



**NEW MEXICO  
CLIMATE CHANGE  
ADVISORY GROUP**

**Excerpted from  
APPENDIX F**

FINAL REPORT  
December 2006

Cover photo: New Mexico Wind Energy Center, Quay and DeBaca Counties. Photo courtesy of PNM.

## CC-1 State Greenhouse Gas Reporting

### Policy Description

GHG reporting reflects the measurement and reporting of GHG emissions at a statewide, sector, or sub-sector level to support tracking and management of emissions. GHG reporting can help sources identify emission reduction opportunities and reduce risks associated with possible future GHG mandates by moving “up the learning curve.” Tracking and reporting of GHG emissions would also help in the construction of periodic state GHG inventories. GHG reporting is typically a precursor for sources to participate in voluntary GHG reduction programs, opportunities for recognition, a GHG emission reduction registry, and to secure “baseline protection.” Further, developing a GHG reporting program could enable the state to influence the development of GHG reporting practices throughout the region and nation and build consistency with other state or regional GHG reporting programs.

### Policy Design

The CCAG recommends that New Mexico develop and implement a GHG reporting program with the characteristics noted in the accompanying *GHG Reporting Design Options Matrix*. Key elements include:

- Subject to consistently rigorous quantification, GHG reporting should not be constrained to particular sectors, sources, or approaches, in order to encourage GHG mitigation activities from all quarters.
- Mandatory GHG reporting should be phased in by sectors as rigorous, standardized quantification protocols, base data, and tools become available, and as responsible parties become clear. Entities should be allowed to report GHG emissions voluntarily before mandatory reporting applies to them; and the state, municipalities, and other jurisdictions should be allowed to report emissions associated with their own activities and any programs they may implement.
- Reporting should be applicable to all sources (e.g., combustion, processes, vehicles, etc.) but using common sense regarding de minimis emissions.
- The goal should be reporting of “organization-wide emissions within New Mexico” but with greatest possible “granularity” in order to facilitate baseline protection. (Example: “Rolling up” an organization’s individual “facility” and “field” emissions reports within a reporting database would provide organization-wide totals in New Mexico).
- Reporting should occur annually on a calendar-year basis for all six traditional GHGs and, to the extent possible, for black carbon.
- Reporting of direct emissions<sup>1</sup> should be required; reporting of emissions associated with purchased power and heat<sup>2</sup> should be phased in, and voluntary reporting of other indirect emissions<sup>3</sup> should be allowed.

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<sup>1</sup> Defined as “Scope 1” emissions in the *GHG Protocol*.

- Every effort should be made to maximize consistency with federal, regional, and other states' GHG reporting programs.
- GHG emissions reports should be verified through self-certification and NMED spot-checks; to qualify for future registry purposes, reports should undergo third-party verification.
- Project-based emissions reporting should be allowed, when properly identified as such and quantified with equally rigorous consistency.
- The reporting program should provide for appropriate public transparency of reported emissions.
- **Goals:** Implementation of a New Mexico GHG Reporting Program as early as possible.
- **Timing:** ASAP, preferably by 2008.
- **Coverage of parties:** Probably NMED.

### **Implementation Mechanisms**

Reporting protocols, opportunities, and, in the case of mandatory reporting, underlying regulatory requirements.

### **Related Policies/Programs in Place**

Many sources in New Mexico report criteria pollutant emissions in order to comply with various federal and state regulatory programs. Most electric generating stations are also required to report CO<sub>2</sub> emissions to the Energy Information Administration (EIA). Some sources may report GHG emissions on a voluntary basis to federal, state, or privately-run programs. Otherwise, there is no broad, statewide GHG reporting program in New Mexico.

### **Types(s) of GHG Reductions**

GHG reporting is an enabling policy to encourage management, and ultimately reduction, of GHG emissions. It does not reduce GHG emissions itself per se.

### **Estimated GHG Savings and Costs per MTCO<sub>2e</sub>**

Not applicable.

### **Key Uncertainties**

Uncertainties exist with respect to quantification of some GHG emissions from some sources, but standard quantification protocols are rapidly being developed and accepted widely. There remain significant uncertainties with respect to how various state, regional, and/or federal GHG reporting programs may develop.

### **Additional Benefits and Costs**

Not applicable.

### **Feasibility Issues**

None cited.

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<sup>2</sup> Defined as "Scope 2" emissions in the *GHG Protocol*.

<sup>3</sup> Defined as "Scope 3" emissions in the *GHG Protocol*.

**Status of Group Approval**

Complete.

**Level of Group Support**

Unanimous consent.

**Barriers to Consensus**

None.



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## **CROSS CUTTING ISSUES TECHNICAL WORKING GROUP GHG REPORTING DESIGN OPTIONS MATRIX**

AUGUST 7, 2006

### **PRINCIPLES FOR GHG ACCOUNTING AND REPORTING FROM THE *GHG PROTOCOL*:**

1. RELEVANCE
2. COMPLETENESS
3. CONSISTENCY
4. TRANSPARENCY
5. ACCURACY
6. ENABLING OF OTHER GOALS

1. IDENTIFYING REDUCTION OPPORTUNITIES
2. REDUCING RISKS (E.G., MOVE UP LEARNING CURVE)
3. TRACKING GHG EMISSIONS; ASSISTING THE STATE  
IN CONSTRUCTING ANNUAL INVENTORIES
4. PARTICIPATING IN VOLUNTARY PROGRAMS
5. PARTICIPATING IN – OR PREPARING FOR –  
MANDATORY PROGRAMS
6. PRECURSOR FOR REGISTRY PARTICIPATION
7. OPPORTUNITIES FOR PUBLIC RECOGNITION
8. PUBLIC REPORTING
9. CONSISTENCY WITH OTHER PROGRAMS

### **POTENTIAL GOALS OF GHG REPORTING:**

	<b>DESIGN ELEMENT</b>	<b>OPTIONS</b>	<b>DESIGN CONSIDERATIONS</b>	<b>PRELIMINARY TWG RECOMMENDATION TO CCAG</b>
1.	<b>TYPE OF PROGRAM</b>	<ul style="list-style-type: none"> <li>• VOLUNTARY</li> <li>• MANDATORY</li> </ul>	<ul style="list-style-type: none"> <li>• MAY NEED OR WANT TO CONSTRAIN SECTORS AND/OR SOURCES (E.G., APPLICABILITY) AND/OR “PHASE IN” REPORTING REQUIREMENTS.</li> </ul>	<ul style="list-style-type: none"> <li>• <u>MANDATORY</u>, CONDITIONED ON: (A) STANDARD QUANTIFICATION PROTOCOLS &amp; TOOLS (I.E., STRIVE TO AVOID DIFFERING PROTOCOLS OVER MULTIPLE JURISDICTIONS); AND (B) DETERMINATION OF RESPONSIBLE PARTIES IN SECTORS WHERE NECESSARY (E.G., RESIDENTIAL, TRANSPORTATION). APPLY COMMON SENSE.</li> <li>• “PHASE IN” MANDATORY REPORTING BY SECTOR, BUT <u>ALLOW VOLUNTARY</u> REPORTING BY OTHER SECTORS &amp; SOURCES UNTIL THEY ARE REQUIRED TO REPORT.</li> </ul>
2.	<b>SECTORS</b>	<ul style="list-style-type: none"> <li>• ALL SECTORS ELIGIBLE</li> <li>• LIMITED TO CERTAIN SECTORS</li> </ul>	<ul style="list-style-type: none"> <li>• PARTICIPATION IN SOME SECTORS MAY BE LIMITED BY AVAILABILITY OF STANDARD QUANTIFICATION METHODS.</li> <li>• MAY NEED OR WANT TO “STAGE” PARTICIPATION (E.G., START SMALL &amp; EXPAND).</li> <li>• IF LIMITED, TO WHICH SECTORS?</li> </ul>	<ul style="list-style-type: none"> <li>• INCLUDE <u>ALL SECTORS</u>, BUT ONLY AS QUANTIFICATION PROTOCOLS AND DATA AVAILABILITY ENABLES EQUALLY RIGOROUS TREATMENT ACROSS SECTORS (IN ORDER TO HAVE CONSISTENCY &amp; INTEGRITY WHEN ULTIMATELY LINKED TO A REGISTRY).</li> <li>• RECOMMEND “<u>PHASING IN</u>” OF SECTORS AS QUANTIFICATION PROTOCOLS AND DATA BECOME AVAILABLE.</li> </ul>

	DESIGN ELEMENT	OPTIONS	DESIGN CONSIDERATIONS	PRELIMINARY TWG RECOMMENDATION TO CCAG
3.	SOURCES	<ul style="list-style-type: none"> <li>• ALL</li> <li>• STATIONARY COMBUSTION EMISSIONS</li> <li>• MOBILE COMBUSTION EMISSIONS</li> <li>• PROCESS EMISSIONS</li> <li>• FUGITIVE EMISSIONS</li> </ul>	<ul style="list-style-type: none"> <li>• COULD LIMIT SOURCES EVEN WITHIN SECTORS, (E.G., VIA TYPES, SIZE THRESHOLDS, ETC.).</li> <li>• BROADER ARRAY PROMOTES INVENTORY BUILDING, PUBLIC INFORMATION, IDENTIFICATION OF GHG STRATEGIES, ETC.</li> </ul>	<ul style="list-style-type: none"> <li>• REPORTING SHOULD BE OPEN TO <u>ALL SOURCES</u>.</li> <li>• AS WITH SECTORS, “<u>PHASE IN</u>” MANDATORY REPORTING BASED ON AVAILABILITY OF: (A) STANDARD QUANTIFICATION PROTOCOLS; AND (B) ADEQUATE BASE DATA (E.G., FOR DIFFERENT FUELS, ETC.) FOR SPECIFIC SOURCE TYPES.</li> <li>• FOR MANDATORY SOURCES, APPLY <u>COMMON SENSE</u> REGARDING DIMINISHING RETURNS (E.G., DE MINIMIS EMISSIONS, CUTPOINTS, ETC.).</li> </ul>

	<b>DESIGN ELEMENT</b>	<b>OPTIONS</b>	<b>DESIGN CONSIDERATIONS</b>	<b>PRELIMINARY TWG RECOMMENDATION TO CCAG</b>
4.	<b>ORGANIZATIONAL BOUNDARY</b>	<ul style="list-style-type: none"> <li>• ENTITY-WIDE (E.G., CORPORATION-WIDE)</li> <li>• FACILITY OR FIELD</li> <li>• EMISSIONS UNIT OR SOURCE POINT</li> <li>• OTHER (?)</li> </ul>	<ul style="list-style-type: none"> <li>• CLEAR DEFINITIONS NEEDED TO AVOID DOUBLE-COUNTING WHERE SHARED OWNERSHIP EXISTS.</li> <li>• SHOULD STRIVE TO HAVE DESIGN BE CONSISTENT WITH POSSIBLE FUTURE DIRECTIONS (E.G., MANDATORY REPORTING WOULD NOT BE ENFORCEABLE ABOVE THE FACILITY LEVEL).</li> <li>• COMBINATIONS ARE POSSIBLE (E.G., FINER RESOLUTION AGGREGATED OR “ROLLED UP” TO A GREATER WHOLE).</li> </ul>	<ul style="list-style-type: none"> <li>• <u>REPORTING GOAL: “ORGANIZATION-WIDE EMISSIONS WITHIN NM”</u> WITH GREATEST POSSIBLE “GRANULARITY” TO FACILITATE BASELINE PROTECTION.</li> <li>• NORMALLY, THIS EQUATES TO EMISSIONS FROM IN-STATE FACILITIES, BUT NOT ALL SOURCES ARE “FACILITIES” (E.G., NATURAL GAS PRODUCTION HAS “FIELDS”).</li> <li>• “ROLLED UP” TOTAL OF “FACILITY” AND “FIELD” EMISSIONS REPORTS IN A REPORTING DATABASE WOULD PROVIDE TOTAL “ORGANIZATION-WIDE EMISSIONS IN NM.”</li> </ul>
5.	<b>REPORTING PERIOD</b>	<ul style="list-style-type: none"> <li>• ANNUAL</li> <li>- CALENDAR</li> <li>- FISCAL</li> <li>• OTHER</li> </ul>	<ul style="list-style-type: none"> <li>• SHOULD STRIVE FOR CONSISTENCY WITH OTHER REPORTING PROGRAMS.</li> </ul>	<ul style="list-style-type: none"> <li>• <u>ANNUAL EMISSIONS ON A CALENDAR YEAR BASIS.</u></li> </ul>
6.	<b>GREENHOUSE GASES INCLUDED</b>	<ul style="list-style-type: none"> <li>• SIX “KYOTO GASES” (CO<sub>2</sub>, HFCs, CH<sub>4</sub>, N<sub>2</sub>O, PFCs, SF<sub>6</sub>)</li> <li>• OTHER</li> </ul>	<ul style="list-style-type: none"> <li>• SHOULD STRIVE FOR CONSISTENCY WITH OTHER REPORTING PROGRAMS.</li> <li>• BROADER ARRAY PROMOTES INVENTORY BUILDING, PUBLIC INFORMATION, IDENTIFICATION OF GHG STRATEGIES, ETC.</li> </ul>	<ul style="list-style-type: none"> <li>• <u>INCLUDE ALL SIX “KYOTO GASES”</u> (EMITTED ABOVE DE MINIMIS LEVELS)</li> <li>• <u>INCLUDE, OR PROVIDE A PLACEHOLDER FOR, REPORTING OF BLACK CARBON EMISSIONS AS WELL.</u></li> </ul>

	<b>DESIGN ELEMENT</b>	<b>OPTIONS</b>	<b>DESIGN CONSIDERATIONS</b>	<b>PRELIMINARY TWG RECOMMENDATION TO CCAG</b>
7.	<b>SCOPE OF EMISSIONS COVERED<sup>4</sup></b>	<ul style="list-style-type: none"> <li>• DIRECT</li> <li>- “SCOPE 1”</li> <li>• INDIRECT</li> <li>- “SCOPE 2” - INDIRECT FROM PURCHASED HEAT &amp; ELECTRICITY</li> <li>- “SCOPE 3” - OTHER INDIRECT (E.G., OUTSOURCED ACTIVITIES, EMPLOYEE TRAVEL, ETC.)</li> <li>• BOTH</li> </ul>	<ul style="list-style-type: none"> <li>• MAY NEED OR WANT TO “STAGE” COVERAGE (E.G., START SMALL &amp; EXPAND).</li> <li>• DIRECT EMISSIONS ARE MOST LIKE TYPICAL REPORTING REQUIREMENTS, BUT MAY OMIT GHG-REDUCING OPPORTUNITIES OR ENCOURAGE DIRECT-VS-INDIRECT TRADE-OFFS.</li> <li>• FOR MANY ENTITIES, MOST GHG EMISSIONS ARE FROM INDIRECT SOURCES.</li> </ul>	<ul style="list-style-type: none"> <li>• GOAL: GREATEST DETAIL AND GREATEST CONSISTENCY, APPLIED WITH COMMON SENSE (E.G., REGARDING DE MINIMIS LEVELS).</li> <li>• REQUIRE REPORTING OF <u>DIRECT “SCOPE 1” EMISSIONS ASAP</u>.</li> <li>• “<u>PHASE IN</u>” REQUIRED REPORTING OF <u>INDIRECT “SCOPE 2” EMISSIONS</u>, BUT REPORT THEM SEPARATELY FOR GREATER TRANSPARENCY.</li> <li>• <u>ALLOW VOLUNTARY REPORTING OF “SCOPE 3” VOLUNTARY</u>; PHASE IT IN IF/WHEN SIMILARLY RIGOROUS PROTOCOLS EXIST.</li> </ul>

<sup>4</sup> “Scope 1, 2, and 3” emissions as defined in the *GHG Protocol*.

	DESIGN ELEMENT	OPTIONS	DESIGN CONSIDERATIONS	PRELIMINARY TWG RECOMMENDATION TO CCAG
8.	EMISSIONS QUANTIFICATION & MONITORING	<ul style="list-style-type: none"> <li>CALCULATION METHODS &amp; TOOLS</li> <li>DIRECT MEASUREMENT (E.G., CEMS, STACK TESTING)</li> </ul>	<ul style="list-style-type: none"> <li>SHOULD STRIVE TO USE CURRENT BEST PRACTICE METHODS, SUCH AS <i>GHG PROTOCOL</i> CALCULATION TOOLS.</li> <li>STRIVE FOR CONSISTENCY WITH OTHER GHG REPORTING PROGRAMS.</li> <li>SOME “OTHER” OR “HOME GROWN” APPROACHES MAY BE NECESSARY IN NM (E.G., FLASHING EMISSIONS; IPIECA; API’S SANGEA; ETC.).</li> </ul>	<ul style="list-style-type: none"> <li>DEVELOP A “<u>HIERARCHY OF CONSISTENCY</u>,” WHEREBY QUANTIFICATION PROTOCOLS ARE APPLIED IN A PRIORITY ORDER (E.G., EPA, IPCC, WRI/WBCSD, IPIECA/API, ...).</li> <li>MAXIMIZE <u>CONSISTENCY WITH EXISTING REPORTING REQUIREMENTS</u> (E.G., CO<sub>2</sub> REPORTING FOR ACID RAIN SOURCES SHOULD ECHO THEIR CURRENT CO<sub>2</sub> REPORTING TO EPA).</li> </ul>
9.	VERIFICATION	<ul style="list-style-type: none"> <li>STATE VERIFICATION</li> <li>3<sup>RD</sup> PARTY VERIFICATION</li> <li>SELF-CERTIFICATION</li> </ul>	<ul style="list-style-type: none"> <li>IF MANDATORY, THE STATE MAY BE ABLE TO USE CURRENT VERIFICATION PROCEDURES FOR CRITERIA POLLUTANTS.</li> <li>CCAR DOES 3<sup>RD</sup> PARTY VERIFICATION.</li> </ul>	<ul style="list-style-type: none"> <li>FOR REPORTING, ALLOW “<u>SELF-CERTIFICATION</u>,” AND HAVE NMED DO <u>SPOT INSPECTIONS</u>.</li> <li>FOR ULTIMATE REGISTRY PURPOSES, REQUIRE <u>3<sup>RD</sup>-PARTY VERIFICATION</u>.</li> </ul>
10.	PUBLIC ACCESS & REPORTS	<ul style="list-style-type: none"> <li>INTERNET ACCESS AND/OR ONLINE REPORTS</li> <li>PAPER REPORTS</li> <li>BOTH</li> </ul>	<ul style="list-style-type: none"> <li>“CONFIDENTIAL BUSINESS INFORMATION” (CBI) CONCERNS</li> </ul>	<ul style="list-style-type: none"> <li>ALLOW SOURCES TO <u>REPORT GHG EMISSIONS ELECTRONICALLY</u>.</li> <li>PROVIDE ELECTRONIC PUBLIC ACCESS TO GHG EMISSIONS REPORTING DATA THAT IS “ROLLED UP” TO A LEVEL SUCH THAT CBI IS REASONABLY PROTECTED.</li> </ul>

	<b>DESIGN ELEMENT</b>	<b>OPTIONS</b>	<b>DESIGN CONSIDERATIONS</b>	<b>PRELIMINARY TWG RECOMMENDATION TO CCAG</b>
11.	<b>PROJECT LEVEL REPORTING OR "OFFSETS"</b>	<ul style="list-style-type: none"> <li>• Yes/No</li> <li>• CONSTRAIN IN SOME FASHION</li> </ul>	<ul style="list-style-type: none"> <li>• MAY BE MOST USEFUL WHEN THERE IS AN EXTERNALLY-IMPOSED CONSTRAINT (E.G., A "CAP" OR OTHER REGULATORY REQUIREMENT).</li> <li>• LOCATION OF CO-BENEFITS ACHIEVED (MAY NOT BE IN NM).</li> <li>• RAISES CONCERNS ABOUT QUANTIFICATION, BASELINE, "ADDITIONALITY," SECONDARY EFFECTS, REVERSIBILITY, OWNERSHIP, DOUBLE-COUNTING, AND VERIFICATION.</li> </ul>	<ul style="list-style-type: none"> <li>• PRIMARILY USEFUL AS A REGISTRY FUNCTION AND WHEN A REGULATORY REQUIREMENT EXISTS TO "OFFSET."</li> <li>• NEEDS ACCEPTED PROJECT-BASED QUANTIFICATION TOOLS AND PROTOCOLS (NOW STARTING TO ARRIVE, E.G., WRI/WBCSD).</li> <li>• <u>ALLOW FOR VOLUNTARY</u> REPORTING OF PROPERLY QUANTIFIED MITIGATION PROJECTS.</li> </ul>

## CC-2 State Greenhouse Gas Registry

### Policy Description

Measurement and recording of GHG emissions reductions at a macro- or micro-scale level in a central repository with a “transaction ledger” capacity to support tracking, management, and “ownership” of emission reductions as well as to encourage GHG reductions, to enable potential recognition, baseline protection, and/or the crediting of actions by implementing programs and parties in relation to possible emissions reduction goals, and to provide a mechanism for regional, multi-state, and cross-border cooperation. Subject to appropriately rigorous quantification, GHG registration should not be constrained to particular sectors, sources, or approaches so as to encourage GHG mitigation activities from all quarters.

### Policy Design

The CCAG recommends that New Mexico develop and implement a state GHG registry and/or participate in a regional GHG registry building off the GHG reporting program recommended in CC-1 and providing adequate verification, allowing project-level reporting, and with costs borne primarily by participants. Other recommended characteristics are noted in the accompanying *GHG Registry Design Options Matrix*. Key elements include:

- Geographic applicability at least at the statewide level and as broadly (i.e., regionally or nationally) as possible.
- Allowing sources to start as far back chronologically as good data exists, as affirmed by third-party verification, and allowing registration of project-based reductions or “offsets” that are equally rigorously quantified.
- Incorporating adequate safeguards to ensure that reductions aren’t double-counted by multiple registry participants; providing appropriate transparency; and allowing the state to be a valid participant for reductions associated with its programs, direct activities, or efforts.
- Striving for maximum consistency with other state, regional, and/or national efforts; greatest flexibility as GHG mitigation approaches evolve; and providing guidance to assist participants.
- **Goals:** Implementation of a New Mexico GHG Registry Program as early as possible.
- **Timing:** ASAP after GHG reporting is operating.
- **Coverage of parties:** Probably overseen by NMED; costs shared by participants benefiting from the registry.

### Implementation Mechanisms

None cited.

### Related Policies/Programs in Place

None cited.

**Types(s) of GHG Reductions**

None cited.

**Estimated GHG Savings and Costs per MTCO<sub>2</sub>e**

Not applicable.

**Key Uncertainties**

There remain significant uncertainties with respect to how various state, regional, and/or federal GHG registry programs may develop. Involvement in early registry implementation – as issues are deliberated among states – will advantage New Mexico in their ultimate outcome.

**Additional Benefits and Costs**

None cited.

**Feasibility Issues**

None cited.

**Status of Group Approval**

Complete.

**Level of Group Support**

Unanimous consent.

**Barriers to Consensus**

None.



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## CROSS CUTTING ISSUES TECHNICAL WORKING GROUP GHG REGISTRY DESIGN OPTIONS MATRIX

AUGUST 7, 2006

### NOTES:

- BUILDS UPON GHG REPORTING DESIGN OPTIONS MATRIX
- SOME REPORTING PREFERENCES COULD BE OUTWEIGHED BY REGISTRY NEEDS, PARTICULARLY IF A REGIONAL REGISTRY USES DIFFERENT SPECIFICATIONS.
- KEY: ENSURE FLEXIBILITY, SO AS TO BE ABLE TO REGISTER REDUCTIONS FROM POLICIES (E.G., CAP & TRADE), PROGRAMS (E.G., STATE EE/DSM, SEQUESTRATION, CLEAN CARS, ETC.), PROJECTS, AND OFFSETS.
- NOTE: EFFORTS TO DEVELOP BROAD REGIONAL AND/OR NATIONAL APPROACHES TO GHG REGISTRIES ARE INCREASING.

### POTENTIAL GOALS OF A GHG REGISTRY:

1. RECORDING OF GHG *REDUCTIONS* (VS. EMISSIONS)
2. A CENTRAL, INDEPENDENT REPOSITORY FOR CREDIBLE INFORMATION ABOUT GHG EMISSION REDUCTION ACTIVITIES.
3. A “TRANSACTION LEDGER” PROVIDING DATA MANAGEMENT & ACCOUNTING THAT IS CRITICAL FOR TRADING (WITH OR WITHOUT A CAP).
4. “BASELINE PROTECTION” PROVIDING CREDIT FOR ENTITIES UNDERTAKING EARLY ACTION AGAINST CURRENT OR FUTURE REQUIREMENTS.
5. AN INCENTIVE TO TRACK & MANAGE GHG EMISSIONS, SEEK PRODUCTIVITY AND ENERGY EFFICIENCY GAINS, AND ACCELERATE LEARNING CURVE REGARDING COMPETITIVENESS AND CARBON MARKETS.
6. ENABLING PUBLIC RECOGNITION AND DEMONSTRATING GOOD CORPORATE CITIZENSHIP.
7. POSSIBLE VEHICLE FOR REGIONAL, MULTI-STATE, AND CROSS-BORDER COOPERATION.

	DESIGN ELEMENT	OPTIONS	DESIGN CONSIDERATIONS	PRELIMINARY RECOMMENDATION
<b>KEY DESIGN CRITERIA (BEYOND <i>GHG REPORTING DESIGN OPTIONS MATRIX</i>)</b>				
1.1	DEFINE GEOGRAPHICAL BOUNDARIES	<ul style="list-style-type: none"> <li>NEW MEXICO</li> <li>REGIONAL (OR BROADER)</li> </ul>	<ul style="list-style-type: none"> <li>SPAN OF CONTROL</li> <li>COST, ECONOMIES OF SCALE, &amp; BROADER = BETTER?</li> </ul>	<ul style="list-style-type: none"> <li>STATEWIDE AT LEAST, BUT AS BROAD AS POSSIBLE, CONSISTENT WITH BEST PRACTICES</li> </ul>
1.2	VERIFICATION	<ul style="list-style-type: none"> <li>STATE VERIFICATION</li> <li>THIRD-PARTY VERIFICATION</li> </ul>	<ul style="list-style-type: none"> <li>SEE <i>GHG REPORTING DESIGN OPTIONS MATRIX</i></li> </ul>	<ul style="list-style-type: none"> <li>THIRD-PARTY VERIFICATION</li> </ul>
1.3	BASE YEAR	<ul style="list-style-type: none"> <li>SINGLE SPECIFIED YEAR</li> <li>SINGLE ENTITY-CHOSEN YEAR</li> <li>AVERAGE OF MULTIPLE YEARS</li> <li>ADJUSTMENT RULES?</li> </ul>	<ul style="list-style-type: none"> <li>FLEXIBILITY VS. SIMPLICITY</li> <li>MUST HAVE GOOD DATA FOR BASE YEAR.</li> <li>NM EXECUTIVE ORDER</li> </ul>	<ul style="list-style-type: none"> <li>UNLESS OTHERWISE REQUIRED FOR A SPECIFIC PURPOSE, ALLOW ENTITY TO CHOOSE BASE YEAR. (THIS ALLOWS ENTITIES TO GO BACK AS FAR AS GOOD DATA EXISTS.)</li> </ul>
1.4	PROJECT-LEVEL SUBMITTALS	<ul style="list-style-type: none"> <li>YES / NO / CONSTRAIN</li> </ul>	<ul style="list-style-type: none"> <li>AGAINST WHAT BASELINE?</li> <li>ADDITIONALITY ISSUES (WHAT WOULD HAVE HAPPENED ANYWAY?)</li> </ul>	<ul style="list-style-type: none"> <li>YES, KEEP AS OPEN AND FLEXIBLE AS POSSIBLE, BUT HAVE THIRD PARTY VERIFICATION AND REQUIRE SOLID QUANTIFICATION PROTOCOLS.</li> </ul>
1.5	"OFFSETS"	<ul style="list-style-type: none"> <li>YES / NO / SOME</li> </ul>	<ul style="list-style-type: none"> <li>CO-BENEFITS LOCATION?</li> <li>NATURE / CHARACTER?</li> </ul>	<ul style="list-style-type: none"> <li>YES; DOOR SHOULD BE OPEN TO SPUR OTHERS TO ACT AND POSSIBLE REGIONAL ACTION.</li> <li>OFFSETS ASSUME A GHG REDUCTION OBLIGATION, THEN WORK IN CONCERT WITH IT.</li> </ul>
1.6	START DATE	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li>ESTABLISH A "TO BE IN OPERATION" DATE?</li> </ul>	<ul style="list-style-type: none"> <li>MANDATORY REPORTING STARTING IN 2008; REGISTRY TO FOLLOW ASAP FOR SECTORS/SOURCES AS HIGH QUALITY QUANTIFICATION PROTOCOLS ALLOW.</li> </ul>
1.7	OWNERSHIP	<ul style="list-style-type: none"> <li>EXAMPLE: WHO OWNS REDUCTIONS FROM ENERGY EFFICIENCY?</li> </ul>	<ul style="list-style-type: none"> <li>RISK OF DOUBLE-COUNTING</li> </ul>	<ul style="list-style-type: none"> <li>MUST HAVE ADEQUATE SAFEGUARDS AND PROTOCOLS TO ENSURE NO DOUBLE COUNTING.</li> </ul>

	DESIGN ELEMENT	OPTIONS	DESIGN CONSIDERATIONS	PRELIMINARY RECOMMENDATION
1.8	TRANSPARENCY	•	•	• MUST HAVE ADEQUATE TRANSPARENCY TO ENSURE QUALITY.
1.9	CONSISTENCY	•	•	• STRIVE FOR CONSISTENCY AND COMPATIBILITY WITH RELATED PROGRAMS (AS DONE WITH RENEWABLE ENERGY CERTIFICATES (RECS)).
<b>TECHNICAL ISSUES</b>				
1.10	TREATMENT OF MINORITY OWNERSHIP	• MULTIPLE WAYS OK (E.G., EQUITY SHARE, FINANCIAL CONTROL), BUT MUST BE CONSISTENT	• <i>GHG PROTOCOL</i>	• COMPORT WITH <i>GHG PROTOCOL</i> .
1.11	MERGER & ACQUISITION ISSUES	• SUCH CHANGES OFTEN REQUIRE RECALCULATION.	• <i>GHG PROTOCOL</i>	• COMPORT WITH <i>GHG PROTOCOL</i> .
1.12	QUALITY ASSURANCE; UNCERTAINTY ANALYSIS	•	• <i>GHG PROTOCOL</i>	• COMPORT WITH <i>GHG PROTOCOL</i> .
1.13	REGULATORY GUIDANCE (PROTOCOLS, GUIDANCE DOCUMENTS, ETC.)	•	•	• NEW MEXICO SHOULD OFFER REASONABLE GUIDANCE AND TOOLS TO ENCOURAGE PARTICIPATION.
1.14	DATA FLOW; FILING METHODS, ETC.	•	• CONFIDENTIAL BUSINESS INFORMATION (CBI), LEGAL AUTHORITY, ETC.	• RETAIN STATE AUTHORITY, ENSURE ADEQUATE DATA PROTECTION, AND USE WEB FILING TO THE GREATEST EXTENT POSSIBLE.

	DESIGN ELEMENT	OPTIONS	DESIGN CONSIDERATIONS	PRELIMINARY RECOMMENDATION
<b>ADMINISTRATIVE &amp; OPERATIONAL ISSUES</b>				
1.15	LOCATION (AGENCY)	<ul style="list-style-type: none"> <li>• NMED</li> <li>• PRC OR OTHER AGENCY?</li> <li>• NEW ENTITY?</li> </ul>	<ul style="list-style-type: none"> <li>• POTENTIAL FOR A REGIONAL OR NATIONAL REGISTRY</li> </ul>	<ul style="list-style-type: none"> <li>• WITHIN NEW MEXICO, NMED IS PROBABLY THE BEST PLACE TO HOUSE THE REGISTRY (BUT ADEQUATE RESOURCES WILL BE NECESSARY).</li> <li>• IF REGIONAL, THEN TDB.</li> </ul>
1.16	SOFTWARE; WEB INTERFACE, ETC.	<ul style="list-style-type: none"> <li>• NM-SPECIFIC</li> <li>• CCAR, RGGR, CCX, ERT, EATS?</li> <li>• OTHER?</li> </ul>	<ul style="list-style-type: none"> <li>• MULTIPLE NEEDS (EMISSIONS INVENTORY, ALLOWANCES, MANDATORY, VOLUNTARY, ETC.)</li> <li>• RAPIDLY CHANGING "STATE OF THE ART"</li> </ul>	<ul style="list-style-type: none"> <li>• STRIVE FOR: (A) CONSISTENCY WITH OTHER REGISTRY EFFORTS; (B) FLEXIBILITY TO SERVE BOTH MANDATORY AND VOLUNTARY PARTICIPANTS &amp; SECTORS; (C) ABILITY TO CHANGE AS REGISTRIES EVOLVE; AND (D) MAXIMUM IMPLEMENTATION VIA WEB CAPABILITIES.</li> </ul>
1.17	COST	<ul style="list-style-type: none"> <li>• TRANSACTION FEES</li> <li>• PARTICIPANT DUES</li> <li>• PUBLICLY SUPPORTED?</li> <li>• OTHER?</li> </ul>	<ul style="list-style-type: none"> <li>• DEVELOPMENT COSTS</li> <li>• ONGOING OPERATING COSTS</li> </ul>	<ul style="list-style-type: none"> <li>• ONGOING COSTS SHOULD BE BORNE PRINCIPALLY BY REGISTRY PARTICIPANTS (AS OPPOSED TO TAXPAYERS).</li> </ul>
1.18	OVERSIGHT & MANAGEMENT	<ul style="list-style-type: none"> <li>• NMED</li> <li>• PUBLICLY APPOINTED BOARD?</li> <li>• OTHER?</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• EITHER NMED OR PUBLIC BOARD OK; BUT MUST MAINTAIN CURRENT POSITIVE MOMENTUM.</li> <li>• IF REGIONAL, THEN TDB.</li> </ul>
1.19	REPORTING OF RESULTS; RECOGNITION	<ul style="list-style-type: none"> <li>• LOW-KEY RESULTS</li> <li>• PRO-ACTIVELY RECOGNIZE ACHIEVERS</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• REGISTRY SHOULD REACH OUT WITH RESULTS AND RECOGNITION.</li> </ul>