

# 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 to reduce, avoid, or sequester greenhouse gas emissions. In 1998, 156 U.S. companies and other organizations reported to the Energy Information Administration that, during 1997, they had achieved greenhouse gas emission reductions and carbon sequestration equivalent to 166 million tons of carbon dioxide, or about 2.5 percent of total U.S. emissions for the year. For the 1,229 emission reduction projects reported, reductions 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.

Both the number of projects and the quantity of emission reductions reported have roughly doubled since 1994, and the number of organizations participating in the Voluntary Reporting Program has increased by 44 percent (Table ES1). Fifty-six of the organizations reporting in 1998 provided estimates of emissions and/or emission reductions for the entire organization. Sixty-five reporters recorded commitments to take action to reduce emissions in future years, mostly by the year 2000.

For the 56 organizations that estimated their total 1997 emissions, the combined total was 1.5 billion metric tons carbon dioxide equivalent, equal to about 23 percent of all U.S. emissions. Forty-nine of the 56 companies also estimated corporate-wide emission reductions in addition to (or instead of) the reductions reported for individual projects. The combined total reduction for the 49 companies was 128 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 to limit greenhouse gas

emissions, notably the Climate Challenge program for electric utilities and the Climate Wise program for manufacturers. Most (71 percent) of the reporters to the Voluntary Reporting Program were electric utilities, usually participants in the Climate Challenge program. Nonutility participants included manufacturers such as General Motors, IBM, Dow, Johnson & Johnson; facilities such as Alcan's Sebree aluminum plant and Motorola's Austin, Texas, integrated circuit fabrication plant; a coal company (Peabody Holdings); several operators and developers of landfill methane recovery projects; a trade association (the Integrated Waste Services Association); and private voluntary organizations, such as American Forests.

Some 360 of the projects reported in 1998 were related to the generation, transmission, or distribution of electricity. Another 273 were related to energy end use, 20 were cogeneration projects, and 62 were transportation projects. The energy-related projects accounted for about 79 percent of the total 166 million metric tons of emission reductions reported. The largest reductions were reported for projects that improved the performance of nuclear power plants.

Public interest in the Voluntary Reporting Program increased in 1998, in part because of growing awareness of climate change issues inspired by the signing of 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, an early credit 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

**Table ES1. Reporting Indicators for the Voluntary Reporting of Greenhouse Gases Program, Data Years 1994-1997**

Indicator	1994	1995	1996	1997
Number of Entities Reporting . . . . .	108	142	149	156
Number of Projects Reported . . . . .	645	967	1,038	1,229
Number of Entity-Level (Organization-Wide) Reports Received . . . . .	40	51	57	56
Project-Level Reductions Reported (Million Tons Carbon Equivalent) . . . . .	73.5	146.1	154.4	165.6

Source: Energy Information Administration, Forms EIA-1605 and EIA-1605EZ.

among policymakers, interest groups, and private organizations.

In March 1999, Senators Chafee, Lieberman, Mack, 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 April,

Senators Murkowski, Hagel, Byrd, and seven other senators introduced S. 882, which among its other provisions would modify Section 1605(b) of the Energy Policy Act to enhance recognition for reporters and to provide for revising the program's guidelines to improve the accuracy and reliability of reporting. Congressional consideration of these bills (and perhaps other approaches not yet introduced) may generate further interest in the experience of the Voluntary Reporting Program.