

Executive Summary

The Voluntary Reporting of Greenhouse Gases Program, required by Section 1605(b) of the Energy Policy Act of 1992, records the results of voluntary measures taken to reduce, avoid, or sequester greenhouse gas emissions. One hundred eighty-seven U.S. companies and other organizations reported to the Energy Information Administration that, during 1998, they had undertaken 1,507 projects that achieved greenhouse gas emission reductions and carbon sequestration equivalent to 212 million metric tons of carbon dioxide, or about 3.2 percent of total U.S. emissions for the year. The emission reductions reported for these projects usually were measured by comparing an estimate of actual emissions with an estimate of what emissions would have been had the project not been implemented.

Since 1994, the number of projects reported each year has increased by 134 percent, and the quantity of emission reductions reported each year has roughly tripled (Table ES1). Sixty-five of the organizations reporting for 1998 provided estimates of emissions and/or emission reductions for the entire organization. Sixty-seven reporters recorded commitments to take action to reduce emissions in future years, mostly by the year 2000.

Of the 65 organizations reporting at the entity level, 62 estimated their total 1998 emissions. Their combined total was 1.6 billion metric tons carbon dioxide equivalent, equal to about 23 percent of all U.S. emissions. Sixty-two entity-level reporters also estimated corporate-wide emission reductions in addition to (or instead of) the reductions reported for individual projects. The combined total reported reduction for these 62 companies was 178 million metric tons carbon dioxide equivalent.

The Voluntary Reporting of Greenhouse Gases Program is used as a registry by several U.S. Government-sponsored voluntary programs that limit greenhouse gas emissions—notably, the Climate Challenge program for electric utilities and the Climate Wise program for manufacturers. The majority (54 percent) of the reporters to the Voluntary Reporting Program were electric utilities, usually participants in the Climate Challenge program; however, electric utility dominance of the program has decreased steadily since the first reporting cycle, when 88 percent of reporters were electric utilities. Participants from outside the electric power sector for 1998 included manufacturers such as General Motors, IBM, Dow, Johnson & Johnson; facilities such as Alcan's Sebree aluminum plant, Motorola's Austin, Texas, integrated circuit fabrication plant and 3 California Portland Cement Company plants; a coal company (Peabody Holding Company, Inc.); 18 operators and developers of landfill methane recovery projects; a trade association (the Integrated Waste Services Association); and private voluntary organizations, such as American Forests and World Parks Endowment.

Electric power sector reporters (including independent power producers) accounted for 1,147 (76 percent) of the projects reported. Also reporting were industrial concerns (120 projects), agriculture and forestry organizations (112 projects), and alternative energy providers (102 projects). Organizations in other sectors (government, commercial, and residential) submitted reports on 26 projects.

Most of the projects reported for 1998 affected energy supply or use in some way. Some 420 of the projects were related to the generation, transmission, or distribution of electricity, and almost all of those were reported

Table ES1. Reporting Indicators for the Voluntary Reporting of Greenhouse Gases Program, Data Years 1994-1998

Indicator	1994	1995	1996 ^(R)	1997 ^(R)	1998	
Number of Entities Reporting	10	8	142	150	162	187
Number of Projects Reported	64	5	967	0	8	7
Number of Entity-Level (Organization-Wide) Reports Received	40	40	51	56	60	65
Project-Level Reductions Reported (Million Metric Tons Carbon Dioxide Equivalent)	74	74	146	155	149	212

by electric power sector reporters. Another 354 were related to energy end use, 20 were cogeneration projects, and 70 were transportation projects. Another 161 projects reduced emissions of methane from waste disposal facilities, oil and natural gas systems, and coal mines, and almost all of those included use of the methane as fuel, displacing fossil fuels. Other projects included the reuse of fly ash in concrete (45 projects) and materials recycling (30 projects), which reduce emissions at least in part by reducing energy consumption. The largest reductions were reported for projects that improved the performance of nuclear power plants. The non-energy-related projects reported fell into two major categories: sequestration of carbon, usually in forests (350 projects); and the recycling, reuse, or destruction of halogenated substances such as hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride (30 projects).

Public interest in the Voluntary Reporting Program has continued to increase, in part because of growing awareness of climate change issues inspired by the signing of the Kyoto Protocol, and in part because of public interest in the concept of credit for early reductions. In October 1997, the White House announced that it favored offering “credit for early reductions” as a means to limit

future U.S. greenhouse gas emissions. Generally, a credit for early reduction program would offer regulatory credit—in the form of “carbon allowances” against a future cap on greenhouse gas emissions—for organizations that take steps to reduce their emissions now. Neither “credits” nor “reductions” were defined, however, and the exact nature of such a program is a subject of ongoing debate among policymakers, interest groups, and private organizations. In March 1999, Senators Chafee (R-RI), Lieberman (D-CT), Mack (R-FL), and seven other Senators introduced S. 547, the “Credit for Voluntary Reductions Act,” which among its other provisions would make it possible, subject to several conditions, for participants to receive “credit” for reductions reported to the Voluntary Reporting Program. In July 1999, a modified version of the bill (H.R. 2520) was introduced in the House of Representatives by Rep. Lazio (R-NY).

In June 1999, Senators Murkowski (R-AK), Hagel (R-NE), and Byrd (D-WV) introduced S. 882, which provides for a review of potential changes to the Voluntary Reporting Program. A version of this bill (H.R. 3384) was introduced in the House by Rep. Barton (R-TX) in November 1999.