

## Mandatory Greenhouse Gas Reporting 2018 Emissions Year Frequently Asked Questions

This document provides questions and answers related to the 2018 greenhouse gas (GHG) emissions reported by entities subject to the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions (MRR).<sup>1</sup> MRR collects data from the largest GHG emitters to support the Cap-and-Trade Program, the AB 32 Cost of Implementation Fee Regulation, and the statewide GHG Emissions Inventory. Thus, MRR data includes a subset of the statewide GHG emissions sources. The statewide GHG Emissions Inventory establishes historical emission trends and is the primary method for tracking California's progress in reducing GHGs. The GHG Emissions Inventory is a separate program from MRR.<sup>2</sup> All data sources used to develop the GHG Emissions Inventory are listed in supporting documentation available at [www.arb.ca.gov/cc/inventory/data/data.htm](http://www.arb.ca.gov/cc/inventory/data/data.htm).

**Question:** What sources of GHG emissions must report under MRR?

**Answer:** The MRR program captures approximately 80 percent of the GHG emissions included in the State's GHG inventory. The MRR program requires annual reporting of GHGs from industrial sources that emit more than 10,000 metric tons of CO<sub>2e</sub>, from transportation and natural gas fuel suppliers, and from imported electricity (Figure 1).

**Question:** What sources of GHG emissions are not reported under the MRR program, but will be included in the official statewide GHG inventory for 2018?

**Answer:** Agricultural emissions, high global warming potential gases, emissions from landfills and composting, and select fugitive emissions are not captured under the MRR program.

**Question:** How do total reported GHG emissions for 2018 compare to 2017 emissions?

**Answer:** Total 2018 GHG emissions reported under MRR increased by approximately 193,000 metric tons of carbon dioxide equivalent (CO<sub>2e</sub>), or 0.05 percent, in comparison to 2017.<sup>3</sup> Emissions that are covered by the Cap-and-Trade Program decreased by approximately 701,000 metric tons of CO<sub>2e</sub>, or 0.2 percent. These modest changes in MRR reported emissions for 2018 are not expected to impact the state's ability to meet the AB 32 2020 GHG reduction target.

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<sup>1</sup> Mandatory GHG Reporting - Reported Emissions: <https://ww2.arb.ca.gov/mrr-data>

<sup>2</sup> GHG Inventory Program page - <https://ww2.arb.ca.gov/our-work/programs/ghg-inventory-program>

<sup>3</sup> The total GHG emissions are adjusted to remove emissions that are reported by both covered facilities and natural gas suppliers. The final FAQ in this document discusses this adjustment in detail.

GHG emissions from some industrial sources and from supplied natural gas, natural gas liquids (NGLs), and liquefied petroleum gas (LPG) fuels increased slightly in 2018 relative to 2017. Cement plant emissions increased by 237,000 metric tons of CO<sub>2</sub>e (3 percent) and refinery and hydrogen plant emissions increased by 457,000 metric tons of CO<sub>2</sub>e (1.3 percent). Emissions from supplied natural gas, NGLs, and LPG fuels increased by 450,000 metric tons CO<sub>2</sub>e (1 percent).

Emissions from the electricity sector, which includes electricity imports, in-state electricity generation, and cogeneration sources, increased by 348,000 metric tons of CO<sub>2</sub>e<sup>4</sup>, or 0.6 percent. Emissions from in-state generation grew by approximately 4.0 percent. However, this increase is largely due to the reclassification of former cogeneration facilities that transitioned to electricity-only generation. Reclassification of these existing facilities resulted in a decrease in cogeneration emissions and an increase in the in-state electricity generation emissions. In addition, a decrease in in-state hydroelectric generation due to lower precipitation levels<sup>5</sup> was compensated by an increase in unspecified imports relative to 2017. Cumulatively, these factors contributed to the increase in electricity sector emissions.

Two sources showed a decline in GHG emissions relative to 2017. Oil and gas production emissions decreased by 385,000 metric tons CO<sub>2</sub>e (2.3 percent), and tailpipe emissions from transportation fuels decreased by 916,000 metric tons CO<sub>2</sub>e (0.5 percent).

Emissions from other combustion sources remained stable, increasing by 2,000 metric tons CO<sub>2</sub>e (less than 0.1 percent).

**Question:** When will the GHG Emissions Inventory be updated to reflect calendar year 2018 emissions?

**Answer:** Consistent with timing in previous years, the updated GHG Emissions Inventory that reflects the 2018 emissions data will be made available in spring of 2020.

**Question:** The 2017 GHG Emissions Inventory showed 424 million metric tons of emissions. What does this say about the State's progress towards meeting its GHG reduction goals?

**Answer:** The 2017 GHG Emissions Inventory showed that California has reduced emissions below the 2020 target established by AB 32 by a total of 7 million metric tons of CO<sub>2</sub>e. The 2018 MRR data supports the conclusion that California

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<sup>4</sup> The electricity sector increase was revised from 381,000 metric tons of CO<sub>2</sub>e (posted on 11/04/2019) to 348,000 metric tons of CO<sub>2</sub>e (posted on 11/08/2019).

<sup>5</sup> California Energy Commission – Total System Electric Generation:  
[https://ww2.energy.ca.gov/almanac/electricity\\_data/total\\_system\\_power.html](https://ww2.energy.ca.gov/almanac/electricity_data/total_system_power.html)

remains well below the 2020 emissions target and continues to make progress in decarbonizing key sectors of the economy.

**Question:** What is the difference between total CO<sub>2</sub>e (i.e., total emissions), total covered emissions, and non-covered emissions values found in the public data spreadsheets posted on the MRR webpage?

**Answer:** For entities subject to the Cap-and-Trade Program, total covered emissions (column R in the spreadsheet) are equal to total emissions (column F) minus non-covered emissions (column S). Non-covered emissions include emissions that are exempt from a compliance obligation under the Cap-and-Trade Program, such as biogenic emissions from exempt biomass fuels and certain fugitive emissions.

For entities that are subject to MRR, but not the Cap-and-Trade Program, the covered emissions are zero regardless of the emissions source.

In the case of natural gas suppliers, emissions from natural gas supplied to covered facilities are subtracted from the supplier's total and covered emissions to avoid double counting. In Figure 1, the total CO<sub>2</sub>e emissions for the Supplier of Natural Gas, NGL, or LPG source category reflect this accounting.

**Figure 1. 2013-2018 Total GHG Emissions by Source Category**

