

**U.S. Department of Energy
Energy Information Administration**

Supporting Statement

**Voluntary Reporting of Greenhouse Gases Program Survey:
Form EIA-1605
OMB Number: 1905-0194**

July 30, 2010

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Background

The U.S. Energy Information Administration (EIA) is submitting this supporting statement to the Office of Management and Budget (OMB) to request approval on a **three-year extension** of the Form EIA-1605, *Voluntary Reporting of Greenhouse Gases*. This form is designed to collect voluntarily reported data on greenhouse gas emissions, reported reductions in greenhouse gas emissions and reported amounts of carbon sequestration, pursuant to Section 1605(b) of the Energy Policy Act of 1992 (Pub. L. 102-486, 42 U.S.C. 13385).

EIA, as part of its effort to comply with the Paperwork Reduction Act of 1995 (Pub. L. 104-13, 44 U.S.C. Chapter 35), provides the general public and other Federal agencies with opportunities to comment on collections of information conducted by or in conjunction with the EIA. Any comments received help the EIA to prepare data requests that maximize the utility of the information collected and to assess the impact of collection requirements on the public. The EIA later seeks approval by the Office of Management and Budget (OMB) under Section 3507(a) of the Paperwork Reduction Act of 1995.

Original Voluntary Reporting of Greenhouse Gases Program

The original Voluntary Reporting of Greenhouse Gases Program collection began in 1995 pursuant to General Guidelines issued by the U.S. Department of Energy's (DOE) Office of Policy in October 1994. EIA collected data under EIA Form-1605 and EIA Form-1605EZ (since discontinued in 2006) during calendar years 1995 through 2006. A summary of the results of the original Voluntary Reporting of Greenhouse Gases Program appear in the Program's annual report titled *Voluntary Reporting of Greenhouse Gases, Summary 2005* (<http://www.eia.doe.gov/oiaf/1605/vrrpt/summary/index.html>) issued in December 2006. Additionally, a "public-use" database containing all the non-confidential information reported to the original Voluntary Reporting of Greenhouse Gases Program on Form EIA-1605 is available at the program's webpage (<http://www.eia.doe.gov/oiaf/1605/index.html> and http://www.eia.doe.gov/oiaf/1605/data_reports.html).

Revised Voluntary Reporting of Greenhouse Gases Program

On April 21, 2006,¹ DOE issued final General and Technical Guidelines for the revised Voluntary Reporting of Greenhouse Gases Program (71 FR 20784) (<http://www.eia.doe.gov/oiaf/1605/Gen%20Guidelines%20final%20rule%20Apr21.pdf>). The new program guidelines became effective on June 1, 2006. The revised guidelines are designed to enhance measurement accuracy, reliability, and verifiability of submitted data and to take into account emerging domestic and international approaches. The purposes of the program enhancements are to: (1) establish revised procedures and reporting requirements for filing voluntary reports, and (2) encourage corporations, government agencies, non-profit

¹ U.S. Department of Energy, *Guidelines for Voluntary Greenhouse Gas Reporting; Final Rule*, 71 Federal Register 20784, April 21, 2006, <http://www.eia.doe.gov/oiaf/1605/Gen%20Guidelines%20final%20rule%20Apr21.pdf>.

organizations, individuals and other private and public entities to submit annual reports of their total entity-wide greenhouse gas emissions, net emission reductions, and carbon sequestration activities that are complete, reliable and consistent.

On January 31, 2007, however, DOE issued in the Federal Register (72 FR 4411) draft corrected Technical Guidelines designed to correct factual and drafting errors, eliminate inconsistencies, update certain references, clarify intent, and modify or eliminate certain inappropriate calculation methods that were included the March 2006 Technical Guidelines currently referenced by the General Guidelines. Following a 30 day public comment period, DOE on April 2, 2007, issued a Federal Register notice (72 FR 15598) making the January 2007 Technical Guidelines effective as of March 2, 2007 and finalized on April 2, 2007.

In response to the newly issued General and Technical Guidelines, EIA modified EIA Form-1605, discontinued Form EIA-1605EZ, and subsequently received OMB approval for the modified EIA Form-1605 on July 13, 2007 with an expiration date of July 31, 2010. EIA finalized EIA Form-1605 and the Instructions to EIA Form-1605 in October 2007. Between October 2007 and November 2009, internet-based reporting software was developed for EIA Form-1605.

EIA officially launched the revised Voluntary Reporting of Greenhouse Gases Program on November 18, 2009. The initial data reporting cycle for Start Year reports, which include base period emission data but do not include emission reduction data, closed on May 17, 2010. EIA is still in the midst of processing these data but plans on issuing the program's Annual Report in August 2010. Pending OMB approval of EIA's request to modify and extend the EIA Form-1605 data collection for an additional three years, EIA intends to launch the 2010 reporting year cycle, where program participants will be allowed to submit both Start Year reports and Reporting Year reports. Reporting Year reports allow program participants to report emission reductions relative to base period emissions included in their Start Year Reports. At the time this supporting statement was developed 52 entities had enrolled in the revised Voluntary Reporting of Greenhouse Gases Program and 34 had submitted Start Year Report data (see table below).

Table 1: Voluntary Reporting of Greenhouse Gases Program Enrollees 2009 Cycle		
Reporter Name:	Start Year	Submitted:
AEF Consulting Engineering, & Construction	2009	
Allegheny Energy	1996	Yes
Berkshire Power Company, LLC	2002	Yes
Biogen Idec	2005	Yes
BNSF Railway	2004	Yes
Boston Generating, LLC	1999	Yes
Brent Run Generating Station	2009	Yes
CalPortland Company - Colton Cement Plant	1990	Yes
CalPortland Company - Mojave Cement Plant	1990	Yes
CalPortland Company Rillito Cement Plant	1990	Yes
City Utilities of Springfield, MO	1990	
Constellation Energy	2008	Yes
Dakota Gasification Company	2000	Yes
Dynagraf	2007	Yes
El Paso Corporation	2006	Yes
Exelon Corporation	2001	Yes
Expedient Energy	2009	
Gainesville Regional Utilities	2006	Yes
General Motors	2000/1990*	Yes
Grand Blanc Generating Station	2009	
Granger Electric #1	2009	
Granger Electric #2	2009	
Granger Electric of Byron	2009	
Granger Electric of Pinconning	2009	
Granger Electric of South Jordan	2009	
Granger Energy of Honey Brook	2009	
Hanes Dye & Finishing Company	2002/1998*	
HW Hill Landfill Gas	2006	Yes
IBM Corporation	2005	Yes
Innovative Energy Systems, LLC	2007	Yes
JEA	2006	Yes
Jim Walter Resources	2002/1990*	
McMinnville Electric System	2009	Yes
Meridian Specialty Yarn Group, Inc.	2005	Yes
Mirant Kendall, LLC	2006	
Montefiore Medical Center	2009	Yes
MTC Limousine	2006	
Nashville Electric Service	2008	
Newsday, Inc	2004	Yes
Nisource	2009	Yes
Ottawa Generating Station	2009	
Pepco Holdings, Inc	2008	Yes
Polar Technology, LLC	2008	Yes
Portland General Electric	2008/1990*	

Public Service Enterprise Group	2005	
Snohomish County PUD	2007	Yes
Springs Global US, Inc.	2008	Yes
State Farm	2004	
Tampa Electric Company	2002/1990*	Yes
The Dow Chemical Company	2005	
USDA (Farm City)	2009	Yes
Washington Savings Bank	2009	Yes

* Entities with two Start Years are both registering (for the later period) and reporting but not registering (for the earlier period).

EIA is requesting OMB approval for a 3-year extension of the Form EIA-1605, with revisions. The revisions to Form EIA-1605 are summarized below.

Summary of Changes to Form EIA-1605

As a result of the experience gained in the implementation of the first reporting cycle under the revised guidelines launched on November 18, 2009, the EIA is proposing several minor revisions to Form EIA-1605 and the accompanying instructions. These revisions fall into three categories: 1) Caption/instruction changes; 2) grid changes; and 3) changes to the form designed to make information collected on the paper form consistent with information reported electronically by respondents via EIA’s Internet Survey Management System (ISMS). Summaries of the three types of changes are provided below. Note that in the proposed revised forms posted on EIA’s webpage (<http://www.eia.doe.gov/oiaf/1605/omb2010.html>), EIA will highlight sections of the forms that have been revised.

Caption/Instruction Changes

EIA has made contextual changes to the captions and explanatory text in Schedule I, Schedule II, Schedule III and Schedule IV in order to provide respondents with effective guidance for properly completing both the paper and electronic versions of the form. These changes were made in response to usability testing as well as internal review. Changes have also been made to correct errors, including typos, in the previously approved forms.

Emissions Inventory Grid Changes

EIA has modified the emissions inventory grids in Schedule I, Section 2, Part B and Addendum A to include two additional columns with the captions “Fuel Type” and “Specific Facility/ Source Name (optional)”. These columns are needed in order to disaggregate the estimation methods and associated ratings reported on the electronic form and, therefore, allow the system to calculate a weighted rating of the emission inventory methods used by respondents. EIA also revised some of the emission sources listed in the inventory grids to align them with the sources and methods identified in the Technical Guidelines.

Changes to Accommodate the Electronic Form

EIA has modified portions of Form EIA-1605 to reflect the fact that certain questions and question/sequences in the electronic version of the form are necessary in order to activate only those sections of the electronic form that the respondent needs to fill out. The changes are also intended to reduce the burden of reporting using the electronic software and improve usability. EIA has made the following changes to Form EIA-1605 and its accompanying Instructions:

Form EIA-1605 (Main Form)

- Schedule I, Section 1, Questions 3b, 3d, 3e, Question 4, and Question 7
 - These questions were edited to more easily identify if a reporter had included any subentities in its report, whether a reporter had aggregated its emissions by gas, and to better identify the reporters entity category.
- Schedule I, Section 3, Part B
 - Instructional text at the beginning of the section has been edited to include reference to the new Addendum D
- Schedule I, Section 3, Part B, Question 1
 - Column 2 “Name of Non-Reporter’s Subentity” has been eliminated (Subentities are not required in the Offset Entity Statement (Addendum D)).
- Schedule I, Section 4
 - Instructional text at the beginning of the section has been edited to include language informing the respondent that they must select their reductions methods in the Start Year report.
- Schedule I, Section 4, Questions 1, 2, 3, 4
 - These questions were edited to more readily identify the emission reduction methods used by reporters in order to allow the proper workflow to efficiently operate within the electronic reporting form.
- Schedule II, Section 3, Questions 1, 2
 - These questions were edited to allow for reporters to more clearly specify why they established a separate subentity in their report.

Addendum A (Inventory Subentity/Foreign)

- Change to the header of the addendum to indicate that this addendum was to be used for “offset emissions” from a non-reporter, as well as from a subentity or for foreign emissions.
- A checkbox was added to the first question to include whether or not the following inventory grids were for offset emissions and to provide the name of the offset provider.
- Part C header was changed to include “offset emissions”

Addendum B (Reduction Methods)

- Addendum B2, Part A, Questions 3, 4
 - These questions were deleted because the information is captured elsewhere on the form.
- B4, B5, B14
 - Addition of a series of questions asking the respondent to provide information indicating the geographic scope of the “Avoided Emissions Benchmark(s)”, if the

scope is domestic and there is a single region to then enter the region number, and if the scope includes multiple regions or is foreign enter the weighted benchmark and describe how it was calculated. These questions are intended to allow the electronic form to calculate the “Avoided Emissions Benchmark” for both electricity and thermal emissions automatically. The changes are also necessary to allow analysts to review the reduction method used and determine how a weighted factor was obtained. (Addendum B 4, Part B, Questions 1 and 2; Addendum B5, Part A, Questions 2, 3, and 4; and Addendum B14, Part A, Question 2).

- B6, B7, B9, B10
 - Addition of a series of questions, asking the respondent to provide information indicating the geographic scope of the “Avoided Emissions Benchmark” for electricity, if the scope is domestic and there is a single region then enter the region number, and if the scope includes multiple regions or is foreign enter the weighted benchmark and describe how it was calculated. These questions are intended to allow the electronic form to calculate the Electricity Avoided Emissions Benchmark. The changes are also necessary to allow analysts to review the reduction method used and determine how a weighted factor was obtained. (Addendum B6, Part C, Questions 3a, 3b, 3c, 4a, 4b, and 4c; Addendum B7, Part C, Questions 3a, 3b, 3c, 4a, 4b, and 4c; Addendum B9, Part C, Questions 1, 2, and 3; Addendum B10, Part C, Questions 3a, 3b, 3c, 4a, 4b, and 4c).
- B13
 - Part A of Addendum B13 was restructured, in order, to accommodate necessary electronic form changes. No questions were added or subtracted, but instead the question type and ordering was changed. (Addendum B13, Part A, Questions 1, 2, 3, 4, and 5).

Addendum D (Non-Reporter Offset Entity Statement)

- This addendum was created in order to accommodate the guideline requirement that reporters must fill out an “Offset Entity Statement” for those offsets obtained from a non-reporter to the program. As many of the questions in Schedule I, Section 1 (Entity Statement) are not relevant for a non-reporting entity providing offset reductions to a reporting entity, EIA has developed Addendum D (Offset Entity Information), which is a truncated version of Schedule I that eliminates irrelevant questions from the entity statement.

Instructions

Each comparable section of the instructions was updated to reflect the changes made to the form described above

A. Justification

1. Legal Justification

The statutory authority of this voluntary program is section 1605(b) of the Energy Policy Act of 1992 (Public Law 102-486, 42 USC 13385) that states:

(b) Voluntary Reporting. -

(1) Issuance of Guidelines. - Not later than 18 months after the date of the enactment of this Act, the Secretary shall, after opportunity for public comment, issue guidelines for the voluntary collection and reporting of information on sources of greenhouse gases. Such guidelines shall establish procedures for the accurate voluntary reporting of information on-

(A) greenhouse gas emissions-

(i) for the baseline period of 1987 through 1990; and

(ii) for subsequent calendar years on an annual basis;

(B) annual reductions of greenhouse gas emissions and carbon fixation achieved through any measures, including fuel switching, forest management practices, tree planting, use of renewable energy, manufacture or use of vehicles with reduced greenhouse gas emissions, appliance efficiency, energy efficiency, methane recovery, cogeneration, chlorofluorocarbon capture and replacement, and power plant heat rate improvement;

(C) reductions in greenhouse gas emissions achieved as a result of -

(i) voluntary reductions;

(ii) plant or facility closings; and

(iii) State or Federal requirements; and

(D) an aggregate calculation of greenhouse gas emissions by each reporting entity.

Such guidelines shall also establish procedures for taking into account the differential radiative activity and atmospheric lifetimes of each greenhouse gas.

(2) REPORTING PROCEDURES. - The Administrator of the Energy Information Administration shall develop forms for voluntary reporting under the guidelines established under paragraph (1), and shall make such forms available to entities wishing to report such information. Persons reporting under this subsection shall certify the accuracy of information reported.

(3) CONFIDENTIALITY. - Trade secret and commercial or financial information that is privileged or confidential shall be protected as provided in section 522 (b)(4) of Title 5, United States Code.

(4) ESTABLISHMENT OF DATA BASE. - Not later than 18 months after the date of enactment of this Act, the Secretary, through the Administrator of the Energy Information Administration, shall establish a data base comprised of information voluntarily reported under this subsection. Such information may be used by the reporting entity to demonstrate achieved reductions of greenhouse gases.

The EIA-1605 reporting form was originally formulated pursuant to the program guidelines developed by the DOE's Office of Policy and International Affairs. DOE finalized the Program Guidelines in 1994 following a public comment period and public hearing on a set of the proposed guidelines. The availability of the Program Guidelines was announced in the Federal

Register on October 19, 1994 (59 FR 52769). These Guidelines are entitled *Voluntary Reporting of Greenhouse Gases under Section 1605(b) of the Energy Policy Act of 1992 - General Guidelines and Supporting Documents (DOE/PO-0028), October 1994* (available at <http://www.eia.doe.gov/oiaf/1605/guidelns.html>). As mentioned above, however, the original guidelines have now been superseded by revised General and Technical Guidelines issued by DOE on April 21, 2006,² which became effective on June 1, 2006. Subsequent technical corrections to the Technical Guidelines became effective on March 2, 2007 and finalized on April 2, 2007 (72 FR 15598).

2. How, by whom, and for what purpose is the information used

The EIA prepares an annual report summarizing the results of the Program, based on the information reported on Form EIA-1605, titled *Voluntary Reporting of Greenhouse Gases* [DOE/EIA-0608]. This report highlights and recognizes reporters' efforts to reduce or avoid greenhouse gas emissions. The most recent report issued is *Voluntary Reporting of Greenhouse Gases 2005 - Summary*, released in December 2006. This report can be accessed directly at <http://www.eia.doe.gov/oiaf/1605/vrrpt/summary/index.html>. EIA expects to issue the next summary report later this year. The report will summarize reported data for the initial reporting cycle that opened on November 18, 2009 and closed on May 17, 2010.

The EIA also established and maintains, pursuant to requirements under Section 1605(b) of the Energy Policy Act of 1992, a public-use database containing the data/information reported to the Program. Under the original Voluntary Reporting of Greenhouse Gases Program, the data was updated annually and made available to the public on the Program's CD-ROM and downloadable via the Internet from the EIA's website (<http://www.eia.doe.gov/oiaf/1605/databases.html>). Under the revised program, EIA intends to make data reported to program available to the public via EIA's website.

The original Voluntary Reporting of Greenhouse Gases Program was unique among the existing voluntary emission reduction programs in its diversity of project types, participation, and approaches. The Voluntary Reporting of Greenhouse Gases Program's database provides a wealth of examples of the types of concrete actions that organizations can undertake to reduce greenhouse gas emissions. Some of the most important uses/benefits of the Voluntary Reporting Program include:

- **Education** - The program helps educate staff at many of the largest corporations in the United States how to estimate their greenhouse gas emissions, and educates them on a range of possible measures to limit their emissions. This is an important requirement for future action to reduce emissions.
- **Information** - Reporters can learn about innovative emission reduction activities from the experiences of their peers.

² U.S. Department of Energy, *Guidelines for Voluntary Greenhouse Gas Reporting; Final Rule*, 71 Federal Register 20784, April 21, 2006, <http://www.eia.doe.gov/oiaf/1605/FinalGenGuidelines041306.pdf>.

- **Voluntary Reporting Mechanism** - The program has served as a reporting mechanism for a number of government voluntary programs, including the Department of Energy’s (DOE) Climate Challenge Program, Environmental Protection Agency’s (EPA) Landfill Methane Outreach Program, the U.S. Initiative on Joint Implementation, and the Energy Star Program (a joint program of DOE and EPA).
- **Reported Emission Reductions Registry** - The program has created a "test" database of approaches to emission reductions that can be used to evaluate future emissions limitation policy instruments. As such, the database serves as a registry of emissions and reductions reported on the Form EIA-1605. The database preserves a record for reporters demonstrating achieved reductions and sequestration as well as emission levels. With this record, reporters may be able to establish a basis for future policy or regulatory regimes.
- **Greenhouse Gas Accounting Issues** - The program has illuminated many of the important emissions accounting issues that must be addressed in designing any future approaches to emission limitations.

The Voluntary Reporting Program was originally designed to be a general purpose registry and reporting program for greenhouse gas emissions, reductions, and commitments. The original design objectives of the EIA’s Voluntary Reporting of Greenhouse Gases Program, included:

- Flexibility;
- Broad participation; and
- Allowance for the reporting of a broad range of greenhouse gas emissions reductions activities/actions, without foreclosing or preempting future legal definitions of a reduction, reporting entity, baselines, who can report, what can be reported, etc.

The focus of the revised Voluntary Reporting of Greenhouse Gases Program is to “enhance the measurement accuracy, reliability, and verifiability” of the Program. Key objectives of the new Program, according to DOE’s Office of Policy and International Affairs are to:

- Encourage comprehensive, entity-wide reporting
 - Of both emissions inventories and reductions
 - Of all gases and sequestration
 - Of direct and certain indirect emissions
- Enhance quality, consistency and transparency
- Use emissions intensity as the primary measure of reductions

With the key elements of the revised Program being:

- Comprehensive emission inventory guidelines, with a quality rating system
- Registration of qualifying reductions, including offsets

- Entity-wide, emissions intensity focus
- Broad recognition of avoided emissions and other special categories of reductions; and
- Innovative guidance and tools for agricultural and forestry sectors.

Reasons for reporting cited by DOE include:

- To demonstrate the results of an entity’s commitment to reducing greenhouse gas emissions.
- To establish an official, government record of entity emissions and reductions.
- To initiate a comprehensive program of greenhouse gas emission monitoring and management.
- To document emission reductions that might be recognized by future government policies and programs.

3. Use of Improved Information Technology

Pursuant to requirements under Section 1605(b) of the Energy Policy Act of 1992, the EIA designed, developed, and implemented the Survey Forms EIA-1605. As part of the ongoing effort to reduce reporter burden, electronic versions of the forms were created to facilitate electronic reporting of the data on Form EIA-1605. Under the original program, EIA developed a “client-server” based database system, with ORACLE as the back-end database, as well as a data entry sub-system for entering, editing, and browsing the data. This data entry sub-system was distributed each year, to persons, firms, associations, and other types of organizations, who voluntarily choose to participate and/or express an interest in participating in the Program. The electronic version of the forms helped to reduce respondent burden, ease reporting, and facilitate filing.

Under the revised program, reporters submit their data via EIA’s Internet Data Collection (IDC) system. The new IDC system allows Program reporters to submit their emissions and reductions data to EIA over the Internet. Reporters access the IDC application through EIA’s single sign-on application using specified user names and user IDs. Reporters are allowed to save and submit their data to the 1605b database. Reporters choosing not to report via the IDC still have the option of filling out a paper form and mailing or faxing it to EIA.

4. Efforts to Identify Duplication/Similar Information

After a review of EIA’s other energy data survey collections forms, it was concluded that no unnecessary duplication of reported data would be created. Furthermore, an analysis of similar existing information was performed. This analysis also revealed no significant duplications in reported material. A thorough investigation was made of current reporting practices of potential reporters. This review divided the range of potential reporters into economic sectors: electricity supply, industrial, residential and commercial buildings, transportation, and agricultural and forestry sectors. Also, included below is a comparison of EIA’s Voluntary Reporting of

Greenhouse Gases Program and EPA's recently announced Greenhouse Gas Mandatory Reporting Rule (MMR).

(1) Electricity Supply Sector

For the electricity supply sector, existing data reported to EIA and Federal Energy Regulatory Commission (FERC) was investigated. Although a considerable amount of energy-related data is currently reported to EIA and FERC, it is primarily focused on estimating/calculating energy-use for specific sectors of the economy. These other data collections are not normally used to estimate greenhouse gas emissions and greenhouse gas reductions.

Some emissions data are collected by the EPA under Title IV of the Clean Air Act Amendments of 1990. Electric generators are required to monitor and report their emissions of acid rain precursors, specifically, sulfur dioxide and nitrogen oxides, through continuous emissions monitoring (CEM) systems. The flows of these gases are monitored frequently enough to approximate continuous monitoring in order to report concentrations. While these data may prove useful to reporting emissions under 1605(b), they do not address reporting greenhouse gas emissions reductions. More importantly, these data are constrained to the definition of point of source as a reporter or activity. The breadth of the 1605(b) program does not limit reporting to individual point sources, but rather focuses on the emissions consequences of a broad-range of activities from an entire corporate entity.

(2) Industrial Sector

Both voluntary and mandatory reporting practices in the industrial sector were reviewed. The set of mandatory reporting includes Securities and Exchange Commission (SEC) regulations on financial information for the protection of investors. In addition, the annual reports of many potential corporate reporters were investigated for non-financial operational data such as the number of trees planted by a papermaking company. Again, the review illustrated that emissions data were not generally reported although some of the existing data can be used by reporters as inputs to estimating emissions or sequestration.

The Toxic Release Inventory (TRI) administered by the EPA primarily collects information on emissions toxic to humans. Incorporated in this list are some ozone-depleting substances that, under the General Guidelines, are reportable to the Voluntary Reporting Program. These data are useful in determining some greenhouse gas emissions, but reductions information is not reported. Thus, the TRI is a useful input, but does not constitute a complete report.

Operating information on production and other operating data collected by other government agencies including the Departments of Commerce and Interior were investigated. This information along with data reported to trade associations by constituent members was assessed. None of this information specifically addresses emissions of the gases covered by this program.

However, it was determined that information reported will prove useful to those reporters who wish to file the Form EIA-1605 by providing some input information for estimating their greenhouse gas emissions and reductions.

(3) Commercial and Residential Sectors

Compared with electricity and industrial sectors, very little information on greenhouse gas emissions is reported by the commercial and residential sectors. EIA collects data on the energy usage of a representative sample of commercial buildings and households.

(4) Transportation Sector

For transportation-related activities, items such as fuel use and vehicle miles traveled are reported to various agencies including the Department of Transportation, the Department of Commerce, and EIA. Such data are useful in calculating greenhouse gas information, though this information is not sufficient for reporting an emission reduction.

(5) Agricultural and Forestry Sectors

Reviews of the agricultural and forestry sectors include data reported to the U.S. Department of Agriculture (USDA). Information is also reported to the Federal tree planting programs that are operated by USDA's U.S. Forest Service. These programs are largely aimed at promoting certain forestry practices such as forest management and reforestation after harvest, and are not intended as data collection systems.

The effort to identify similar existing data sources yielded very useful findings for the form design process because form design relies heavily on existing information from which reporters can estimate emissions, reductions, and sequestration levels. Therefore, even though the existing data sources are inadequate and not duplicative, the information plays a vital role in estimating the effects of the activities undertaken to reduce greenhouse gas emissions and increase carbon sequestration.

EPA Greenhouse Gas Mandatory Reporting Rule (MRR)

EPA's MRR was established by the Fiscal Year 2008 Consolidated Appropriations Act enacted in December 2007. The MRR will require, beginning in the year 2011, suppliers of fossil fuels or industrial greenhouse gases, manufacturers of vehicles and engines, and operators of other facilities that emit 25,000 metric tons of carbon dioxide equivalent (CO_{2e}) or more per year of GHGs to submit annual reports on their GHG emissions to EPA.

Although EPA's MRR is slated to collect facility-based GHG emission data starting in 2011, there are some important differences between EPA's MRR and EIA's Voluntary Reporting of Greenhouse Gases ("1605(b)") Program:

- EIA’s Voluntary Reporting Program is a voluntary program, whereas the EPA MRR is a mandatory reporting program;
- EIA’s Voluntary Reporting Program collects data on GHG emissions, emission reductions, carbon sequestration, and emission offsets while the EPA MRR will collect data on emissions of GHGs only;
- EIA’s Voluntary Reporting Program collects information at the entity-wide level, whereas the EPA MRR will collect GHG data at the facility level.

The chart shown below summarizes some of the key differences between the 1605(b) Program and EPA’s MRR.

Under their current configurations, EIA’s Voluntary Reporting of Greenhouse Gases Program and EPA’s MRR are not duplicative since the Voluntary Reporting Program is focused on the voluntary reporting of entity-based emission inventories and emission reductions, whereas EPA’s MRR will be a mandatory, facility-based emission inventory reporting program only.

Requirement	EIA Voluntary Reporting of Greenhouse Gases Program	EPA MRR
Emission Inventory	Yes	Yes
Emission Reductions	Yes	No
Emission Offset Projects	Yes	No
Trading	No	No
Geographic Boundaries	U.S. (required); Foreign (optional)	U.S. (required), including emission sources imported/exported
Organizational Boundaries	Financial Control; Management Control; Equity Share	Facilities with annual emissions in excess of 25,000 tons CO _{2e}
Reporting Level	Entity	Facility
Indirect Emissions	Yes	No
De Minimis/ Materiality	3%	No De Minimis exclusion
Gases Included	Kyoto 6 (CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, & SF ₆); CFCs optional	Kyoto 6 (CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, & SF ₆), plus NF ₃ and HFEs
Baseline/ Base Year	Base Year 1-4 year avg; Register Reductions: 2002+ Report Reductions: 1990+	Initial Data Collection is for the 2010 calendar year; first reports due March 2011
Electricity Factors	EIA state-based regional emission factors; indirect emissions from purchased electricity reported	NA; indirect emissions from purchased electricity not reported
Emission Reduction Methods	16 emission reduction	NA

	methods including Emission-Intensity, Absolute Emissions, & Carbon Sequestration	
Certification/Verification	Self Certification required; independent 3 rd party verification optional; EIA desk audit conducted	Self Certification with EPA verification
On-line Electronic Reporting	Yes	Planned
CH₄ = methane; N₂O = Nitrous Oxide; HFCs = Hydrofluorocarbons; PFCs = Perfluorocarbons; SF₆ = Sulfur Hexafluoride; CFCs = Chlorofluorocarbons; NF₃ = Nitrogen Trifluoride; HFEs = Hydrofluorinated Ethers		

5. Impact on Small Business or Other Small Entities

Because the Form EIA-1605 is voluntary, no undue, unfair, or discriminatory burden is placed on small businesses by this program. However, small businesses are encouraged to report all of their efforts to reduce emissions. Small emitters, those with emissions of less than 10,000 metric tons carbon dioxide equivalent and in many cases small businesses, are subject to lesser reporting requirements than large emitters. Small emitters, for example, need not submit a full entity-wide emissions inventory in their reporting year reports and only have to report emissions for those activities for which they are reporting emission reductions.

In addition to reduced reporting requirements, small businesses/entities, as well as large entities, will be able to reduce their reporting burden by utilizing EIA's Integrated Survey Management System (ISMS). ISMS will allow reporters to securely access their reporting form and prior year data via the Internet using EIA's Single Sign-On (SSO) application that gives reporters access to all of their reporting forms. ISMS should reduce reporter burden because of the direct access to report forms, pre-population of certain data elements, auto-calculation of formula-based data elements, built in on-page validation rules and full-pass validation functions to reduce error and reporter callbacks, and the ability of EIA analysts and reporters to simultaneously view a reporter's form to correct any errors not resolved through full-pass validation.

6. Consequences of Less Frequent Collection

The legislation requests that emissions and reductions information can be reported for 1987 through 1990 and for subsequent calendar years on an annual basis. Additionally, Section 300.8(g) of the Program's General Guidelines requires reporting entities to report annually on a continuous basis. This is done to ensure that the summation of entity annual reports accurately represents net, multi-year emission reductions. It is critical that the Program maintain accurate information on emissions, reductions, and carbon sequestration activities because greenhouse gases and global warming are a long-term national concern and the subject of various extensive research projects. To promote these objectives, annual collection of information is necessary. Such annual reports allow users of the data to better analyze emission trends, reduction activities, carbon sequestration activities, and relative participation in the Program.

7. Special Circumstances of the Information Collection

Data are submitted in compliance with 5 CFR 1320.5, General Information Guidelines. Section 300.9(d) specifies certain recordkeeping requirements that reporting companies must follow. Entities intending to register reductions must maintain adequate supporting records of base period data for the duration of their participation in the 1605(b) program. Supporting records for all reporting year data must be maintained for at least three years subsequent to the relevant reporting year to enable verification of all information reported. The records should document the basis for the entity's report to EIA.

8. FR Notice Soliciting Comments on Data Collection

EIA received no comments in response to its Federal Register Notice announcement (75 FR 14145) of March 24, 2010, containing the request for a 3-year extension of the Forms EIA-1605 with revisions.

9. Payment of Gifts to Respondents

There are no plans to compensate Form EIA-1605 respondents.

10. Disclosure Information

Information reported on Form EIA-1605 is considered public information and may be publicly released in identifiable form. The information reported on Form EIA-1605 may be treated as confidential if a respondent makes a written request that its information is financial or commercial information and confidential or privileged, and they are able to satisfy the criteria for exemption under the Freedom of Information Act (FOIA), 5 U.S.C. §552, the DOE regulations, 10 C.F.R. §1004.11, implementing the FOIA, and the Trade Secrets Act, 18 U.S.C. §1905.

11. Questions of a Sensitive Nature

There are no questions of a sensitive nature on the Form EIA-1605.

12a. Information Collection Burden

Assumption: The typical Form EIA-1605 reporter is assumed to be a "Large Emitter," intends to "register" emission reductions, files only domestic data, uses Schedule I (Sections 1, 2, and 3) and Schedule IV (Section 2), and does not have the information reported "Independently Verified." The estimated average burden for this submission would be 60³ hours per response.

³ The 60 hour estimate is equivalent to the 60 hour estimate used for the previous version of Form-1605 and is based on EIA experience with the form to date.

The expected total estimated reporter burden for the 2010 reporting cycle (2009 data year) is 6,000 hours, calculated as follows:

Expected number of Form EIA-1605 Reporters = 100⁴:

100 (# of Reporters) X 1 response per year X 60 hours per response = 6,000 hours.

12b. Annualized Cost to the Respondents

Expected total annualized cost to the respondents for the 2010 reporting cycle (2009 data year) is estimated to be **\$480,000** ----- calculated as follows:

Expected total estimated respondent burden (6,000 hours) X estimated average respondent cost per hour (\$ 80 per hour)⁵ = **\$480,000**.

13. Costs to the Respondents

While EIA projects that almost all, if not all, burden to respondents will be in burden hours as reflected in item A-12 above, there is a possibility of additional (a) capital and start-up cost or (b) total operation and maintenance and purchase of service components associated with this data collection. Based on the lack of response to EIA's request for comments, EIA, however, cannot provide an estimate of such costs because in such instances where these costs are incurred they could vary widely depending on the complexity of the entity and capabilities of the entity's existing data collection systems.

14. Costs to the Federal Government

The estimated annualized cost of the EIA's Voluntary Reporting of Greenhouse Gases Program information collection, processing, analysis, report writing, and data dissemination activities, for the year 2010 (2009 data) reporting cycle is \$ 665,000 calculated as follows:

4 The 100 estimate of number of reporters is slightly below the estimate of 150 reporters in the last Information Collection Request on the 1605(b) Program. The expected reduction is based on current reporting levels and the expectation that the newness of the Program may initially reduce participation as some reporters take a "wait and see" approach. Future reporting years, however, will probably see larger numbers if the Program is implemented smoothly.

5 EIA staff reviewed the hourly rates for the Electric Power, Transmission, and Distribution sector of the economy because many of the previous reporters on the EIA-1605 were from that sector. EIA considered the most recent estimates (May 2009) of the U.S. Bureau of Labor Statistics ([http://www.bls.gov/oes/current/naics4_221100.htm#\(1\)](http://www.bls.gov/oes/current/naics4_221100.htm#(1))). Those wage estimates do not reflect fully loaded rates including benefits and support staff. Also, given the technical requirements as well as the importance to potential reporting companies for recording comprehensive, entity-wide reporting of emissions inventories, emissions, reductions, and sequestration, EIA expects the employees to be involved in the EIA-1605 reporting will include high level employees in those organizations choosing to participate. EIA used the mean hourly rate for environmental engineers (\$40/hour) and adjusted it by 100 percent to reflect an estimated fully loaded cost reflecting the conditions cited above.

Federal Personnel (0.85 Full-time Employees) ⁶	120,000
Contractor Support Costs:	545,000
Communications Center	97,000
Forms Review/Data Editing	286,000
Data Analysis and Report Preparation	78,000
Publication Support (review/editing/formatting)	8,000
Database and Software Maintenance/Enhancements	74,000
Other Miscellaneous Costs	2,000
Total	\$ 665,000

It is important to note that the 2010 reporting cycle (2009 data) will be the first deployment of the Reporting Year form (the 2009 reporting cycle entailed emission-only, Start Year reports). As such, EIA is expected to incur a one-time, start-up cost of \$138,000 to integrate the Reporting Year form and certain authoring and administrative functions into EIA's Integrated Survey Management System (ISMS).

It is also important to note that since reporting to the Program is purely voluntary, the contractor support cost metrics, particularly "Forms Review/Data Editing" and "Communications Center" are extremely sensitive to changes in level of participation and the nature of the participant. For example: "Larger Emitter" versus "Small Emitter"; "Reporter intending to register reductions" versus "Reporter that is reporting but not registering reductions"; and type and level of complexity of report submitted (Entity-level only, entity-level and sub-entity level, domestic versus foreign activities, "independently verified," "offset" reporting, "avoided emissions" reporting, etc.) The type and level of complexity that the report reflects, is completely self-determined by the respondents (participants in the Program).

15. Reasons for Changes in Burden

For the 2010 reporting cycle (2009 data) it is expected that certain Program changes will decrease burden hours by 3,000 hours. An adjustment in the number of respondents is expected to decrease burden as the number of expected respondents is projected to 100 from the 150 listed in the previous data collection.

The expected burden hours estimate under this new data collection is calculated as follows:

Expected number of Form EIA-1605 Reporters = 100

100 (# of Reporters) X 1 response per year X 60 hours per response = 6,000 hours.

The previous burden hours estimate under current data collection = 9,000 hours⁷

⁶ Based on average loaded (salary plus benefits) cost for an EIA employee.

⁷ This is based on 150 respondents using form EIA-1605. Previous burden estimate under current data collection equals (150 respondents X 60 hours) = 9,000 hours.

Program Decrease = Expected Burden - Previous Burden = 3,000 hours

16. Plans for Tabulation and Publication

<u>Activity</u>	<u>Estimated Date</u>
Reporting Year Program Launch	August 2010
Filing deadline (Self-Certified Reports)	October 2010
Filing deadline (Independently-Verified Reports)	December 2010
Data Analysis and Report Writing Completed	February 2011
Public Use Data Base is Available	March 2011
Release of annual report	March 2011

17. Display of Expiration Date and OMB Approval Number

The EIA will display the expiration date of the Form EIA-1605 on the survey form.

18. Exceptions to Certification

DOE takes no exceptions to the certification statements on the OMB 83-I.

B. Description of Data Collection and Survey Design

1. Collection of Data

Because the EIA's Voluntary Reporting of Greenhouse Gases Program is voluntary, participation is determined through a self-selection process. Statistical methodologies do not apply to this ICR. The forms were developed on the working premise that the "volunteers" have done something to either reduce greenhouse gas emissions or sequester carbon and that these volunteers want to report and or "register" their emissions reductions achievements under this Program. Therefore, the pool of respondents will not represent a random probability sample of all possible reporters because the form is not designed as, nor is it used as, a statistical survey instrument developed according to a recognized statistical sampling theory or methodology.

2. Description of Survey Design

The structure of Form EIA-1605 is designed in such a way that its level of complexity is

completely self-determined by the reporters. If reporters wish to report but not register reductions, does not have any subentities, reports on only domestic activities and does not report emission offset reduction, and does not employ third-party verification they will probably have fairly modest reporting requirements. Conversely, reporters wishing to register reductions, with multiple subentities, reporting on domestic and foreign activities, with emission offsets and employs third-party verification will have a very comprehensive, fulsome report.

Under the EIA's Voluntary Reporting of Greenhouse Gases Program, a reporting entity is any business, institution, organization, government agency or corporation, or household that is recognized under any U.S. Federal, State or local law; is located and operates, at least in part, in the United States; and, the emissions of such operations are released, at least in part, in the United States. (Section 300.2, General Guidelines, April 2006).

3. Maximizing the Response Rate

EIA attempts to encourage additional responses to the Program by raising public awareness of the Program. These efforts are focused on the issuance of the Program's annual report, *Voluntary Reporting of Greenhouse Gases*, press releases regarding significant actions, Program Newsletters, list serve announcements and maintenance of the Voluntary Reporting of Greenhouse Gases section of EIA's environmental webpage (<http://www.eia.doe.gov/oiaf/1605/index.html>). EIA also participates as an invited speaker at industry conferences to give presentations on the Program. It is important to note, however, that the concept of a response rate is not really applicable to the Voluntary Reporting Program because, as a voluntary survey, there is no way of identifying a number of "desired" potential respondents or "designated" in-scope cases that can be used as the denominator of a response rate.

4. Tests of Procedures or Methods

The Office of Management and Budget approved the Form EIA-1605 on May 26, 1995 (OMB No. 1905-0194) as a recurring annual survey collection instrument. As part of that approval process, tests of the procedures and methods were performed. Since their approval (May 26, 1995), the Form EIA-1605 has been in operational existence for 13 reporting cycles (with the expectation of a fourteenth cycle) and has demonstrated that it is operationally successful.

C. Terms of Clearance from Previous Information Collection Request

There were no terms of clearance as part of the last data collection approval on July 13, 2007.

D. Name and Telephone Number of Program Contact Person

Should you have any questions or comments regarding this request for a 3-year extension of the Form EIA-1605, with revisions, please contact:

Mr. Paul F. McArdle
U.S. Department of Energy
Energy Information Administration, EI-81
1000 Independence Avenue, S.W.
Washington, D.C. 20585
Telephone: (202) 586-4445
FAX: (202) 586-3045
Internet E-Mail: paul.mcardle@eia.doe.gov

E. Enclosure

Form EIA-1605 “Voluntary Reporting of Greenhouse Gases Reporting” package, which includes:

- a) Supporting Statement
- b) Form EIA-1605
- c) Instructions to Form EIA-1605

Electronic versions (PDF) of the Revised Form EIA-1605 and accompanying instructions are also available on the Internet at:

<http://www.eia.doe.gov/oiaf/1605/omb2010.html>

If you wish to obtain additional hard copies of the enclosed documents, please:

Call **1-800-803-5182**; or **202-586-0688**

Write to the: Voluntary Reporting of Greenhouse Gases Program
Energy Information Administration
EI-81
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585; or

You may also contact the Program by Internet E-Mail at **infohg@eia.doe.gov**