



INTERNATIONAL CLIMATE CHANGE PARTNERSHIP

February 6, 2003

Office of Policy and International Affairs
Office of Electricity and Natural Gas Analysis, PI-23
U.S. Department of Energy
Forrestal Building, Room 7H-034
1000 Independence Avenue, SW
Washington, D.C. 20585

Attention: Voluntary Reporting Comments

As you know, the International Climate Change Partnership (ICCP) submitted comments to DOE in June on possible modifications to the Voluntary Reporting of Greenhouse Gases Program (VRGGP) under section 1605(b) of the Energy Policy Act of 1992. ICCP also participated in the recent workshops held in November and December to discuss how DOE can best implement the President's February 14 directive, "to ensure that businesses and individuals that register reductions are not penalized under a future climate policy, and to give transferable credits to companies that can show real emissions reductions."

Presented below are supplemental ICCP comments that respond to the workshop discussions.

Emissions Reporting

- ICCP supports the concept of a two-tiered program where different levels of reporting will be necessary to distinguish between reporting for informational purposes and reporting to document reductions in order to gain transferable credits or baseline protection.
- ICCP supports entity-wide reporting at the facility level, but believes that project-level reporting to earn transferable credits should be allowed.
- ICCP supports the inclusion of direct emissions, carbon storage activities, stationary and mobile sources under an entity's control, avoidance of emissions, energy efficiency projects, fuel switching, project reductions, transfers to other entities, reductions achieved in and out of the US, and product related reductions.

- ICCP believes that DOE should look closely at the WRI/WBCSD Greenhouse Gas (GHG) Protocol as this corporate accounting and reporting standard was supported by many workshop participants from both industry and environmental NGOs.
- ICCP supports including all six gases in the reporting program.

Transferable Credits

- ICCP strongly supports providing transferable credits for all verified GHG reductions.
- ICCP believes that credits earned from verified GHG reductions should be fully fungible in any domestic or international emissions trading programs.
- ICCP agrees with the general consensus of workshop participants that it is not up to the government to assign value to any GHG credits it awards; the market will determine value.

Products

- ICCP strongly supports the ability to report and receive credit for product-based emission reductions.
- ICCP believes that awarding credit for product-based emission reductions along the value chain should be done on a contractual basis.

Emissions Intensity

- ICCP supports the concept of providing transferable credits for improvements in emissions intensity. We note that the details of how the government would certify emissions reductions based on improvements in emissions intensity were not fully elucidated during the workshops.

Timeframe

- ICCP strongly supports providing transferable credits for all reductions achieved since 1990.
- ICCP supports the concept that in order to gain credits for reductions achieved prior to the guidelines being revised, those reports would have to meet the new guidelines.

Verification

- ICCP supports a rigorous and credible verification process.
- ICCP believes that different standards should apply to informational reports and those reports intended to gain credits or baseline protection.

- ICCP believes that self-certification remains appropriate for informational reports, but for crediting purposes a more rigorous verification procedure will be necessary that should include third-party verification as an option.

Confidentiality

- ICCP believes that protection of confidential business information should be provided for reports intended to gain credits or baseline protection. A rigorous verification process should assure the environmental integrity of the reductions.

ICCP and its member companies would welcome an opportunity to meet with DOE staff to discuss these comments in more detail.

Sincerely,

Kevin Fay
Executive Director
International Climate Change Partnership
2111 Wilson Boulevard, 8th Floor
Arlington, VA 22039
703-841-0626
fay@alcalde-fay.com