



Greenhouse Gas Rule

Did you know that the “**Greenhouse Gas Rule**” was proposed and finalized between April 2009 and December 29, 2009? This new rule represents a substantial move by USEPA toward regulation of greenhouse gas emissions in the U.S.

The *Mandatory Greenhouse Gas (GHG) Reporting Rule*, published under 40 CFR Part 98, is intended to collect GHG emissions data to help direct future federal government policy decisions related to climate control. The rule requires regulated reporters to begin measurement and/or monitoring on January 1, 2010 for the 2010 reporting year. The first reports will be due on March 31, 2011.

Under the new rule, regulated facilities, sources, and/or suppliers must report emissions for GHGs including carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFC), perfluorochemicals (PFC), and sulfur hexafluoride (SF₆), as well as other fluorinated gases (e.g., nitrogen trifluoride and hydrofluorinated ethers) from made-made sources.

Currently, the GHG rule applies primarily to large facilities that emit 25,000 or greater metric tons (MT) of GHGs annually. This includes fossil fuel (e.g., coal to liquid) suppliers, industrial gas suppliers, manufacturers of heavy-duty vehicles and engines, and specified facilities that emit GHGs. Regulated facilities must gather data through measurement and/or monitoring and submit annual reports to USEPA. Regulated sources, facilities, and suppliers include, but may not be limited to:

- Electricity generation (regulated under 40 CFR Part 75);
- Ammonia manufacturing
- HFC-23 destruction (>2.14 metric tons/yr)
- Petrochemical production
- Adipic acid production
- Cement production
- Lime manufacturing
- Petroleum refineries
- Aluminum production
- HCFC-22 production
- Nitric acid production
- Phosphoric acid production
- Silicon carbide production
- Soda ash production
- Titanium dioxide production
- Municipal solid waste landfills with $\geq 25k$ MT/yr CO₂
- Manure management systems with methane and N₂O emissions $\geq 25k$ MT/yr

Other specific facilities or sources meeting applicability thresholds are subject to the rule. Emissions from specific mobile sources will be regulated along the supply chain.

A number of facilities are currently *excluded* from the monitoring and reporting requirements of the GHG Rule at this time. A few examples are: electronics manufacturing, ethanol production; food processing, industrial landfills, underground coal mines, wastewater treatment, and suppliers of coal.

Under the following conditions, facilities and suppliers may become exempt by reducing their GHG emissions over time:

- After 5 consecutive years of emissions below 25,000 metric tons CO₂/year, or
- After 3 consecutive years of emissions below 15,000 metric tons CO₂/year, or
- When GHG-emitting processes or operations are shut down.

Late revisions to the proposed rule provided for certain combustion source exemptions, including unconventional fuels, flares, hazardous wastes, and emergency equipment.

Reporting Requirements

Regulated sources will have to report emissions in MT from all applicable sources listed. Specific reporting, recordkeeping, and monitoring requirements are listed in the rule. Reports under this rule will go directly to USEPA on forms to be developed. State and/or local requirements for reporting could follow the federal lead.

USEPA estimates that the expected cost to comply with the reporting requirements to the private sector is \$115 million for 2010. In subsequent years, the estimated annualized cost for the private sector is \$72 million.

As a part of the Regulatory Impact Analysis for this rule, USEPA calculated that the rule will not significantly impact on small business. While some small businesses in select sectors will be required to report, the cost of reporting is estimated to be less than one percent of the average annual sales.

If you think your facility is subject to the new Greenhouse Gas Rule, you should take immediate action. Midwest Environmental Services' *Consulting Services Division* has qualified professionals available to assess your facility's operations and determine if the GHG Rule applies. In addition, Midwest can prepare a plan to track your emissions to assure reporting requirements are achieved.

Midwest Environmental Services' *Consulting Services Division* is available to assist you and your company with compliance to applicable environmental and safety regulations. If professional assessment of the applicability of any of the myriad environmental or safety regulations affecting your business would benefit you, contact us at **502-491-0991**, or our Corporate Offices at **800-388-5160**.

Midwest Environmental Services continually works to improve our professional services to offer our valuable clients the best environmental solutions.

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