



OFFSET PROVIDERS PETITION EPA OVER NEW RULES

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US emitters should be allowed to use offsets to satisfy federal GHG regulations, a group said.

In a petition released Monday, the Carbon Offset Providers Coalition (COPC) asked the Environmental Protection Agency (EPA) to recognize offsets as a factor when determining whether a plant deserves Clean Air Act permits.

Since Congress failed to pass carbon-capping legislation this year, the EPA said it will move ahead with the first-ever GHG permitting programme for large stationary sources in January.

The regulations will require new and modified industrial facilities and power plants to demonstrate they are using the best available control technology (Bact) to limit their GHG output.

Last month, the EPA released a set of guidelines outlining what criteria states should use when evaluating whether a plant is using the best technology available, which will be determined on a case-by-case basis.

The guidelines did not mention anything about facilities surrendering offsets to meet their Bact requirement – something the COPC hopes the regulator will reconsider when it issues a revision of the guidance in January.

Offsets as technology

In the petition addressed to EPA Administrator Lisa Jackson, COPC Chair Roger Williams said the Clean Air Act does not mandate the installation of any specific technology if emissions restrictions can be met through other means.

“Accordingly, off-site greenhouse gas reductions should be recognized as a form of ‘technology’,” Williams said. He mentioned forest conservation, agricultural methane utilization, and industrial gas destruction as examples of offset types that should be allowed for compliance with EPA regulations. Williams also asked the EPA to adopt a regulatory policy that will allow for the trading and netting of greenhouse gas reductions between regulated facilities.

EPA's initiative

Williams said the Clean Air Act does not expressly prohibit the use of offsets to meet its regulations, and said it was simply a question of whether the EPA wanted to take the “initiative” include offsets in the programme.

He noted several instances when the EPA has made favourable statements about offsets and other market mechanisms to meet GHG reduction targets. Allowing for the use of offsets would make sound financial sense too, Williams argued, citing studies that show the use of market-based offsets can reduce compliance costs in the range 70 to 90 percent.

“By recognizing the benefits of reducing emissions by investing in ‘outside the fence’ reductions, offsets can help America transform its energy structure and transition into a low economy and a new era of jobs growth, environmental benefits, and energy and climate security,” Williams said.

By Rory Carroll – *Washington DC*