

US EPA proposes mandated national reporting of greenhouse gas emissions

The US Environmental Protection Agency (EPA) has proposed the first comprehensive national system for reporting emissions of carbon dioxide and other greenhouse gases produced by major sources in the United States. The proposed rule was developed by the EPA under the authority of the *Clean Air Act* and would mandate annual reporting from major emitters of carbon dioxide and other greenhouse gases. Approximately 13,000 facilities would be covered under the proposed reporting system. The facilities include suppliers of fossil fuel and industrial chemicals, manufacturers of motor vehicles and engines, and large direct emitters from energy intensive sectors whose greenhouse gas emissions are equal to or greater than a threshold of 25,000 metric tons per year. The facilities covered by the proposal account for up to 90% of the greenhouse gases emitted in the United States. Under the proposed rule, companies would submit their first annual report to EPA in 2011 for the calendar year 2010, except for vehicle and engine manufacturers, which would begin reporting for model year 2011. The EPA estimates an expected cost to comply with the reporting requirements of \$160 million for the first year. In subsequent years, the annualized costs for the private sector would be \$127 million.

Source: Federal Register, April 10 2009, Proposed Rules, from US EPA website at: <http://www.epa.gov/EPA-AIR/2009/April/Day-10/a5711.htm>

Treaty to combat mercury to be negotiated

In February 2009 environment ministers of 140 nations unanimously decided to commence negotiations on an international treaty to tackle world wide emissions and discharges of mercury. A voluntary Global Mercury Partnership is proposed whilst negotiations for a legally binding treaty take place. The plan includes the boosting of capabilities to store stockpiled mercury, reducing supply and reducing use in products such as thermometers and industrial lamps. It will also seek to raise awareness of the dangers of mercury in mining, where an estimated 10 million small scale miners and their families are exposed.

The mercury decision and other agreements reached at the UN Environment Programme Governing Council/ Global Ministerial Environmental Forum in Nairobi, including the decision to increase the UNEP budget significantly, were a clear message that environment was moving back to centre stage despite the financial crises, according to Achim Steiner UN Under-Secretary and UNEP Executive Director.

Some possible changes in the United States

Some recent movements in the United States indicate a shift in approach to environmental issues:

- President Obama's February 2009 'bail-out' for the US economy includes a cap and trade system including \$80 billion investment in renewable energy programmes. In March 2009 he outlined plans to spend \$200 billion and introduce tax incentives to promote America's 'clean-energy future', to 'attack the problems that have held us back for too long'.
- It was announced in late March 2009 that the US was organising a series of meetings among 16 nations and the European Union to discuss energy and environment issues during April 2009 and then on the sidelines of the G8 summit in July. This Major Economies Forum on Energy Security and Climate Change includes Australia, India, China, Brazil, Russia and Germany (amongst others). Whether this forum is more productive than former President Bush's initiative during his last years in office remains to be seen.
- In late March 2009 President Obama signed off on far reaching legislation, a package of more than 160 Bills, that will set aside around 2 million hectares in nine states, as new wilderness – putting the areas off limits for development, including oil and gas drilling. The package was approved, following years of negotiation, having been passed 285-140 in the House of Representatives.

NELR recent developments

European law to phase out non-efficient lightbulbs

In March 2009 the European Commission adopted two eco-design regulations that set energy efficiency, functionality and product information requirements for domestic and office, street and industrial lighting products. The regulation will progressively remove inefficient conventional bulbs from the market and enable progressive adaptation of production processes for efficient alternatives. The light bulb regulations are to save roughly 80TWh by 2020, the equivalent of the annual output of about 20 power stations of 500 megawatts, and lead to a reduction of around 32 million tonnes of carbon dioxide emissions per year. The Commission intends to implement further eco-design measures over the next few months covering products such as whitegoods and heating products.

UN REDD Programme - \$18 million approved

The UN Reducing Emissions from Deforestation and Forest Degradation (REDD) Programme has approved \$18 million support for five pilot programmes in Africa, Asia and Latin America. The UN REDD Programme is a collaboration between the Food and Agriculture Organisation, the UN Development Programme and the UN Environment Programme with the goal of ensuring REDD becomes a feature of the future multilateral agreement on climate change, set to be agreed in December 2009 at UN climate change negotiations in Denmark. Greenhouse gas emissions from deforestation, including felling and slash and burn agriculture, account for roughly 17% of emissions and are the second largest source of emissions after the energy sector. For more information see: <http://www.unep.org>.

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Wayne Gumley

Carbon Pollution Reduction Scheme

- **Release of exposure draft legislation** - On 10 March the Minister for Climate Change and Water released exposure draft legislation and explanatory materials for the Carbon Pollution Reduction Scheme. Building on the Green Paper and White Paper released last year, the exposure draft legislation sets out in legislation what is required of participants in the Scheme and the mechanics of the Scheme. The Government is seeking feedback from stakeholders on the terms of the draft legislation and its effectiveness in delivering the White Paper's policy positions by 14 April 2009. Copies of the draft legislation can be found on the Department of Climate Change website.
- **Release of guidance paper for emissions-intensive trade-exposed activities** - On 18 February 2009, the Department of Climate Change released a guidance paper for the assessment of activities for the purposes of the emissions-intensive trade-exposed (EITE) assistance program under the Government's Carbon Pollution Reduction Scheme. The government will provide \$9 billion to assist a range of businesses and industries under

the Scheme out to 2012. The guidance paper outlines the assessment process and provides guidance to industry on the requirements for this assessment. The assessment process will inform the Government's decision on which activities in the economy are eligible to receive EITE assistance, the rates of assistance that will apply to eligible activities and the basis for allocations to these eligible activities. The Government will make final decisions taking into consideration the policy framework outlined in the White Paper and the information provided through this assessment process. Their final decisions will be reflected in the Scheme regulations. The guidance paper is available on the Department of Climate Change website.

National Rainwater and Greywater Initiative - rebates for rainwater tanks and greywater systems

As at 30 January 2009, Australian households will be eligible for a rebate of up to \$500 each for the purchase of a rainwater tank or a greywater system under the \$250 million National Rainwater and