



Methane to Markets

United States Country Update

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Partnership Expo, New Delhi, India

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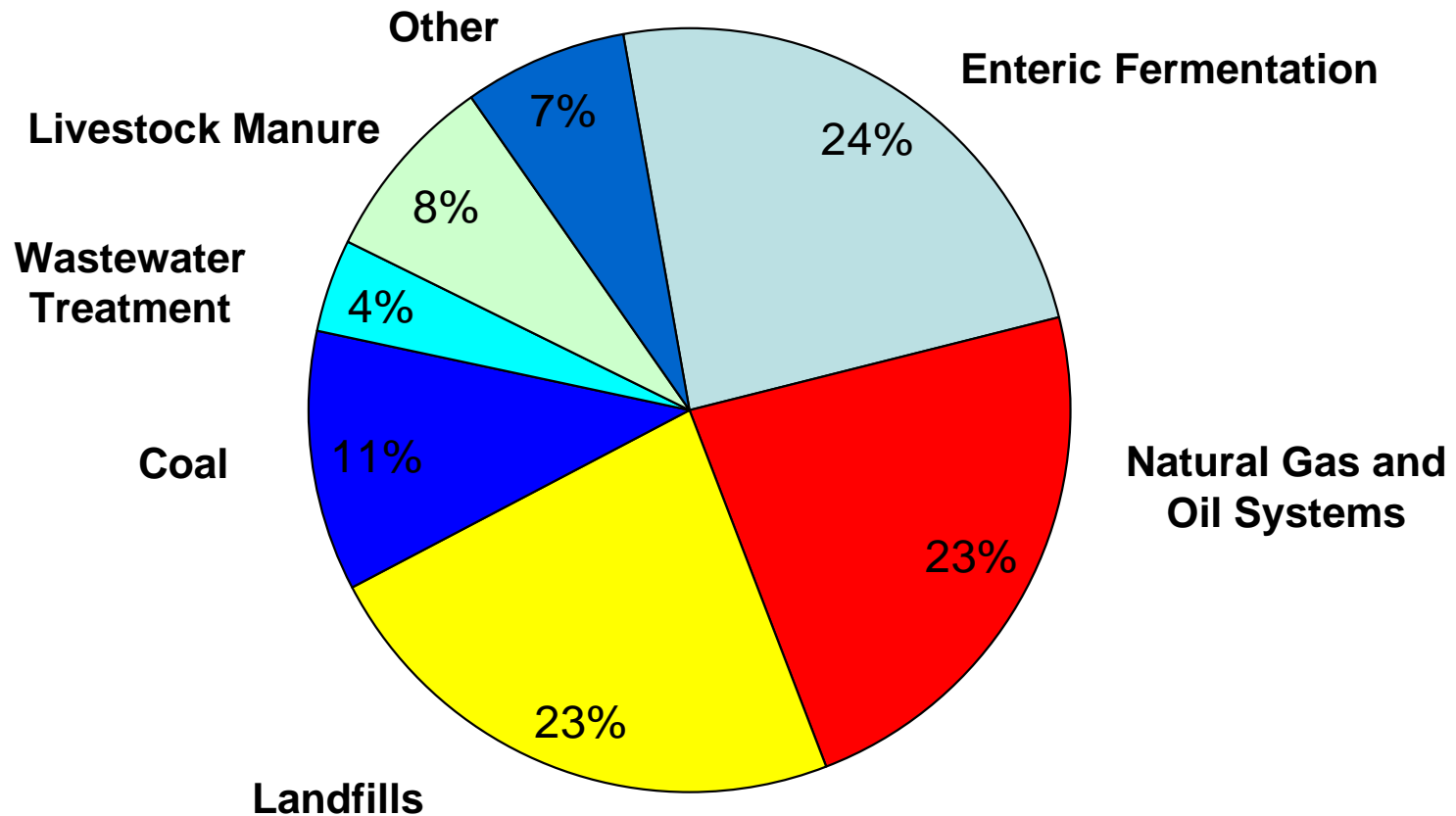


Overview

- US Domestic Efforts
 - Methane Emission Reduction Activities
 - Policy developments
- US Commitment to Methane to Markets
- Concluding Thoughts

Methane Emissions in the US

Methane accounts for about 8 percent of US GHG emissions

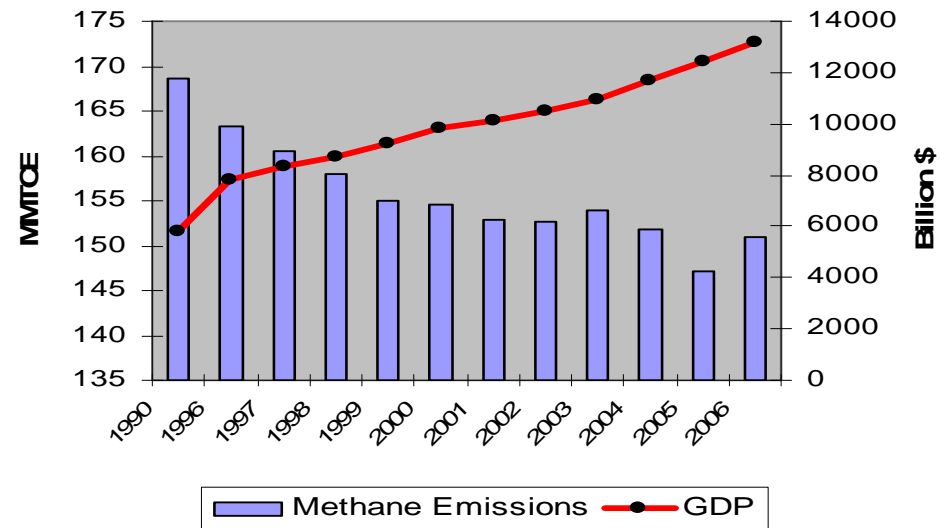


Total = 585 Tg CO₂-eq

Domestic Methane Partnerships

- Natural Gas STAR
 - over 100 companies (60% of industry) in program
 - Since 1993, companies have reported reductions of 63 MMTCE, valued at over \$6 billion USD.
- Coalbed Methane Outreach Program
 - 86% of mine degasification CH₄ is used (up from 25% in 1993)
 - industry effort to demonstrate use for ventilation air methane
- Landfill Methane Outreach Program
 - Over 445 US projects -- tripled since 1994
 - Strong corporate interest in use of landfill gas
- AgSTAR
 - Since 1994, the number of biogas recovery systems has doubled; over 140 projects - generating about 275 million kWh per year.

Changes in US Methane Emissions and Economic Growth 1990 - 2006



Policies are Evolving

- Continued actions at the State and local level to address climate change (i.e., RGGI, CA)
- President Obama is pursuing a comprehensive approach to invest in alternative and renewable energy, address the global climate crisis and create millions of new jobs
- Significant activity in Congress to address clean energy and climate change
- US EPA is pursuing responsibilities under the Clean Air Act to address GHG emissions

GHG Mandatory Reporting Rule

- Requires reporting of greenhouse gas (GHG) emissions from all sectors of the economy in the United States
- Provides accurate and timely data to inform future climate change policies and programs
- Annual reporting of GHG by:
 - 25 source categories
 - 5 types of suppliers of fuel and industrial GHG
 - Motor vehicle and engine suppliers (except light duty sector)
 - Facility based reporting for all source categories for which there are methods
- 25,000 metric tons CO₂e per year reporting threshold for most sources; capacity-based thresholds where feasible
- Estimated 10,000 facilities (85% of US emissions coverage)
- Direct reporting to EPA electronically, system will be web-based
- EPA will conduct verification of the emissions data

CAA Endangerment Finding

- April 2007– In *Massachusetts v. EPA*, the Supreme Court found that GHGs are air pollutants covered by the Clean Air Act
- December 2009 - EPA Administrator signed endangerment & cause or contribute findings for GHGs under Clean Air Act:
 - **Endangerment Finding:** The Administrator finds that elevated atmospheric concentrations of six greenhouse gases taken in combination endanger both the public health and public welfare of current and future generations.
 - **Cause or Contribute Finding:** The Administrator also finds that the combined emissions of these greenhouse gases from new motor vehicles and new motor vehicle engines contribute to the greenhouse gas air pollution that endangers public health and welfare under section 202(a) of the Clean Air Act.
- Endangerment finding is a prerequisite for using section 202 of the Clean Air Act to regulate GHGs

- **GHG Reductions from Mobile Sources**
 - NPRM to Establish Light-Duty Vehicle Greenhouse Gas Emission Standards and Corporate Fuel Economy Standards (September 15, 2009)
- **GHG Reductions from Large Stationary Sources**
 - NPRM: “Prevention of Significant Deterioration and Title V GHG Tailoring Rule” (September 30, 2009)
 - Focus on large facilities emitting over 25,000 MTCO₂e per year – would require permits that demonstrate best available control technology

Congressional Activity

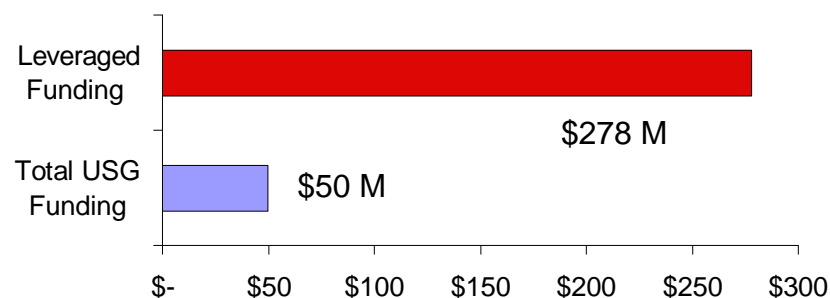
- House passed American Clean Energy and Security Act of 2009
 - Clean Energy Title – Federal RES – incentives for LFGE
 - Section 811 – NSPS for sources greater than 10,000 MTCO₂e
- Draft Senate climate bill—Kerry-Boxer Clean Energy Jobs & American Power Act—released September 30, 2009
 - Differences from House bill: slightly more ambitious targets; price collar on carbon permits; fewer international offsets allowed; EPA retains authority to regulate GHGs under CAA
 - Allocations not specified
 - NSPS delayed until 2020 – opportunity for offsets
- Current legislative framework focuses on cap and trade, but also other policy tools, like:
 - Energy efficiency
 - Renewable Energy

US M2M Commitment



- **Pledged \$53 million over five years at Partnership launch in 2004. To date:**
 - Provided over \$50 million to support a wide range of projects and activities
 - Leveraged over \$278 million in public and private sector contribution
- **Providing significant support to the Partnership through the ASG and technical support in all 4 sectors**
 - Supporting projects in Argentina, Brazil, China, Colombia, Ecuador, India, Korea, Mexico, Mongolia, Nigeria, Poland, Philippines, Russia, Thailand, Ukraine and Vietnam
- **US EPA has announced new grant solicitation for up to \$5 million. Deadline is July 29th, 2010.**

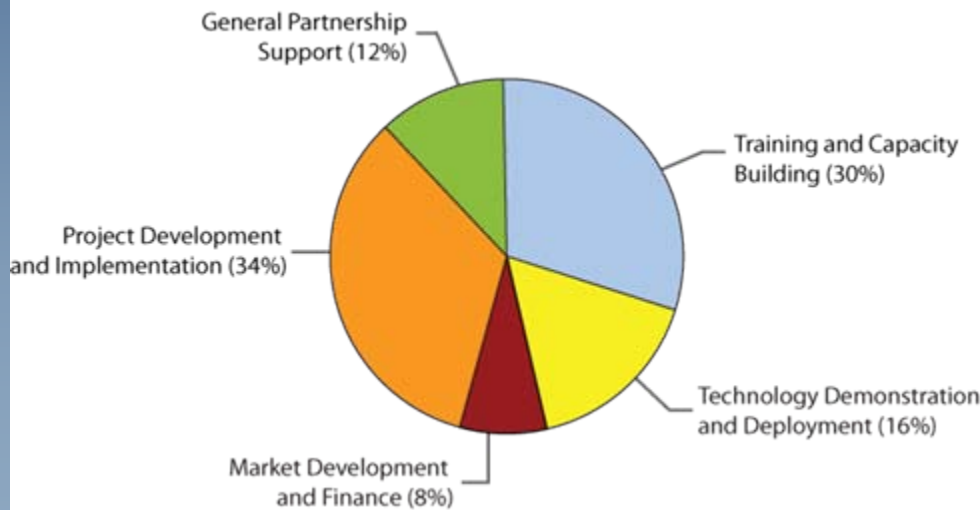
USG Investment and Leveraged Funding



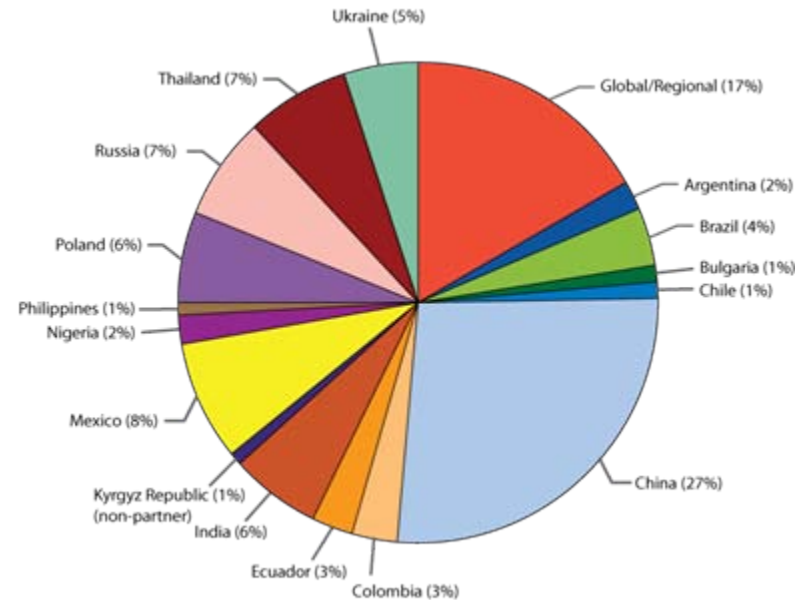
US Activities

- US activities directly support action plans and focus on advancing project development in developing countries
- EPA is exporting the expertise from our domestic programs

FY 2008 US Expenditures by Type of Activity



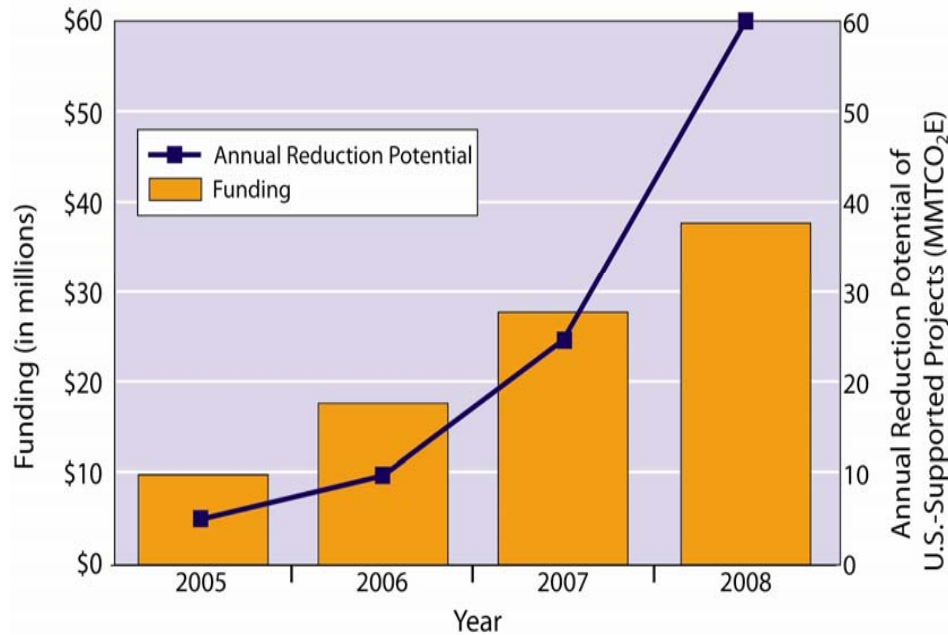
FY 2008 US Expenditures by Recipient Country



Accomplishments

- US is engaged in over 170 projects all around the world that are expected to reduce methane emissions by 60 million metric tones of carbon dioxide equivalent.

U.S. Government Funding for Methane to Markets and Annual Reduction Potential, 2005-2008



Methane to Markets
The U.S. Government's Methane to Markets Partnership Accomplishments

Fourth Annual Report
September 2009



Looking Forward

- An enhanced global commitment to Methane to Markets offers a significant opportunity to achieve climate change and clean energy goals
- US is strongly supportive of key Steering Committee decisions reached in September 2009
 - Formalize emphasis on national action plans
 - Incorporate appropriate linkages to the UNFCCC
 - Broaden focus to include methane destruction
 - Improve/enhance monitoring and reporting of partnership activities
- The US supports the development of a Ministerial Declaration to reinforce the importance of the Partnership
- The US encourages developed country partners to make financial commitments to support the future work of the Partnership

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