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# Addressing Carbon Neutrality in Federal Rulemakings

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# Positions to date affirm carbon neutrality

- Department of Energy, Technical Guideline: Voluntary Reporting of Greenhouse Gases
  - “Reporters that operate vehicles using pure biofuels within their entity **should not add the carbon dioxide emissions from those fuels** to their inventory of mobile source emissions because **such emissions are considered biogenic** and the recycling of carbon is not credited elsewhere.”

# Positions to date affirm carbon neutrality

- EPA, Inventory of U.S. Greenhouse Gas Emissions and Sinks
  - Excludes combustion of biomass and biomass based fuels.
  - “Carbon dioxide emissions from these activities . . . are **not included** in national emissions totals because biomass fuels are of biogenic origin. It is assumed that the C released during the consumption of biomass is recycled as U.S. forests and crops regenerate, causing **no net addition of CO2** to the atmosphere.”
  - “The combustion of biomass fuels such as wood, charcoal, and wood waste and biomass-based fuels such as ethanol from corn and woody crops generates CO2. However, **in the long run the CO2 emitted from biomass consumption does not increase atmospheric CO2 concentrations**, assuming that the biogenic C emitted is offset by the uptake of CO2 that results from the growth of new biomass. As a result, **CO2 emissions from biomass combustion have been estimated separately from fossil fuel-based emissions** and are not included in the U.S. totals.”

# EPA May Address in PSD Tailoring Rule

- Purpose of Rule is to set threshold for greenhouse gas emissions that, in turn, will determine whether stationary sources are subject to permitting requirements under the Prevention of Significant Deterioration Program.
- Question presented: In assessing whether a stationary source emits greenhouse gases above or below threshold, are biogenic emissions counted or excluded?

# EPA May Address in PSD Tailoring Rule

- EPA in **proposed** rule triggered PSD applicability on whether a source “emits or has the potential to emit, at least 25,000 tpy CO<sub>2</sub>e of greenhouse gases, as defined under **paragraph (b)(58)** of this section.” 74 Fed. Reg. 55351.
- Paragraph (b)(58) reads:
  - (b)(58) Carbon dioxide equivalent, or CO<sub>2</sub>e, means a metric used to compare the emissions from various greenhouse gases based upon their global warming potential (GWP). The CO<sub>2</sub>e for a gas is determined by multiplying the mass of the gas by the associated GWP. The applicable GWPs and guidance on how to calculate a source’s GHG emissions in tpy CO<sub>2</sub>e **can be found in EPA’s “Inventory of U.S. Greenhouse Gas Emissions and Sinks,”** which is updated annually under existing commitment under the United Nations Framework Convention on Climate Change (UNFCCC).
- Thus, **proposed** Tailoring Rule references EPA inventory, which excludes biogenic emissions.

# Other Possibilities

- EPA:
  - Final PSD Tailoring Rule (by end of April)
    - (1) Affirm carbon neutrality;
    - (2) Stay silent regarding carbon neutrality;
    - (3) Reconsider carbon neutrality.
  - Greenhouse Gas BACT guidance
  - Renewable Fuel Standard
- CEQ: NEPA Guidance
- USDA: Focus on greenhouse gases and technical methods for estimating greenhouse gas emissions from forest projects.
- DOE:
  - Voluntary GHG reporting program
  - Loan guarantee program (projects that “avoid, reduce, or sequester” GHGs)
- DOI: ESA regulations
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