

CLIMATE LEADERS

SETTING THE STANDARD IN GREENHOUSE GAS MANAGEMENT

Setting a Greenhouse Gas Reduction Goal

Climate Leaders Monthly Webinar Series

August 12, 2009

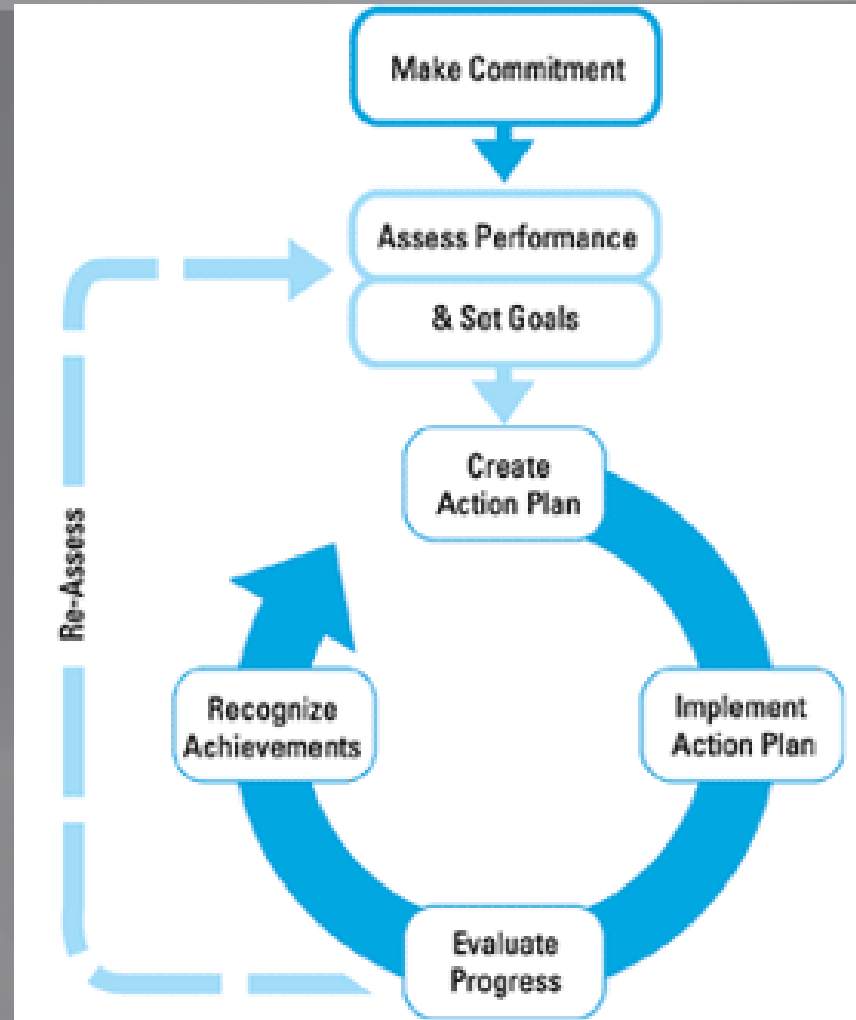


Credible Climate Strategy

Climate Leaders works with organizations to develop a long-term comprehensive GHG management strategy

- Road-tested with ~ 280 partners from every major sector across the country, representing 8% U.S. emissions and 12% U.S. GDP
- 3 critical components to credible strategy:
 - 1) Complete Corporate-Wide GHG Inventory
 - 2) Develop Inventory Management Plan (IMP)
 - 3) Set Aggressive Corporate-Wide GHG Reduction Goal
- Annual reporting to EPA creates lasting record of accomplishments and identifies agency as environmental leader
- EPA recognizes and publicizes progress in the program

Steps to Good Energy & Climate Management



Benefits of Setting a Goal

- Focus high-level attention on existing and potential reduction activities
- Cut energy costs
- Encourage innovation
- Identify new reduction opportunities
- Employee morale, recruiting, and retention
- Positive stakeholder attention (media, investors)

Ensuring leadership goals

Criteria

- **Corporate-wide:** including at least all U.S. operations
- **Forward-looking:** based on the most recent base year for which data are available (generally no more than 1-2 years in the past)
- **Long-term:** achieved over five to 10 years
- **Reduction from baseline emissions:** expressed as an absolute GHG reduction, a decrease in GHG intensity, or as a goal to be “carbon neutral”
- **Aggressive:** in comparison to the projected GHG performance for the Partner’s sector

EPA individually negotiates each Climate Leaders goal

Examples of GHG reduction initiatives to help achieve your goal

“Low Hanging Fruit”

- Lighting Projects (sensors, CFL and high efficiency lights)
- Upgrade Cooling Systems (high efficiency units, system balance)
- Reduce Plug Load (high efficiency equipment)
- Variable Speed Systems for Air Handling and Product Distribution
- Mobile Sources (reduce idling, encourage public transit, increase video-conferencing)

“Higher Hanging Fruit”

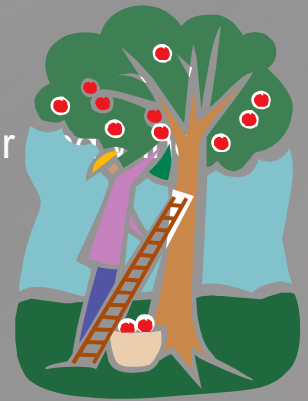
- Combined Heat and Power (CHP)
- Landfill Gas Recovery
- Install Green Power (solar panels, micro turbines)

Innovative Projects

- New Heating/Cooling Systems (ice, under floor distribution, solar building exposure)
- Green Roofs

Other Approaches

- Renewable Energy Certificates (RECs)
- Eligible Project Offsets



Upcoming Goal-Setting Recognition Opportunities

- December 2009 Press Release
- Partners Meeting
 - December 1-3, 2009 in Washington, DC
 - All post-July press release goals will be recognized by a Senior EPA Official and included in the EPA press release issued at the meeting
 - Many Partners choose to issue own press release as well
 - Work with Melissa Donnelly (Donnelly.Melissa@epa.gov), for template and quote

Types of GHG Reduction Goals

Absolute

- Applied Materials pledges to reduce total global GHG emissions by 20 percent from 2006 to 2012.

Normalized

- Interface, Inc. pledges to reduce U.S. GHG emissions by 15 percent per unit of production from 2001 to 2010.

Index

- Ball Corporation pledges to reduce total U.S. GHG emissions by 16 percent per production index from 2002 to 2012.

Net Zero (“Carbon Neutral”)

- Melaver, Inc. pledges to achieve net zero U.S. GHG emissions by 2006 and maintain that level through 2009.

Tracking your Progress

use [Form for Reporting and Inventory Tracking](#) on *Climate Leaders website*

- Always track your absolute emissions
- For normalized goals:
 - Determine an appropriate production metric
 - Should correlate closely to GHG emissions to measure accurately improvements in efficiency
 - Examples: tons of production, MWh power generated
 - Partners with emissions primarily from office space should use square footage of space; Energy Star Portfolio Manager is a great tool for evaluating building efficiency:
http://www.energystar.gov/index.cfm?c=evaluate_performance.bus_portfoliomanager
 - If you acquire or divest a facility, make sure to adjust for production metric as well as emissions

Tracking Your Progress- Absolute Goal

Partner Base Year:	2007
Partner Goal Year:	2011
Goal Emissions Tracking "Absolute" or "Normalized":	Absolute
Goal Year Emissions Target:	10%
(expressed as a percent decrease from base year)	
Specify Normalization Factor (NF) Units:	
(only if tracking normalized emissions for goal)	

Corporate Goal Tracking	Base Year	Year 2	Year 3	Year 4	Year 5 Goal Year
	Year	2007	2008	2009	2010

ABSOLUTE EMISSIONS GOAL TRACKING									
	CO ₂ -eq. (metric tons)	CO ₂ -eq. (metric tons)	% change from base yr	CO ₂ -eq. (metric tons)	% change from base yr	CO ₂ -eq. (metric tons)	% change from base yr	CO ₂ -eq. (metric tons)	% change from base yr
Total U.S. Emissions	5,000	4,900	-2.0%	5,050	1.0%	4,700	-6.0%	4,400	-12.0%
Total Non-U.S. Emissions	--	--	--	--	--	--	--	--	--
Total Absolute Emissions	5,000	4,900	-2.0%	5,050	1.0%	4,700	-6.0%	4,400	-12.0%
	CO ₂ -eq. (metric tons)	CO ₂ -eq. (metric tons)	% change from base yr	CO ₂ -eq. (metric tons)	% change from base yr	CO ₂ -eq. (metric tons)	% change from base yr	CO ₂ -eq. (metric tons)	% change from base yr
Goal Year Absolute Emissions Target	N/A	--	--	--	--	--	--	4,500	-10.0%

Tracking your Progress- Normalized Goal

Corporate Goal Tracking	Base Year	Year 2		Year 3		Year 4		Year 5	
	Year	2007	2008	2009	2010	2011	Goal Year		
NORMALIZED EMISSIONS GOAL TRACKING									
	CO ₂ -eq. (metric tons)	CO ₂ -eq. (metric tons)	% change from base yr	CO ₂ -eq. (metric tons)	% change from base yr	CO ₂ -eq. (metric tons)	% change from base yr	CO ₂ -eq. (metric tons)	% change from base yr
Total U.S. Emissions	5,000	5,500	10.0%	5,600	12.0%	5,650	13.0%	5,700	14.0%
Total Non-U.S. Emissions	--	--	--	--	--	--	--	--	--
Total Absolute Emissions	5,000	5,500	10.0%	5,600	12.0%	5,650	13.0%	5,700	14.0%
	tons of production	tons of production	% change from base yr	tons of production	% change from base yr	tons of production	% change from base yr	tons of production	% change from base yr
Total U.S. Normalization Factor Value	10,000	9,950	-0.5%	12,000	20.0%	12,250	22.5%	13,000	30.0%
Total Non-U.S. Normalization Factor Value			--		--		--		--
Total Normalization Factor Value	10,000	9,950	-0.5%	12,000	20.0%	12,250	22.5%	13,000	30.0%
	CO ₂ -eq. / NF Units	CO ₂ -eq. / NF Units	% change from base yr	CO ₂ -eq. / NF Units	% change from base yr	CO ₂ -eq. / NF Units	% change from base yr	CO ₂ -eq. / NF Units	% change from base yr
Total U.S. Normalized Emissions	0.50	0.55	10.6%	0.47	-6.7%	0.46	-7.8%	0.44	-12.3%
Total Non-U.S. Normalized Emissions	--	--	--	--	--	--	--	--	--
Total Normalized Emissions	0.50	0.55	10.6%	0.47	-6.7%	0.46	-7.8%	0.44	-12.3%
	CO ₂ -eq. / NF Units	CO ₂ -eq. / NF Units	% change from base yr	CO ₂ -eq. / NF Units	% change from base yr	CO ₂ -eq. / NF Units	% change from base yr	CO ₂ -eq. / NF Units	% change from base yr
Goal Year Normalized Emissions Target	N/A	--	--	--	--	--	--	0.45	-10.0%

Steps In the Process

STEP 1: Partner submits an initial goal proposal to EPA (based on inventory and internal analysis)



Partner Goal Proposal Template

This template can be used by Climate Leaders Partners in submitting a goal for review by EPA. This template is a guide and does not need to be filled out completely prior to the Partner entering into discussions with EPA on goal-setting. EPA is available to review goals at any stage of the Partner's goal development process. Partners may submit equivalent information in a Powerpoint presentation or other format if preferable.

Please see <http://www.epa.gov/climateleaders/resources/goal-setting.html> for more detailed information on setting goals.

1) Goal Proposal

- *% reduction, or range of reductions being considered*
- *Indicate absolute, normalized, or net zero*
- *Indicate U.S. or global*

Template available on the Climate Leaders website under “Goal Setting”

Steps in the Process (continued)

STEP 2: EPA completes performance benchmark analysis- evaluates sector “business-as-usual” GHG intensity projected performance

STEP 3: Partner and EPA negotiate an aggressive and achievable goal

STEP 4: EPA seeks management approval of final goal

STEP 5: EPA publicly announces the goal and provides recognition for company’s efforts

- Goal proposals may be submitted at any time
 - No later than October 16, 2009 for announcement at the December meeting
- Goal does not need to be final on your end to initiate goal-setting process
 - Preliminary engagement gives us time to evaluate and ask questions

To set your goal, please contact:

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www.epa.gov/climateleaders

Thank you!