

Guide for Small Businesses



Proposed Rule: Mandatory Reporting of Greenhouse Gases

The proposed Mandatory Reporting of Greenhouse Gases (GHGs) rule would require reporting of annual emissions of carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), sulfur hexafluoride (SF₆) hydrofluorocarbons (HFC), perfluorochemicals (PFC)s, and other fluorinated gases (e.g., nitrogen trifluoride [NF₃] and hydrofluorinated ethers [HFE]). The proposed rule would apply to certain facilities that emit GHGs and to suppliers of fossil fuels and industrial GHGs. Additionally, manufacturers of vehicles and engines would report GHG emission rates as part of amendments to existing rules,¹ which generally do not apply to small businesses (see information sheet on Mobile Sources). Reporting would be at the facility level, except for certain suppliers that would report at the corporate level.

This information sheet provides information that might be of special interest to small-business owners and will help small businesses determine if they would be required to report under this proposed rule. Please also reference the General Provisions information sheet (EPA-430-F-09-005).

What Type of Small Businesses Would Be Required to Report Under This Proposal?

Determining whether a facility would be required to report GHG information is, in general, based on whether or not the facility directly emits 25,000 or more metric tons of CO₂ equivalent (mtCO₂e) per year. This threshold is roughly equivalent to the emissions from 131 rail cars' worth of coal or the annual energy use of 2,200 homes. Because of this threshold, EPA believes that the vast majority of small businesses would not be required to report. Some small businesses in energy-intensive industries or heavy manufacturing sectors would have to report, however. Reporting requirements related to vehicle and engine emission rates would not apply to manufacturers treated as "small businesses" or "small-volume manufacturers" under EPA's existing vehicle and engine emission regulations.

What Types of Small Business Owners Would Be Affected by the Proposed Rule?

The proposed rule is not expected to affect homeowners; small businesses, municipal operations such as schools, hospitals, or wastewater treatment facilities; apartment buildings; or commercial establishments such as office buildings and retail operations because these types of entities are expected to fall well below the 25,000 mtCO₂e/yr threshold for reporting. In addition, farm operations, except for the largest agricultural operations with manure management systems, are also not expected to be required to report. For more information on the requirements for reporting for livestock operations, please see 40 CFR part 98, subpart JJ of the proposed rule, as well as the Manure Management information sheet (EPA-430-F-09-026).

How Can a Small Business With Stationary Fuel Combustion Units Determine If It Would Be Required to Report?

To reduce the burden on small emitters, EPA is proposing that any facility with an aggregate maximum-rated heat-input capacity for all stationary fuel combustion units at the facility (combined) that is less than 30 million British

¹ See proposed amendments to 40 CFR parts 86, 87, 89, 90, 94, 600, 1033, 1039, 1042, 1045, 1048, 1051, 1054, and 1065, and the proposed addition of 40 CFR part 1064. Also see the information sheet on Mobile Sources (EPA-430-F-09-047).

thermal units per hour (mmBtu/hr), and that contains no other GHG emission source categories covered by methods in the proposal within its boundary, would not have to report.

Stationary combustion units include boilers, combustion turbines, stationary engines, incinerators, process heaters, and other stationary fuel combustion equipment. According to EPA's analysis, a facility with stationary combustion units that have a maximum-rated heat-input capacity of less than 30 mmBtu/hr would not exceed the threshold of 25,000 mtCO₂e per year; however, EPA is seeking further comment on this strategy in the proposal. Please also see 40 CFR part 98, subpart C of the proposed rule, as well as the information sheet on Stationary Fuel Combustion Sources (EPA-430-F-09-005).

Would a Small Business With a Vehicle Fleet Be Required to Report?

No. Under the proposal, emissions from mobile sources would be covered by reports from fuel suppliers and manufacturers of vehicles and engines, not by fleet operators; however, EPA is taking comment on whether it is appropriate to require additional information from fleet operators.

Will Owners of Commercial and Residential Buildings Be Required to Report?

The vast majority of commercial and residential building owners would likely not be required to report. For commercial operations, more than 75 percent of buildings use combustion equipment with capacity of less than 1 mmBtu/hr. Approximately 80 percent of commercial buildings with boilers for heating water and steam use boilers with capacity of less than 10 mmBtu/hr. Any facility that has an aggregate maximum-rated heat-input capacity of all stationary fuel combustion units (combined) that is less than 30 mmBtu/hr is not included in this proposal. If a building does have an aggregate maximum-rated heat-input capacity equal to or greater than 30 mmBtu/hr, then that facility may need to complete further calculations to determine if it meets the threshold for reporting. For more information on this topic, please view the Stationary Fuel Combustion Sources information sheet (EPA-430-F-09-005).

How Can a Small Business Determine If It Would Be Required to Report?

Businesses should consult the proposed rule to determine applicability. To make an initial determination if a business would be required to report, please refer to the information sheet on General Provisions (EPA-430-F-09-006). This sheet provides information to help identify likely reporters. In general, the proposed rule would require annual reporting of emissions from facilities that emit 25,000 metric tons or more of GHGs and suppliers of fossil fuel or industrial gases. Manufacturers of new mobile sources or engines, except small businesses or small-volume manufacturers, would report emission rates from products.

What Impact Would This Proposal Have on Small Businesses?

As a part of the Regulatory Impact Analysis for this proposal, EPA has calculated that this rule will not have a significant economic impact on a substantial number of small entities. While EPA estimates that some small businesses in some sectors would be required to report, the cost of reporting would be less than 1 percent of the average annual sales, even for the sectors with the largest economic impacts.

For More Information

This series of information sheets is intended to assist reporting facilities/owners in understanding key provisions of the proposed rule. However, these information sheets are not intended to be a substitution for the rule. Visit EPA's Web site (www.epa.gov/climatechange/emissions/ghgrulemaking.html) for more information, including the proposed preamble and rule and additional information sheets on specific industries, or go to www.regulations.gov to access the rulemaking docket (EPA-HQ OAR-2008-0508). For questions that cannot be answered through the Web site or docket, call 1-877-GHG-1188.