

Guide for Small Businesses



Final Rule: Mandatory Reporting of Greenhouse Gases

The Mandatory Reporting of Greenhouse Gases (GHGs) rule requires reporting of annual emissions of carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), sulfur hexafluoride (SF₆), hydrofluorocarbons (HFCs), perfluorochemicals (PFCs), and other fluorinated gases (e.g., nitrogen trifluoride [NF₃] and hydrofluorinated ethers [HFEs]). The rule applies to downstream facilities that emit 25,000 metric tons or more CO₂ equivalent and to upstream suppliers of fossil fuels and industrial GHGs. Additionally, manufacturers of vehicles and engines outside of the light-duty sector must report GHG emission rates as part of amendments to existing rules;¹ these new requirements generally do not apply to small businesses (see information sheet on Mobile Sources). Reporting is at the facility level, except for certain suppliers that must report at the corporate level.

This information sheet provides information that may be of special interest to small-business owners and will help small businesses determine if they are required to report under this rule. Please also refer to the General Provisions information sheet (EPA-430-F-09-006R).

What types of small businesses are required to report under this rule?

Determining whether a facility is required to report GHG information is based on whether or not the facility directly emits 25,000 or more metric tons of CO₂ equivalent (CO₂e) per year. This threshold is roughly equivalent to the emissions from 131 rail cars' worth of coal or the annual energy use of 2,300 homes. Because of this threshold, EPA has determined that the vast majority of small businesses are not required to report. Some small businesses in energy-intensive industries or heavy manufacturing sectors may need to report, however. The reporting requirements related to vehicle and engine emission rates do not apply to manufacturers treated as "small businesses" or "small-volume manufacturers" under EPA's existing mobile source emission regulations.

What types of small business owners are affected by the rule?

The 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 metric tons CO₂e/year threshold for reporting. In addition, farm operations, except for large agricultural operations with manure management systems, are 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 final rule, as well as the Manure Management information sheet (EPA-430-F-09-026R).

How can small businesses with stationary fuel combustion units determine if they are required to report?

To reduce the burden on small emitters, 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

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

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

Stationary combustion units include boilers, combustion turbines, stationary engines, incinerators, process heaters, and other stationary fuel combustion equipment. If a building has an aggregate maximum-rated heat-input capacity above 30 mmBtu/hr, then the facility will need to do further calculations to determine if it meets the threshold for reporting. EPA has developed an online applicability tool to help facilities assess if they are required to report. This tool is available on the GHG Mandatory Reporting Rule Website (<http://www.epa.gov/climatechange/emissions/ghgrulemaking.html>). Please also see 40 CFR part 98, subpart C of the rule, as well as the information sheet on Stationary Fuel Combustion Sources (EPA-430-F-09-005R).

Is a small business with a vehicle fleet required to report?

No. Emissions from mobile sources are covered by reports from fuel suppliers and manufacturers of vehicles and engines outside of the light-duty sector, not by fleet operators.

Are owners of commercial buildings required to report?

The majority of commercial owners are not likely required to report. For commercial operations, over 75 percent of buildings have combustion equipment with an aggregate maximum-rated heat-input capacity of less than 1 mmBtu/hr. When it comes to commercial buildings with boilers for heating water and steam, approximately 80 percent of buildings have boilers with an aggregate maximum-rated heat-input capacity of less than 10 mmBtu/hr. These are well below the threshold for aggregate maximum-rated heat-input capacity of the stationary fuel combustion units of 30 mmBtu/hr. If a building has an aggregate maximum-rated heat-input capacity above 30 mmBtu/hr, then the facility will need to do further calculations to determine if it meets the threshold for reporting. EPA has developed an online applicability tool to help facilities assess if they are required to report. This tool is available on the GHG Mandatory Reporting Rule Website (<http://www.epa.gov/climatechange/emissions/ghgrulemaking.html>).

How can a small business determine if it must report?

Businesses should consult the rule to determine applicability. To make an initial assessment if the rule requires a business to report, please refer to the information sheet on General Provisions (EPA-430-F-09-006R). This sheet provides information to help identify likely reporters. In general, the rule requires annual reporting of emissions from facilities and suppliers of fossil fuel and industrial GHGs that emit 25,000 or more metric tons CO₂e/year. Manufacturers of new vehicles and engines outside of the light-duty sector, except small businesses or small-volume manufacturers that are not currently reporting GHG emissions for compliance with existing regulations, must report emission rates from products.

What impact does this rule have on small businesses?

As a part of the Regulatory Impact Analysis for this rule, 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 will be required to report, the cost of reporting will be less than 1 percent of the average annual sales, even for the sectors with the largest economic impacts.

For more information

This document is provided solely for informational purposes. It does not provide legal advice, have legally binding effect, or expressly or implicitly create, expand, or limit any legal rights, obligations, responsibilities, expectations, or benefits in regard to any person. The series of information sheets is intended to assist reporting facilities/owners in understanding key provisions of the final rule.

Visit EPA's Web site (www.epa.gov/climatechange/emissions/ghgrulemaking.html) for more information, including the final preamble and rule, additional information sheets on specific industries, the schedule for training sessions, and other documents and tools. For questions that cannot be answered through the Web site, please contact us at: ghgmrr@epa.gov.