

## 8. **POLICY: EPA toughens voluntary standards for climate program** (10/27/2009)

**Jessica Leber, E&E reporter**

U.S. EPA yesterday proposed to toughen the standards of its flagship voluntary climate program, Climate Leaders. The Obama administration wants to keep the program relevant as it moves towards mandatory greenhouse gas controls, according to the [proposal](#).

The move comes as EPA takes a hard look at all of its voluntary partnership programs, especially those related to climate change ([ClimateWire](#), March 19). Companies and the agency itself often trumpet achievements under these programs in media and marketing materials.

Earlier this year, Administrator Lisa Jackson called for a [review](#) of all environmental leadership programs upon halting one that had been producing suspect claims.

In recent years, government and internal agency audits have criticized the transparency and accountability of both Climate Leaders, launched by the Bush administration in 2002, and the joint EPA and Department of Energy efficiency labeling program Energy Star.

"Their intent is to redesign the program and, in effect, create Climate Leaders 2.0," said Daniel Kreeger, head of the Association of Climate Change Officers, a group for business executives who manage corporate climate strategies and programs.

### **Wanted: Specific targets, not iffy goals**

Climate Leaders now includes more than 200 large industrial and commercial companies voluntarily inventorying their greenhouse gas emissions and setting goals to cut them. EPA says the participants, which range from utilities such as Duke Energy to chemical manufacturers like Dow Chemical Co., are reducing emissions by about 50 million metric tons a year.

To increase transparency and have a bigger impact on climate change, EPA proposed that companies must adopt absolute emissions reduction targets to enter the program, instead of only goals gauged relative to business growth. Other changes would require participants to make public their yearly progress and set short- and long-term targets -- not only one or the other.

EPA also plans to shift its resources to guiding emissions cuts, where in the past the emphasis was on creating inventories and goal-setting.

Also, the agency is taking comment on whether companies should have to submit independent audits of their numbers. Currently, the program doesn't currently require such outside verification. Neither does the agency's mandatory reporting rule, set to take effect next year.

Kreeger applauded most of the proposed changes but said there are downsides to potentially requiring third-party verification. Many companies don't yet know which auditors to trust in a booming greenhouse gas audit market, and the extra cost of hiring them could discourage the participation of some, he said.

But, **Kreeger** said, for the most part, the changes are needed to keep the program exclusive to businesses that are truly on the cutting edge. "Companies who are serious about being leaders will step up to the plate," he said.

### **Concerns about 'greenwashing' and 'green fatigue'**

Without upping the ante, the program could balloon in size to include too many companies, he said, stretching EPA's funding and staff resources. One of the real values of the program, he said, is that participants have access to direct guidance and advice from EPA staff on their specific issues.

The proposed change with the biggest impact, **Kreeger** said, could be EPA's intention to start pushing for companies to address the indirect emissions they produce. These could come from an employee's air travel, for example. Or, more significantly, from a company's own suppliers.

"Let's say you took every Fortune 500 company, and you got them to make their suppliers use the same standards they are using for themselves -- and you got them to set very high standards," said Kreeger. "The impact could be enormous."

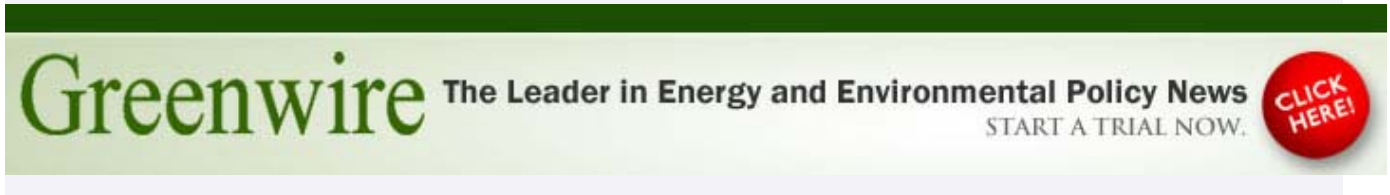
The changes could also add credibility to the Climate Leaders program and minimize the specter of "greenwashing," the term for when companies market specious sustainability claims.


Last year, Dell Inc., a Climate Leaders participant, started publicly proclaiming itself to be "carbon neutral." But when the *Wall Street Journal* **investigated** that statement, it found Dell was only referring to a small fraction of its emissions while ignoring the "indirect" chunk -- the oil used by its parts suppliers and the fuel needed to ship its computers.

Kreeger said "greenwashing" hurts all companies looking to make and publicize legitimate environmental improvements. "You could almost call it green fatigue out there," he said. "It is absolutely critical for every company to make sure that the claims they are making are beyond dispute."

EPA will accept comments on its proposal until Nov. 9, 2009, and hopes to finalize it by the end of that month.

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