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

MAY 12, 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, ETC.), PROJECTS, AND OFFSETS.**
- **NOTE: EFFORTS TO DEVELOP A NATIONAL APPROACH VIA A “REGISTRY ALLIANCE” ARE INCREASING.**

### POTENTIAL GOALS OF A GHG REGISTRY:

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

GHG REGISTRY DESIGN OPTIONS MATRIX, NM CC TWG – MAY 12, 2006

	DESIGN ELEMENT	OPTIONS	DESIGN CONSIDERATIONS	PRELIMINARY RECOMMENDATION
<b>1.</b>	<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 / SOME / NO</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>

	DESIGN ELEMENT	OPTIONS	DESIGN CONSIDERATIONS	PRELIMINARY RECOMMENDATION
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>
1.8	TRANSPARENCY	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li>MUST HAVE ADEQUATE TRANSPARENCY TO ENSURE QUALITY.</li> </ul>
1.9	OTHERS?	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li>STRIVE FOR CONSISTENCY AND COMPATIBILITY WITH RELATED PROGRAMS (AS DONE WITH RENEWABLE ENERGY CERTIFICATES (RECs)).</li> </ul>
<b>2. TECHNICAL ISSUES</b>				
2.1	TREATMENT OF MINORITY OWNERSHIP	<ul style="list-style-type: none"> <li>MULTIPLE WAYS OK (E.G., EQUITY SHARE, FINANCIAL CONTROL), BUT MUST BE CONSISTENT</li> </ul>	<ul style="list-style-type: none"> <li><i>GHG PROTOCOL</i></li> </ul>	<ul style="list-style-type: none"> <li>COMPORT WITH <i>GHG PROTOCOL</i>.</li> </ul>
2.2	MERGER & ACQUISITION ISSUES	<ul style="list-style-type: none"> <li>SUCH CHANGES OFTEN REQUIRE RECALCULATION.</li> </ul>	<ul style="list-style-type: none"> <li><i>GHG PROTOCOL</i></li> </ul>	<ul style="list-style-type: none"> <li>COMPORT WITH <i>GHG PROTOCOL</i>.</li> </ul>
2.3	QUALITY ASSURANCE; UNCERTAINTY ANALYSIS	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li><i>GHG PROTOCOL</i></li> </ul>	<ul style="list-style-type: none"> <li>COMPORT WITH <i>GHG PROTOCOL</i>.</li> </ul>
2.4	REGULATORY GUIDANCE (PROTOCOLS, GUIDANCE DOCUMENTS, ETC.)	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li>NEW MEXICO SHOULD OFFER REASONABLE GUIDANCE AND TOOLS TO ENCOURAGE PARTICIPATION.</li> </ul>
2.5	DATA FLOW; FILING METHODS, ETC.	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li>CONFIDENTIAL BUSINESS INFORMATION (CBI), LEGAL AUTHORITY, ETC.</li> </ul>	<ul style="list-style-type: none"> <li>RETAIN STATE AUTHORITY, ENSURE ADEQUATE DATA PROTECTION, AND USE WEB FILING TO THE GREATEST EXTENT POSSIBLE.</li> </ul>
2.6	OTHERS?	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>

	DESIGN ELEMENT	OPTIONS	DESIGN CONSIDERATIONS	PRELIMINARY RECOMMENDATION
<b>3.</b>	<b>ADMINISTRATIVE &amp; OPERATIONAL ISSUES</b>			
3.1	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>
3.2	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>
3.3	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>
3.4	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>
3.5	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>
3.6	OTHERS?	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>