

**New Mexico Environment Department
Greenhouse Gas Reporting Stakeholder Process Call/Meeting
April 24, 2007
State Capitol Building, Santa Fe**

Lany Weaver (NMED) went through the highlights of the regulation, and the sections of the regulation that would apply generally to all reporters (200, 300, and 302). The highlights document and draft regulation were available at the meeting and posted on the website the day before. The following items came up during discussion:

Timing of the hearing

- NMED: We hope to go to hearing before the EIB in October or November.
- NMED: Due to the time required for posting of public notice and the public notice period itself, the regulation (as noticed) would need to be complete by mid-June to have an October hearing, or by mid-July for a November hearing. The EIB does not tend to hold hearings in December.

Comments on draft regulation

- NMED: The AQB is asking for comments on the draft regulation by May 11, although the latest date we can consider comments is not until May 17. This gives us time to address comments and post the next draft prior to the next meeting, which will be held on May 24. Break-out calls/meetings will be held prior to then.
- NMED: Note that there are many questions in the draft text, requesting information and comments in a number of areas.

Comments on Section 200

- Why doesn't NM require 3rd party verification? NMED response: This regulation is designed to improve the state emissions inventory. It is modeled on criteria pollutant emissions reporting procedures, which only require that a responsible party certify that the emission report is complete and correct.
- What about baseline protection? NMED response: Because this regulation does not require 3rd party verification, it does not offer baseline protection; companies are encouraged to participate in the multi-state registry to assure baseline protection.

Comments on Section 201

- NMED: Phase 1 only addresses CO₂ emissions. Methane emissions were not included until Phase 2 because the emissions calculation procedures are not yet clear.
- Need clarification on 201(A)(2)(e) regarding CO₂ removed from hydrocarbon streams and vented. Bruce Gantner will propose a de minimis threshold.
- Under 201(B), electrical generation may include all generators (of a specific size), not just those that sell to the grid.

- What percentage of total GHG O&G emissions would be addressed with these thresholds? NMED response: We are conducting a parallel process (O&G emissions reduction study) that should help to answer that question.
- What was the basis for the O&G equipment thresholds? NMED response: They track thresholds in EPA (criteria pollutant reporting) requirements. We welcome comments and suggestions regarding the thresholds.
- How would just reporting incentivize emissions reductions? NMED response: We are conducting a parallel process (O&G emissions reduction study) that will propose emissions reductions measures and means of implementing them. However, it is possible that companies will, in going through the exercise of calculating GHG emissions, find opportunities to reduce those emissions.

Comments on Section 302 (emissions calculation procedures)

- NMED: The draft procedures should be issued by September 1, with comments due by September 30.
- NMED: The first set of procedures would need to be done (including public comment) prior to the hearing.
- NMED: Based on historical procedures, the GHG emissions calculation procedures would not be likely to change very often.
- Companies would need to be given sufficient advance notice of changes in procedures that required installation of new equipment (meters, etc.)
- Procedures need to be consistent across states. WY might use different emissions factors. NMED response: NM expects to be consistent with multi-state registry.

Comments on the Multi-State Registry (now known as ‘The Climate Registry’)

- Does the multi-state registry have an O&G protocol? Are they developing one? NMED: We need to push the development of the O&G protocols and to facilitate O&G participation in the multi-state registry; they are not expecting to address this protocol until after January 2008. Also, contact API to find out where they are in revising the calculation procedures for methane.
- NMED: We are planning a presentation about protocols (by Robyn Camp of the California Climate Action Registry) at the May 24 meeting.