



U.S. Environmental Protection Agency

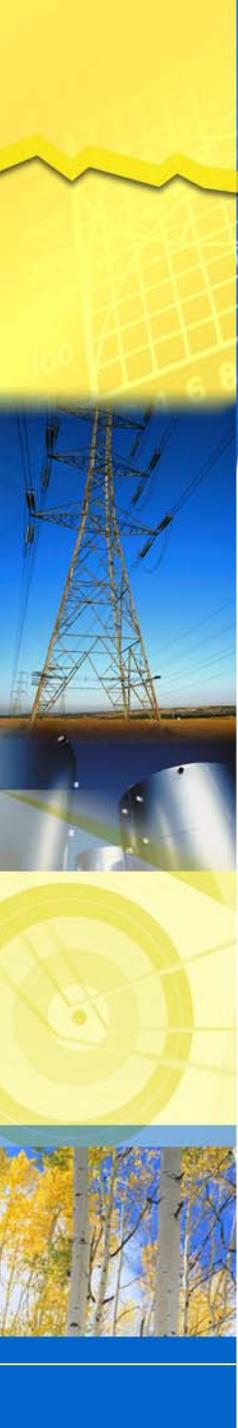
*Update on
Climate Developments
and
Progress Report*

January 18, 2006



Meeting Objectives

- ◆ **Update on climate developments**
- ◆ **Update on Climate Leaders progress**
- ◆ **Peer exchange**
- ◆ **Partner recognition**
- ◆ **Feedback from Partners on new program elements**
- ◆ **Discuss future direction of the program**



Recent Climate Change Developments

- ◆ **National**
- ◆ **International**
- ◆ **State & Local**
- ◆ **NGO**
- ◆ **Financial Community**
- ◆ **Corporate Responses**

National Developments

President's Climate Change Strategy

- ◆ **Science & Technology Program**
- ◆ **Registering Reductions**
 - Department of Energy's 1605(b) Program
- ◆ **International Strategy**
 - Multilateral approaches – APEC, technology partnerships
 - Bilateral engagement
- ◆ **Business Challenges**
 - Climate Leaders
 - Climate VISION sector agreements

- ◆ **Federal Legislation**
 - Cap & Trade Bills pending (Carper, McCain etc.)
 - Senate adoption of Bingaman Resolution in EPA Act 2005
- ◆ **State Lawsuits**

International Developments

- ◆ Kyoto entry into force Feb. 16, 2005
- ◆ Montreal COP-11: "3 I's"
 - Implementation of the Protocol
 - Improvement of CDM
 - Innovation for post-2012 regime
- ◆ G-8 Gleneagles Summit
 - Follow-up summit in UK with developing countries
- ◆ APEC
 - Meeting last week

State and Local Developments

◆ GHG Reduction Mandates

- Northeast Regional Greenhouse Gas Initiative – CO₂ cap and trade for power sector (7 states)
- OR, WA, NE states adopting CA auto emissions standards

◆ Climate Initiatives

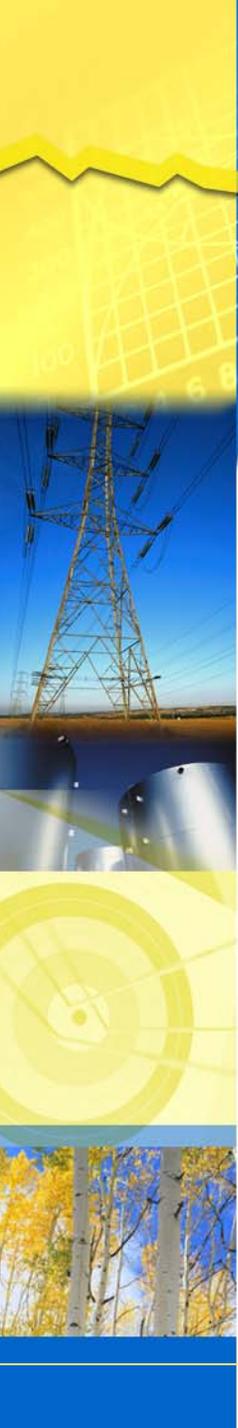
- West Coast Governors' Global Warming Initiative
- CT, ME, MA, NJ mandatory GHG reporting, includes CO₂ as a pollutant

◆ Clean Energy Initiatives

- 20 states with Renewable Portfolio Standards
- CA PUC requiring GHG 'adder' for future power resources

◆ Local: US Conference of Mayors Climate Protection Agreement

- Advance Kyoto goals
- 195 Mayors signed



NGO Programs

◆ **GHG Reporting Standards**

- WRI/WBSCD GHG Protocol
- ISO GHG Reporting Standards finalized

◆ **Corporate GHG Programs**

- Pew Business Environmental Leadership Council – Pocantico recommendations for beyond Kyoto
- Chicago Climate Exchange
 - 25 member companies reducing emissions 1%/year from 2003-06
 - Announced phase II

◆ **Press – Business Week Series**

- www.businessweek.com/go/carbon

Financial Community Developments

◆ Shareholder Resolutions

- 36 climate-related shareholder resolutions filed in 2005

◆ Disclosure Initiatives

- Ceres - UN Investor Summit on Climate Risk
 - connecting climate risk with fiduciary responsibility (+\$3 trillion in assets represented)
 - 10-point Call for Action targets SEC, corporate boards, and financial industry
- Carbon Disclosure Project – round III

Corporate Responses

- ◆ **Assessing Climate Risk**
 - Impacts of emissions constraints
 - Impacts of higher energy, resource costs
 - Insurance implications
- ◆ **Performing Corporate-Wide GHG Inventories**
- ◆ **Setting GHG targets**
- ◆ **Engaging Stakeholders**
 - To provide credibility
 - To ensure transparency
- ◆ **Communicating Leadership**
 - Cinergy's Annual Report, Climate Risk Document
 - AEP's Climate Risk Statement
 - GE's Ecomagination campaign
 - Goldman-Sachs climate and sustainability strategy
 - Ford's Climate Change Report

EPA's Role

◆ Voluntary Programs

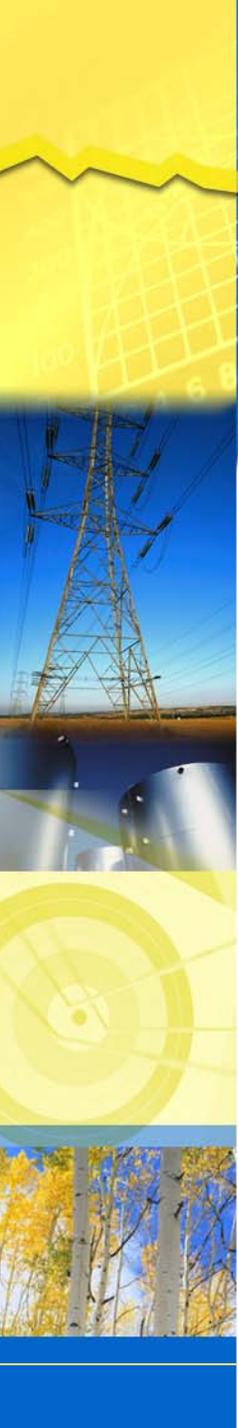
- Climate Leaders
- Energy Star
- Clean Energy Programs
- Methane/High-GWP Programs

◆ Measurement Tools Defining Leadership

- Climate Leaders Inventory Protocol, IMP
- Energy Star Benchmarking Tool for EE
- Green Power Partnership Benchmark

◆ Technical Assistance

◆ Public Recognition



Climate Leaders Update

Achievements to Date

- ◆ Partnership grows to 79 Partners
- ◆ 46 Partners announced GHG reduction goals
- ◆ 18 Partners completed base year reporting
- ◆ 5 Partners reached their GHG reduction goals
- ◆ Corporate GHG management becoming an industry

Congratulations to Partners Who Have Completed Base Year Reporting

- ◆ Ball Corporation
- ◆ Baxter International Inc.
- ◆ Eastman Kodak Company
- ◆ EMC Corporation
- ◆ General Motors Corporation
- ◆ Hasbro, Inc.
- ◆ IBM Corporation
- ◆ Johnson and Johnson
- ◆ Mack Trucks, Inc.
- ◆ Melaver, Inc.
- ◆ Miller Brewing Company
- ◆ National Renewable Energy Laboratory
- ◆ Roche Group U.S. Affiliates
- ◆ SC Johnson
- ◆ Tenneco Automotive
- ◆ The Collins Companies
- ◆ Volvo Trucks North America
- ◆ Xerox Corporation

New GHG Reporting Resources

- Created new spreadsheet to assist Partners with reporting
 - Developed table of emissions factors
 - Developed list of estimation methodologies for small emissions sources
- Refined data collection forms used by contractors and Partners to assist with reporting
 - Standardized kick-off call checklist
 - Standardized site-visit checklist

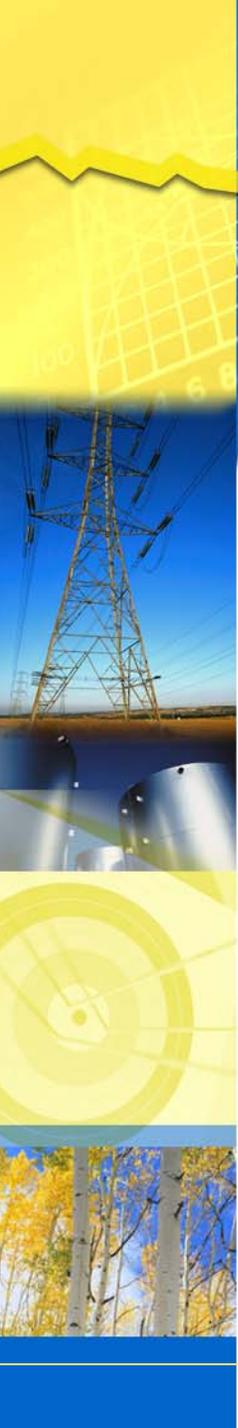
Inventory Protocols

- REC Draft Guidance available for comments
- Offset Guidance
 - draft methodology of 2 project types:
 - boiler replacement
 - methane capture
- ◆ Breakout sessions for REC and Offset Guidance tomorrow
- ◆ Finalizing sector-specific protocols for cement, iron and steel, forest products, pulp and paper, and petroleum

Marketing and Outreach Resources

- ◆ Winter 2006 issue of Carbon Copy
 - highlights best practices in GHG management
- ◆ Partner media kit published
- ◆ Expanded Partner profiles
- ◆ New Program Guide published

PSA Placement Statistics



3M
Advanced Micro Devices, Inc.
American Electric Power
Ball Corporation
Bank of America Corporation
Baxter International
Calpine
Caterpillar Inc.
The Collins Companies
Cinergy Corp.
Eastman Kodak Company
Exelon Corporation
First Environment, Inc.
FPL Group, Inc.
Frito Lay, Inc.
Gap Inc.
General Electric Company
General Motors Corporation
Green Mountain Energy Company
Hasbro, Inc.
Holcim (US) Inc.
IBM Corporation
Interface, Inc.
International Paper
Johnson & Johnson
Maniott International, Inc.
Melaver, Inc.
Miller Brewing Company
National Renewable Energy Laboratory
Norm Thompson Outfitters, Inc.
Pfizer, Inc.
PSEG
Roche Group US Affiliates
SC Johnson
Staples, Inc.
St. Lawrence Cement
Sun Microsystems, Inc.
United Technologies Corporation
Xerox Corporation



CLIMATE LEADERS
U.S. Environmental Protection Agency

EPA congratulates these corporate leaders for setting goals to reduce billions of pounds of greenhouse gas emissions. It's the equivalent of eliminating the annual emissions of 5 million cars. Now, that's a healthy deal which can benefit us all. To learn how your company can become a Climate Leader, go to www.epa.gov/climateleaders.

◆ US News & World Report

- Circulation: 1,075,635
- Ad Value: \$121,612

◆ Forbes

- Circulation: 920,753
- Ad Value: \$108,310

◆ Entrepreneur

- Circulation: 558,462
- Ad Value: \$66,760

◆ Inc.

- Circulation: 2,057,343
- Ad Value: \$268,830

◆ Total Circulation: **4,612,193**

◆ Total Ad Value: **\$565,512**

New Partner Marketing Tactics

Sample Tactics:

- ◆ Retail
 - Register Topper
- ◆ Utility
 - Bill Stuffer
- ◆ Manufacturing
 - Box Insert
- ◆ Banking
 - ATM Splash Screen



We've taken big steps to help prevent global climate change by committing to dramatically reduce our greenhouse gas emissions. So, our loss is everyone's gain. To learn more about our efforts and to make a difference in your world, go to (Partner Website) or www.epa.gov/climateleaders.

Your logo
goes here.



Launching recognition tactics for goal achievers tomorrow!

Program Impact

- ◆ Partners combined U.S. GHG emissions equal to 8 percent of total U.S. GHG emissions
- ◆ The targets announced to date will prevent a total of 8 MMTCE annually
- ◆ These reductions equivalent to the annual emissions of five million cars

Thank You

- ◆ Commitment to reducing GHG emissions
- ◆ Valuable feedback on the program
- ◆ Sharing your company's experiences
- ◆ Providing a learning ground to build a common understanding of credible GHG reporting
- ◆ Helping communicate the value of GHG management

Thanks to Sponsors & Hosts of Site Tours

◆ Welcome Reception

- SC Johnson

◆ Group Dinner

- Bentley Prince Street, an Interface Inc. Company

◆ Site Visits

- Johnson & Johnson
- Bentley Prince Street, an Interface Inc. Company

The Company We Keep

