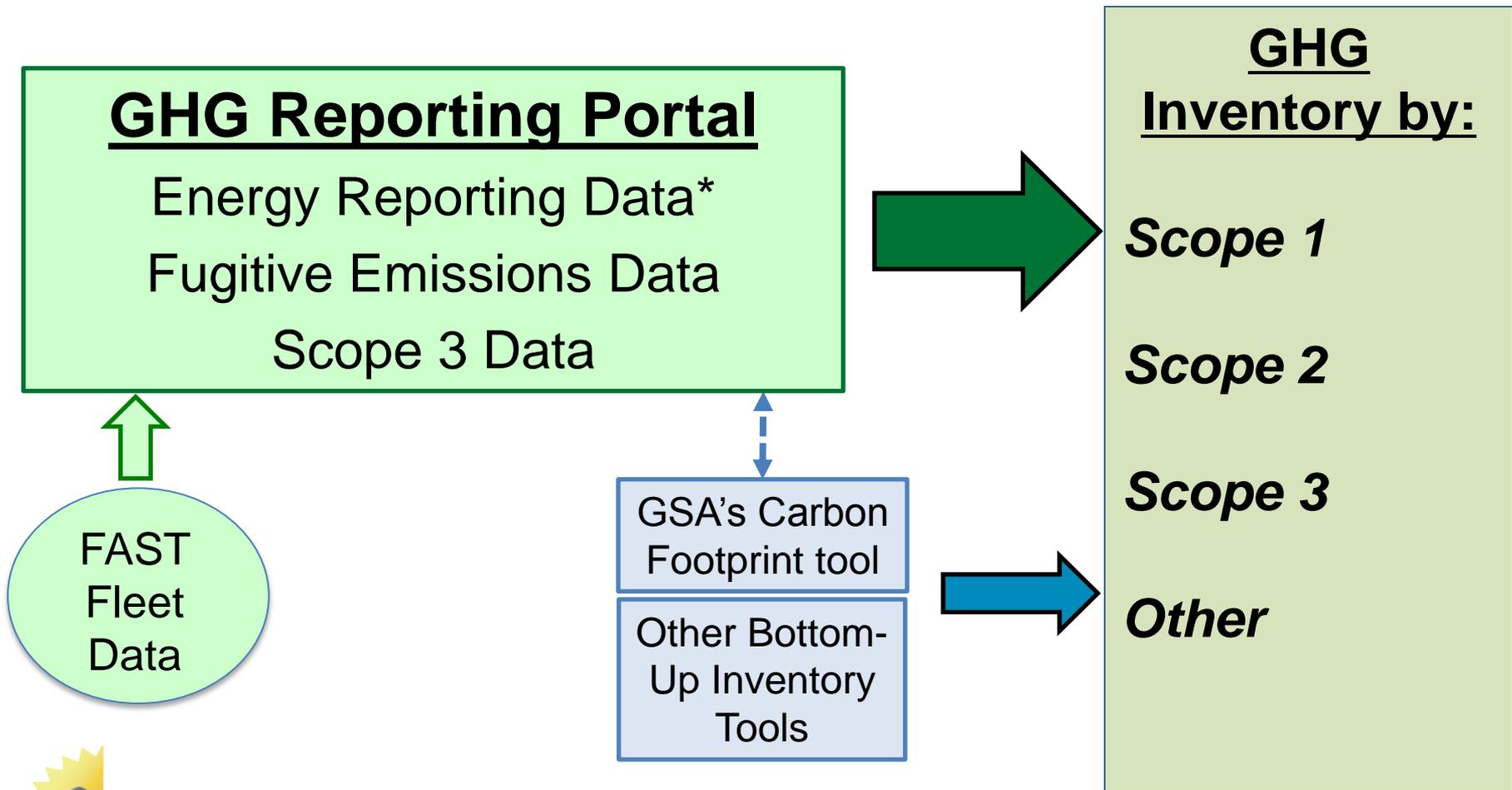
“Easier” Scope 3 Default Methods

- Transmission and Distribution Losses
 - Auto-calculates from Scope 2 electricity data
- Federal Employee Business Air Travel
 - GSA TRX tool uses existing PNRs
 - PNRs are available from agency travel agents
- Contracted Wastewater Treatment
 - Calculates from number of Federal employees “contributing” to wastewater

“More Challenging” Scope 3 Defaults

- Federal Employee Business Ground Travel:
 - Uses number of car rentals but uses big assumptions
 - Recommend detailed data use for mitigation credit
- Federal Employee Commuting
 - Same story – regional averages possible, but...
 - Agency needs commuter survey detail for mitigation
- Contracted Municipal Solid Waste Disposal
 - Uses waste & recycling numbers under Sec. 2(e)
 - Data can be difficult to obtain

GHG Reporting Portal for FY10



GHG Reporting Portal – Scope 3

- Draft FEMP GHG Reporting Portal workbook has Scope 3 calculator modules
 - All include “default” methodologies
 - Pre-populated with default assumptions
 - Some support for “advanced” methodologies
- Additional Scope 3 Tools
 - Agencies can use other tools for Scope 3 but...
 - Must ensure that they utilize TSD methodology

Coming Soon...

- More required Scope 3 categories in FY11?
 - GSA leased assets?
 - Private leased assets?
- Sec. 13 reducing Federal supply chain GHG “footprint” approach and methodologies
 - GSA on point for this effort
 - Expect some convergence with Scope 3 in future
 - Contractor GHG emissions might be in the cards

Questions?

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[*www.eere.energy.gov/femp/program/greenhousegases.html*](http://www.eere.energy.gov/femp/program/greenhousegases.html)

[*www.fedcenter.gov/programs/greenhouse/*](http://www.fedcenter.gov/programs/greenhouse/)