

108TH CONGRESS
1ST SESSION

S. 194

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 sector concerning, and encourage voluntary reductions in, greenhouse gas emissions.

IN THE SENATE OF THE UNITED STATES

JANUARY 17, 2003

Mr. CORZINE (for himself, Mr. JEFFORDS, and Mr. LIEBERMAN) introduced the following bill; which was read twice and referred to the Committee on Environment and Public Works

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 sector 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 and Registry Act of 2003”.

6 SEC. 2. FINDINGS AND PURPOSE.

7 (a) FINDINGS.—Congress finds that—

1 (1) human activities have caused rapid in-
2 creases in atmospheric concentrations of carbon di-
3 oxide and other greenhouse gases in the last century;

9 (B) the majority of the observed warming
10 is attributable to human activities;

11 (3) despite the fact that many uncertainties in
12 climate science remain, the potential impacts from
13 human-induced climate change pose a substantial
14 risk that should be managed in a responsible man-
15 ner; and

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

21 (b) PURPOSE.—The purpose of this Act is to establish
22 a mandatory greenhouse gas inventory, registry, and
23 information system that—

24 (1) is complete, consistent, transparent, and ac-
25 curate;

1 (2) will create accurate data that can be used
2 by public and private entities to design efficient and
3 effective greenhouse gas emission reduction strate-
4 gies;

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

7 (4) can be used to establish a baseline in the
8 event of any future greenhouse gas emission reduc-
9 tion requirements affecting major emitters in the
10 United States.

11 SEC. 3. GREENHOUSE GAS EMISSIONS.

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

16 "SEC. 701. DEFINITIONS.

17 “In this title:

18 “(1) COVERED ENTITY.—The term ‘covered en-
19 tity’ means an entity that emits more than a thresh-
20 old quantity of greenhouse gas emissions.

“(2) DIRECT EMISSIONS.—The term ‘direct emissions’ means greenhouse gas emissions from a source that is owned or controlled by an entity.

1 “(3) ENTITY.—The term ‘entity’ includes a
2 firm, a corporation, an association, a partnership,
3 and a Federal agency.

4 “(4) GREENHOUSE GAS.—The term ‘greenhouse
5 gas’ means—

- 6 “(A) carbon dioxide;
7 “(B) methane;
8 “(C) nitrous oxide;
9 “(D) hydrofluorocarbons;
10 “(E) perfluorocarbons; and
11 “(F) sulfur hexafluoride.

12 “(5) GREENHOUSE GAS EMISSIONS.—The term
13 ‘greenhouse gas emissions’ means emissions of a
14 greenhouse gas, including—

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

21 “(B) process emissions, which consist of
22 emissions from chemical or physical processes
23 other than combustion;

24 “(C) fugitive emissions, which consist of
25 intentional and unintentional emissions from—

1 “(i) equipment leaks such as joints,
2 seals, packing, and gaskets; and

3 “(ii) piles, pits, cooling towers, and
4 other similar sources; and

5 “(D) mobile source emissions, which are
6 emitted as a result of combustion of fuels in
7 transportation equipment such as automobiles,
8 trucks, trains, airplanes, and vessels.

9 “(6) GREENHOUSE GAS EMISSIONS RECORD.—

10 The term ‘greenhouse gas emissions record’ means
11 all of the historical greenhouse gas emissions and
12 project reduction data submitted by an entity under
13 this title, including any adjustments to such data
14 under section 704(c).

15 “(7) GREENHOUSE GAS REPORT.—The term
16 ‘greenhouse gas report’ means an annual list of the
17 greenhouse gas emissions of an entity and the
18 sources of those emissions.

19 “(8) INDIRECT EMISSIONS.—The term ‘indirect
20 emissions’ means greenhouse gas emissions that are
21 a consequence of the activities of an entity but that
22 are emitted from sources owned or controlled by an-
23 other entity.

24 “(9) NATIONAL GREENHOUSE GAS EMISSIONS
25 INFORMATION SYSTEM.—The term ‘national green-

1 house gas emissions information system' means the
2 information system established under section 702(a).

3 “(10) NATIONAL GREENHOUSE GAS EMISSIONS
4 INVENTORY.—The term ‘national greenhouse gas
5 emissions inventory’ means the national inventory of
6 greenhouse gas emissions established under section
7 705.

8 “(11) NATIONAL GREENHOUSE GAS REG-
9 ISTRY.—The term ‘national greenhouse gas registry’
10 means the national greenhouse gas registry estab-
11 lished under section 703(a).

12 “(12) PROJECT REDUCTION.—The term
13 ‘project reduction’ means—

14 “(A) a greenhouse gas emission reduction
15 achieved by carrying out a greenhouse gas
16 emission reduction project; and

17 “(B) sequestration achieved by carrying
18 out a sequestration project.

19 “(13) REPORTING ENTITY.—The term ‘report-
20 ing entity’ means an entity that reports to the Ad-
21 ministrator under subsection (a) or (b) of section
22 704.

23 “(14) SEQUESTRATION.—The term ‘sequestra-
24 tion’ means the long-term separation, isolation, or
25 removal of greenhouse gases from the atmosphere,

1 including through a biological or geologic method
2 such as reforestation or an underground reservoir.

3 “(15) THRESHOLD QUANTITY.—The term
4 ‘threshold quantity’ means a threshold quantity for
5 mandatory greenhouse gas reporting established by
6 the Administrator under section 704(a)(3).

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

12 **“SEC. 702. NATIONAL GREENHOUSE GAS EMISSIONS INFOR-**
13 **MATION SYSTEM.**

14 “(a) ESTABLISHMENT.—In consultation with the
15 Secretary of Commerce, the Secretary of Agriculture, the
16 Secretary of Energy, States, the private sector, and non-
17 governmental organizations concerned with establishing
18 standards for reporting of greenhouse gas emissions, the
19 Administrator shall establish and administer a national
20 greenhouse gas emissions information system to collect in-
21 formation reported under section 704(a).

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 re-
8 veal a trade secret or disclose information vital to national
9 security.

10 “(d) RELATIONSHIP TO OTHER GREENHOUSE GAS
11 REGISTRIES.—To the extent practicable, the Adminis-
12 trator shall ensure coordination between the national
13 greenhouse gas emissions information system and existing
14 and developing Federal, regional, and State greenhouse
15 gas registries.

16 “(e) INTEGRATION WITH OTHER ENVIRONMENTAL
17 INFORMATION.—To the extent practicable, the Adminis-
18 trator shall integrate information in the national green-
19 house gas emissions information system with other envi-
20 ronmental information managed by the Administrator.

21 **“SEC. 703. NATIONAL GREENHOUSE GAS REGISTRY.**

22 “(a) ESTABLISHMENT.—In consultation with the
23 Secretary of Commerce, the Secretary of Agriculture, the
24 Secretary of Energy, States, the private sector, and non-
25 governmental organizations concerned with establishing

1 standards for reporting of greenhouse gas emissions, the
2 Administrator shall establish and administer a national
3 greenhouse gas registry to collect information reported
4 under section 704(b).

5 “(b) AVAILABILITY OF DATA TO THE PUBLIC.—The
6 Administrator shall publish all information in the national
7 greenhouse gas registry through the website of the Envi-
8 ronmental Protection Agency, except in any case in which
9 publishing the information would reveal a trade secret or
10 disclose information vital to national security.

11 “(c) RELATIONSHIP TO OTHER GREENHOUSE GAS
12 REGISTRIES.—To the maximum extent feasible and prac-
13 ticable, the Administrator shall ensure coordination be-
14 tween the national greenhouse gas registry and existing
15 and developing Federal, regional, and State greenhouse
16 gas registries.

17 “(d) INTEGRATION WITH OTHER ENVIRONMENTAL
18 INFORMATION.—To the maximum extent practicable, the
19 Administrator shall integrate all information in the na-
20 tional greenhouse gas registry with other environmental
21 information collected by the Administrator.

22 **“SEC. 704. REPORTING.**

23 “(a) MANDATORY REPORTING TO NATIONAL GREEN-
24 HOUSE GAS EMISSIONS INFORMATION SYSTEM.—

25 “(1) INITIAL REPORTING REQUIREMENTS.—

1 “(A) IN GENERAL.—Not later than April
2 30, 2004, in accordance with this paragraph
3 and the regulations promulgated under section
4 706(e)(1), each covered entity shall submit to
5 the Administrator, for inclusion in the national
6 greenhouse gas emissions information system,
7 the greenhouse gas report of the covered entity
8 with respect to—

9 “(i) calendar year 2003; and
10 “(ii) each greenhouse gas emitted by
11 the covered entity in an amount that ex-
12 ceeds the applicable threshold quantity.

13 “(B) REQUIRED ELEMENTS.—Each green-
14 house gas report submitted under subparagraph
15 (A)—

16 “(i) shall include estimates of direct
17 stationary combustion source emissions;

18 “(ii) shall express greenhouse gas
19 emissions in metric tons of the carbon di-
20 oxide equivalent of each greenhouse gas
21 emitted;

22 “(iii) shall specify the sources of
23 greenhouse gas emissions that are included
24 in the greenhouse gas report;

1 “(iv) shall be reported on an entity-
2 wide basis and on a facility-wide basis; and

3 “(v) to the maximum extent prac-
4 ticable, shall be reported electronically to
5 the Administrator in such form as the Ad-
6 ministrator may require.

7 “(C) METHOD OF REPORTING OF ENTITY-
8 WIDE EMISSIONS.—Under subparagraph
9 (B)(iv), entity-wide emissions shall be reported
10 on the bases of financial control and equity
11 share in a manner consistent with the financial
12 reporting practices of the covered entity.

13 “(2) FINAL REPORTING REQUIREMENTS.—

14 “(A) IN GENERAL.—Not later than April
15 30, 2005, and each April 30 thereafter (except
16 as provided in subparagraph (B)(vii)), in ac-
17 cordance with this paragraph and the regula-
18 tions promulgated under section 706(e)(2), each
19 covered entity shall submit to the Administrator
20 the greenhouse gas report of the covered entity
21 with respect to—

22 “(i) the preceding calendar year; and
23 “(ii) each greenhouse gas emitted by
24 the covered entity in an amount that ex-
25 ceeds the applicable threshold quantity.

1 “(B) REQUIRED ELEMENTS.—Each green-
2 house gas report submitted under subparagraph
3 (A) shall include—

4 “(i) the required elements specified in
5 paragraph (1);

6 “(ii) estimates of indirect emissions
7 from imported electricity, heat, and steam;

8 “(iii) estimates of process emissions
9 described in section 701(5)(B);

10 “(iv) estimates of fugitive emissions
11 described in section 701(5)(C);

12 “(v) estimates of mobile source emis-
13 sions described in section 701(5)(D), in
14 such form as the Administrator may re-
15 quire;

16 “(vi) in the case of a covered entity
17 that is a forest product entity, estimates of
18 direct stationary source emissions, includ-
19 ing emissions resulting from combustion of
20 biomass;

21 “(vii) in the case of a covered entity
22 that owns more than 250,000 acres of
23 timberland, estimates, by State, of the tim-
24 ber and carbon stocks of the covered enti-

7 “(3) ESTABLISHMENT OF THRESHOLD QUAN-
8 TITIES.—For the purpose of reporting under this
9 subsection, the Administrator shall establish thresh-
10 old quantities of emissions for each combination of
11 a source and a greenhouse gas that is subject to the
12 mandatory reporting requirements under this sub-
13 section.

14 "(b) VOLUNTARY REPORTING TO NATIONAL GREEN-
15 HOUSE GAS REGISTRY.—

16 “(1) IN GENERAL.—Not later than April 30,
17 2004, and each April 30 thereafter, in accordance
18 with this subsection and the regulations promulgated
19 under section 706(f), an entity may voluntarily re-
20 port to the Administrator, for inclusion in the na-
21 tional greenhouse gas registry, with respect to the
22 preceding calendar year and any greenhouse gas
23 emitted by the entity—

24 “(A) project reductions;

1 “(B) transfers of project reductions to and
2 from any other entity;

3 “(C) project reductions and transfers of
4 project reductions outside the United States;

5 “(D) indirect emissions that are not re-
6 quired to be reported under subsection
7 (a)(2)(B)(ii) (such as product transport, waste
8 disposal, product substitution, travel, and em-
9 ployee commuting); and

10 “(E) product use phase emissions.

11 “(2) TYPES OF ACTIVITIES.—Under paragraph
12 (1), an entity may report activities that reduce
13 greenhouse gas emissions or sequester a greenhouse
14 gas, including—

15 “(A) fuel switching;

16 “(B) energy efficiency improvements;

17 “(C) use of renewable energy;

18 “(D) use of combined heat and power sys-
19 tems;

20 “(E) management of cropland, grassland,
21 and grazing land;

22 “(F) forestry activities that increase car-
23 bon stocks;

24 “(G) carbon capture and storage;

25 “(H) methane recovery; and

1 “(I) carbon offset investments.

2 “(c) ADJUSTMENT FACTORS.—

3 “(1) IN GENERAL.—Each reporting entity shall
4 adjust the greenhouse gas emissions record of the
5 reporting entity in accordance with this subsection.

6 “(2) SIGNIFICANT STRUCTURAL CHANGES.—

7 “(A) IN GENERAL.—A reporting entity
8 that experiences a significant structural change
9 in the organization of the reporting entity (such
10 as a merger, major acquisition, or divestiture)
11 shall adjust its greenhouse gas emissions record
12 for preceding years so as to maintain year-to-
13 year comparability.

14 “(B) MID-YEAR CHANGES.—In the case of
15 a reporting entity that experiences a significant
16 structural change described in subparagraph
17 (A) during the middle of a year, the greenhouse
18 gas emissions record of the reporting entity for
19 preceding years shall be adjusted on a pro-rata
20 basis.

21 “(3) CALCULATION CHANGES AND ERRORS.—

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

24 “(A) changes in calculation methodologies;
25 or

1 “(B) errors that significantly affect the
2 quantity of greenhouse gases in the greenhouse
3 gas emissions record.

4 “(4) ORGANIZATIONAL GROWTH OR DECLINE.—
5 The greenhouse gas emissions record of a reporting
6 entity for preceding years shall not be adjusted for
7 any organizational growth or decline of the reporting
8 entity such as—

9 “(A) an increase or decrease in production
10 output;
11 “(B) a change in product mix;
12 “(C) a plant closure; and
13 “(D) the opening of a new plant.

14 “(5) 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 “(d) 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; and

12 “(C) greenhouse gas accounting and re-
13 porting standards.

14 “(2) BEST PRACTICES.—The protocols and
15 methods developed under paragraph (1) shall con-
16 form, to the maximum extent practicable, to the best
17 practice protocols that have the greatest support of
18 experts in the field.

19 “(3) INCORPORATION INTO REGULATIONS.—
20 The Administrator shall incorporate the protocols
21 developed under paragraph (1)(A) into the regula-
22 tions promulgated under section 706.

23 “(4) OUTREACH PROGRAM.—The Adminis-
24 trator, the Secretary of Commerce, the Secretary of
25 Agriculture, and the Secretary of Energy shall joint-

1 ly conduct an outreach program to provide information
2 to all reporting entities and the public on the
3 protocols and methods developed under this sub-
4 section.

5 “(e) VERIFICATION.—

6 “(1) PROVISION OF INFORMATION BY REPORT-
7 ING ENTITIES.—Each reporting entity shall provide
8 information sufficient for the Administrator to
9 verify, in accordance with greenhouse gas accounting
10 and reporting standards developed under subsection
11 (d)(1)(C), that the greenhouse gas report of the re-
12 porting entity—

13 “(A) has been accurately reported; and

14 “(B) in the case of each project reduction,
15 represents actual reductions in greenhouse gas
16 emissions or actual increases in net sequestra-
17 tion, as applicable.

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

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

22 “(B) present the results of the third-party
23 verification to the Administrator for consider-
24 ation by the Administrator in carrying out
25 paragraph (1).

1 “(f) ENFORCEMENT.—The Administrator may bring
2 a civil action in United States district court against a cov-
3 ered entity that fails to comply with subsection (a), or a
4 regulation promulgated under section 706(e), to impose a
5 civil penalty of not more than \$25,000 for each day that
6 the failure to comply continues.

7 **“SEC. 705. NATIONAL GREENHOUSE GAS EMISSIONS INVEN-
8 TORY.**

9 “Not later than April 30, 2004, and each April 30
10 thereafter, the Administrator shall publish a national
11 greenhouse gas emissions inventory that includes—

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

15 “(A) for each greenhouse gas, an estimate
16 of the quantity of emissions contributed by each
17 key source category;

18 “(B) a detailed analysis of trends in the
19 quantity, composition, and sources of United
20 States greenhouse gas emissions; and

21 “(C) a detailed explanation of the method-
22 ology used in developing the national green-
23 house gas emissions inventory; and

24 “(2) a detailed analysis of the information re-
25 ported to the national greenhouse gas emissions in-

1 formation system and the national greenhouse gas
2 registry.

3 **“SEC. 706. 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 January 31, 2004,
13 the Administrator shall promulgate such regulations as
14 are necessary to establish the national greenhouse gas
15 emissions information system.

16 “(d) NATIONAL GREENHOUSE GAS REGISTRY.—Not
17 later than January 31, 2004, the Administrator shall pro-
18 mulgate such regulations as are necessary to establish the
19 national greenhouse gas registry.

20 “(e) MANDATORY REPORTING REQUIREMENTS.—

21 “(1) INITIAL REPORTING REQUIREMENTS.—Not
22 later than January 31, 2004, the Administrator
23 shall promulgate such regulations as are necessary
24 to implement the initial mandatory reporting re-
25 quirements under section 704(a)(1).

1 “(2) FINAL REPORTING REQUIREMENTS.—Not
2 later than January 31, 2005, the Administrator
3 shall promulgate such regulations as are necessary
4 to implement the final mandatory reporting require-
5 ments under section 704(a)(2).

6 “(f) VOLUNTARY REPORTING PROVISIONS.—Not
7 later than January 31, 2004, the Administrator shall pro-
8 mulgate such regulations and issue such guidance as are
9 necessary to implement the voluntary reporting provisions
10 under section 704(b).

11 “(g) ADJUSTMENT FACTORS.—Not later than Janu-
12 ary 31, 2004, the Administrator shall promulgate such
13 regulations as are necessary to implement the adjustment
14 factors under section 704(c).”.

○