

The Western Climate Initiative Reporting Overview



The Climate Registry

Understanding Reporting Compliance
in Cap-and-Trade Systems

Seattle, WA

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WCI Objectives

- Western Climate Initiative:
 - Collaborative effort to reduce greenhouse emissions among the WCI partners.
 - Three deliverables:
 - Set a regional emissions reduction goal.
 - Design a regional multi-sector mechanism to achieve the reduction goal.
 - Join The Climate Registry.



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WCI Objectives

- Commitment to Work Jointly to:
 - Promote clean and renewable energy in the region
 - Increase energy efficiency
 - Advocate for regional and national climate policies that are in the interest of western states
 - Identify measures to adapt to climate change impact



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WCI Partners and Observers

Partners:

Arizona	Utah	British Columbia
New Mexico	Washington	Manitoba
Oregon	Montana	Quebec
California		Ontario

Observers:

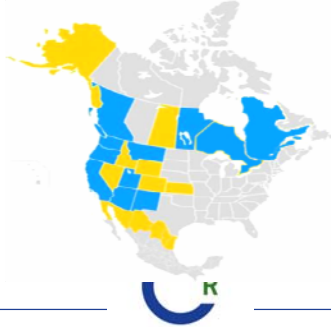
Alaska	Kansas	Idaho
Colorado	Nevada	Wyoming
Saskatchewan		
Sonora	Tamaulipas	Baja California
Chihuahua	Nuevo Leon	Coahuila



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The Western Climate Initiative Partners and Observers



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Emission Goals

- California: * 1990 levels by 2020
- Arizona: 2000 by 2020; 50% below 2000 levels by 2040
- New Mexico: 2000 by 2012; 10% below by 2020; 75% below by 2050
- Oregon: * 1990 by 2010; 10% below 1990 by 2020; 75% below by 2100
- Washington: * 1990 by 2020; 25% below 1990 by 2035; 50% below 1990 by 2050

* Statutory



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Emission Goals

- **Utah:** 2005 by 2020
- **British Columbia:*** 10% below 1990 levels by 2020
- **Manitoba:** 6% below 1990 by 2012
- **Montana:** 1990 levels by 2020
- **Quebec:** Below 1990 levels by 2012
- **Ontario:** 6% below 1990 levels by 2014 and 15% below 1990 levels by 2020

* Statutory



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WCI Design Principles

- **Equitable, administratively simple, clear compliance path**
- **Maximize total benefits and avoid localized or disproportionate environmental or economic impacts**
- **Advance economic, environmental, and public health objectives;**
- **Real, verifiable, enforceable reductions**



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WCI Design Principles

- **Encourage reductions beyond capped sectors/sources**
- **Recognition/incentives for early reductions**
- **Transparent and robust accounting system that facilitates links to other systems**
- **Minimize potential for leakage**



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Design Recommendations

- **Comprehensive program**
 - Six primary greenhouse gases
 - All major sources of emissions
- **Individual State/Province programs**
 - Harmonized around essential elements
 - Linked to create a regional trading market
- **Firm emissions limit**
 - Individual State/Province 2020 emissions goals



Design Recommendations

- **Flexible compliance**
 - Cap and trade
 - Offsets
 - Allowance banking (but no borrowing)
 - Three year compliance periods
 - Early reduction allowances
- **Allowance distribution**
 - Individual partner discretion
 - Auctions



Reporting Recommendations

- **Sectors to include in Cap and Trade**
 - Electricity generation, including emissions from electricity generated outside the WCI
 - Combustion at industrial and commercial facilities
 - Industrial process emission sources
- **Transportation, residential and commercial fuel combustion to be addressed in 2nd compliance period in 2015**



Reporting Recommendations

All sources greater than 10,000 Metric tons required to report in WCI

- Annual Reporting
- All 6 GHG's
- Starting in 2010

- Annual Reporting
- All 6 GHG's
- Starting in 2010
- 3rd Party Verification

>10,000 Metric
Tons CO₂e



>25,000 Metric
Tons CO₂e



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Next Steps

- **Mandatory reporting**
 - Finalizing Essential Requirements for Mandatory Reporting (12/08)
 - 1st year of reporting likely 2010 (report in 2011)
- **Continued program development**
 - Implementation
 - Stakeholders
- **Authority**



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For More Information:

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