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Greenhouse Gas Regulations Mandated by Governor's Executive Orders

Governor Ritter issued three climate change Executive Orders on Tuesday, April 22, 2008 that initiate regulatory actions and create an agricultural carbon offset program designed to reduce greenhouse gas (GHG) emissions in the State, and establishes the Governor's Climate Advisory Panel. The trio of Executive Orders set in motion actions to implement the GHG reduction goals and policies announced in the Governor's November 2007 Climate Action Plan.

Executive Order D 004 08 – Reducing Greenhouse Gas Emissions in Colorado.

As the name implies, this Executive Order initiates several actions intended to reduce GHG emissions statewide. The Order directs the Colorado Department of Public Health and Environment (CDPHE) to develop and propose mandatory greenhouse gas emissions reporting regulations for all major sources within two years. The reporting requirements will be phased in thereafter, as standardized protocols and baseline data become available. The Order also directs CDPHE to develop a proposal for reducing net GHG emissions from the State's transportation sector within 24 months, including measures to achieve maximum feasible and cost effective GHG emission reductions from passenger cars and light-duty trucks. Turning to the utility sector, the Order requests the Colorado Public Utilities Commission to require each utility within its jurisdiction to submit an electric resource plan analyzing how the utility could reduce its GHG emissions by 20% from 2005 levels by the year 2020. Finally, the Order formally declares GHG reduction goals of 20% by 2020 and 80% by 2050 below 2005 levels for the State of Colorado. State agencies are directed to join in a coordinated statewide effort, and to work cooperatively with local governments as well, to meet those emission reduction goals.

Executive Order D 010 08 – Colorado's Agricultural Carbon Offset Program.

This Executive Order establishes an agricultural carbon offset program that enables farmers and ranchers to sequester carbon, thereby reducing GHG emissions, and to sell the resulting carbon credits. The Order directs CDPHE and the Colorado Department of Agriculture to establish a program to encourage ranchers and farmers in Colorado and neighboring states to engage in carbon sequestration efforts, assist program participants with project verification, and to facilitate a market exchange of the carbon offsets. The carbon offset program is to be designed over the next two years, and implemented no more than three years from the date of the Order.

Executive Order B 007 08 – Creating the Governor's Climate Advisory Panel.

The Climate Advisory Panel was created to provide a forum for considering options and providing recommendations to achieve the GHG reduction goals established in the Climate Action Plan, and to make recommendations to the Governor regarding potential policies and programs that may be necessary to accomplish those goals.

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The Panel will respond to requests for review by the Governor on new opportunities for action to address climate change issues, including review of potential climate adaptation strategies. The Panel will be comprised of up to 30 members appointed by the Governor, representing the energy, business, agriculture, transportation, scientific and academic, nonprofit, conservation, and government sectors.

With these Executive Orders, the Governor has formally started down the path of regulating GHG emissions in Colorado, and has established the foundation for a carbon cap-and-trade program in the state. While the Orders do not impose GHG emissions limits on stationary source emitters in the near future, those sources may benefit from knowing the extent of their emissions, and could receive credit for early action to reduce them. The Colorado Agricultural Carbon Offset Program represents significant opportunity for agricultural sector businesses to generate potentially valuable carbon offsets. The HRO Climate Change Group can help your company plan for and meet the risks, and capitalize on the opportunities, presented by a carbon-constrained future.

For more information, please call: Matt Lepore, Alan Gilbert, or Nea Brown in Denver, or Mary Ellen Hogan in California.

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