

1 the baselines or reductions recorded in the North Carolina Climate
2 Action Registry.

3 (b) No later than July 1, 2004, the Department shall adopt guidelines to establish
4 the North Carolina Climate Action Registry. Between July 1, 2004, and July 1, 2005,
5 participation in the Registry shall be voluntary. As of July 1, 2005, participation in the
6 Registry shall be mandatory for all facilities that are required to obtain an air quality
7 permit from the Department. No later than July 1, 2005, the Commission shall adopt
8 rules to expand the Registry. The guidelines and the rules under this subsection shall do
9 all of the following:

10 (1) Design programs to establish emissions baselines and to monitor and
11 track greenhouse gas emissions.

12 (2) Adopt systems to verify emissions and reductions of emissions.

13 (3) Adopt a uniform format for reporting emissions baselines and
14 reductions in order to facilitate their recognition in any future
15 regulatory scheme.

16 (4) Maintain a record of all emissions baselines and reductions.

17 (c) The purposes of the North Carolina Climate Action Registry are all of the
18 following:

19 (1) To help various entities in the State establish emissions baselines
20 against which any future federal greenhouse gas emission reduction
21 requirements may be applied.

22 (2) To encourage voluntary actions to increase energy efficiency and
23 reduce greenhouse gas emissions.

24 (3) To enable participating entities to record voluntary greenhouse gas
25 emissions reductions made after 1990 in a consistent format that is
26 supported by third-party verification.

27 (4) To ensure that sources in the State receive appropriate consideration
28 for verified emissions reductions under any future federal regulatory
29 regime relating to greenhouse gas emissions.

30 (5) To recruit broad participation in the process from all economic sectors
31 and regions of the State.

32 (6) To recognize, publicize, and promote registrants that make voluntary
33 reductions of emissions.

34 (7) To create an inventory of greenhouse gas emissions from all major
35 emission sectors.

36 (d) The Commission shall adopt rules that require facilities that participate in the
37 North Carolina Climate Action Registry and that are significant sources of carbon
38 dioxide and other greenhouse gases to report these emissions by amount.

39 (e) Companies and organizations shall be encouraged to establish emissions
40 reduction goals based on international best practices for specific industries and
41 economic sectors. The Department shall recognize, publicize, and promote participants
42 that commit to monitor their emissions, set emissions reduction targets, establish
43 emissions baselines, and report the quantity of their annual emissions progress.

44 (f) The following definitions apply in this section:

- 1 (1) Greenhouse gas. – Carbon dioxide, methane, nitrous oxide,
2 hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride.
- 3 (2) Greenhouse gas emissions. – Emissions of a greenhouse gas, including
4 all of the following:
- 5 a. Stationary combustion source emissions, which are emitted as a
6 result of combustion of fuels in stationary equipment such as
7 boilers, furnaces, burners, turbines, heaters, incinerators,
8 engines, flares, and other similar sources.
- 9 b. Process emissions, which consist of emissions from chemical or
10 physical processes other than combustion.
- 11 c. Fugitive emissions, which consist of intentional and
12 unintentional emissions from both:
- 13 1. Equipment leaks such as joints, seals, packing, and
14 gaskets.
- 15 2. Piles, pits, cooling towers, and other similar sources.
- 16 d. Mobile source emissions, which are emitted as a result of
17 combustion of fuels in transportation equipment such as
18 automobiles, trucks, trains, airplanes, and vessels."

19 **SECTION 2.** This act is effective when it becomes law.