

Pay Attention to GHG Emissions

The Government of BC has decided to take a proactive approach to CO₂ emission reductions. They have started by making the commitment to carbon neutrality for Government operations by 2010. In addition, legislation and regulation is being developed to enable the further reduction of greenhouse gas emissions. As part of this push, the British Columbia Ministry of Environment is intending to introduce a Mandatory Reporting of Greenhouse Gas Emissions Regulation under the Greenhouse Gas Reduction (Cap and Trade) Act which received Royal Assent on May 29, 2008. It is anticipated that such a regulation will come into force early in this year.

The Greenhouse Gas (GHG) Reporting Regulation will set out the requirements for the reporting of greenhouse gas emissions to the Ministry and it will support the implementation of a cap and trade system. Cap and trade systems set a limit on the amount of GHG emissions a jurisdiction can be responsible for on an annual basis. They allow for the trading of emission allowances between those who meet the cap efficiently and those who are having a hard time doing so.

The details of a BC cap and trade system have yet to be fully developed but the Western Climate Initiative has outlined a system. The Western Climate Initiative (WCI) is a collaboration of U.S. states and Canadian provinces, including BC that are committed to the development of a broad multi-sector cap and trade scheme as part of a comprehensive regional effort to reduce emissions. Under the WCI, facilities emitting more than 25,000 tonnes of carbon dioxide equivalent per annum from the sum of all non-carbon dioxide biomass sources will be

included under a cap and trade system. The BC Ministry of Environment has actually proposed a threshold lower than WCI, recommending a mandatory reporting threshold of 10 000 tonnes.

A functioning Cap and Trade system is expected by 2012, with the requirement of an established and verified GHG Inventory and Baseline year set prior to 2012. However, in order to establish an operational cap and trade system, reporting of emissions must start in advance. The reporting must be as accurate as possible and harmonized across jurisdictions. The GHG Reporting Regulation seeks to establish these requirements.

Thresholds will be measured against total emissions from a facility, or the combined mobile and stationary combustion, industrial processes emissions and other applicable emissions (electrical/refrigeration). Facilities required to report under the cap and trade program will include:

- Aluminum and alumina
- Base metal smelting
- Cement
- Chemicals and Petrochemicals
- Co-Generation & biomass generation
- Commercial and Institutional facilities
- Thermal electrical generation/import
- Electricity transmission
- Food production and manufacturing
- Lime
- Mining
- Pipeline transportation, natural gas transmission and distribution systems
- Non metallic mineral products manufacturing

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- Other stationary combustion, fugitive sources or industrial processes releasing ghgs.

Initially reporting will not be required from:

- Non Combustion Landfill emissions
- Non combustion municipal and industrial wastewater emissions
- Air and Marine transport
- On road and out of facility off road transportation
- Petroleum products terminal fuel throughput
- Hydroelectric facility
- Land Use, Land Use Change and Forestry (LULUCF)

The regulation proposes that facilities who reasonably expect to be subject to mandatory reporting must register with the Ministry of Environment and submit emission reports for 2009 as well as providing their best estimates of GHG emissions for 2006 through 2008. For those facilities that are newly subject to reporting requirements in subsequent years, registration with the Ministry must occur by the end of January of the year in which they are reporting.

Initial data submission for emitters over 20 000 tonnes for emissions from years 2006 to 2008 is August 31st, 2009 and June 15th, 2010 for emissions from 2009. All reporters are responsible for obtaining third party verification with a statement of verification required within 5 months of emission data submission to the Ministry and 1 month after submission to the Ministry for emissions from 2012 forward. Verification is not required for 2006, 2007 or 2008 emis-

sion reports and there will be extensions for submission of data but only in suitable situations.

All reporters are required to keep records for at least 7 seven years during which time the ministry may conduct random audits. Failure to comply can result in fines up to \$1 million and/or 6 months imprisonment. Penalties can be applied to officers, directors or agents of offending organizations who have authorized, permitted or acquiesced to the offense may be held liable.

For the construction industry which crosses paths with many of the facilities noted above the need to start documenting GHG emissions cannot be far behind. Green building and LEED projects are simply the tip of the iceberg. Establishing GHG emissions with some level of accuracy and documenting efficiencies will be part of doing business in the industrial and institutional projects in the years to come. Facilities needing to reduce emissions will look to all contributors within their jurisdiction to do the same in order to meet their cap and participate in the trading of emissions. Contractors and subcontractors working on or within facilities are very likely to be targets for that increased reduction.

For now, while the industry may not have direct regulatory responsibilities for reporting GHG emissions, we recommend that companies take stock of their activities and start considering the potential for marketing their services as environmentally sustainable by establishing and being able to document a reduction in GHG emissions to their clients.

More information on the GHG Reporting Regulation can be obtained on line at the BC Ministry of Environment website: <http://www.gov.bc.ca/env/>



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The mission of the BCCA is to provide leadership and excellence in the representation of and service to British Columbia's construction industry