



The Climate Registry

Board Meeting Agenda

The Wit Hotel

June 2 -3, 2009

Chicago, IL

JUNE 2

Hotel Conference Room

Room #412-413

7:30 – 8:30 AM

CONTINENTAL BREAKFAST AVAILABLE

8:30 AM

ITEM A

Roll Call/ Establish Quorum (Vice Chair, Eileen Tutt)

8:45 AM

Report of the Chair (Vice Chair, Doug Scott)

- Welcome new Board Members
- High level overview of activities since last meeting

ACTION # 1: Election of Officers/Executive Committee
(Vice Chair Eileen Tutt)

ACTION # 2: Adopt Minutes from the January 14, 2009 Board teleconference meeting (Chair)

9:15 AM

Organizational Update/Review: (Diane Wittenberg)

ITEM B

Reporting Update: Member services/verification issues/ 2009-10 reporting expectations (Robyn Camp)

ITEM C

Recruiting Update: Results, expectations, forward focus regarding sector specific targeting (Regional Directors)

ITEM D

Policy Update: The intersection between mandatory and voluntary program support, developments on CRIS (Climate Registry Information System) (Jill Gravender)

ITEM E

North Amer. Energy Efficiency Program (Nancy Whalen)

10:20 AM

ITEM F

Financial Committee Report (Jim Norton)

3rd Qtr. Actuals/ Projected Year End Financials

10:30 AM

BREAK

10:45 AM **ITEM G** Federal Update: TCR and EPA Rule, Waxman-Markey Bill, Environment Canada (Denise Sheehan)

Board discussion: How should TCR interface with and enhance state, regional and federal programs? This discussion will help shape our future position regarding federal programs.
(Chair)

11:45 AM **ITEM H** Presentation on the Climate Action Reserve
(Diane Wittenberg and Gary Gero, President, Climate Action Reserve)

12:15 PM **LUNCH**

1:30 PM Board Discussion: possible integration with Climate Action Reserve
(Chair)

3:00 PM **BREAK**

3:15 PM **ITEM I** Protocol Committee (Eileen Tutt)

Present Electric Power Sector Protocol

Public Comment on EPS

ACTION # 3: Approve the Electric Sector Protocol

Present Local Government Operations Protocol /Update on State Government Guidance

Public Comment on LGO

ACTION # 4: Approve the Local Government Operations Protocol

4:15 PM **ITEM J** Audit and Ethics Committee (Jim Colman)

ACTION # 5: Adopt Change to Audit & Ethics Committee Charge

4:30 PM **ITEM K** Mandatory Reporting Committee (Steve Anderson)

Public Comment

5:00 PM **Recess Board Meeting until 8:30 Wednesday morning**

6:30 PM **BOARD DINNER** (TBA)

JUNE 3

Board Meeting resumes

7:30-8:30 AM CONTINENTAL BREAKFAST AVAILABLE

8:30 AM Call to Order

ACTION # 6: Integration with Climate Action Reserve
(see previous Item H)

9:00 AM **ITEM L** Executive Director Report (*Diane Wittenberg*)

- FY 09 Goal Achievement
- Presentation of FY 10 Goals
- Propose FY 10 Budget

ACTION # 7: Adopt FY10 Goals, Budget and Premium
Dues Category

9:40 AM **ITEM M** Review Committee charters, membership, etc.

ACTION # 8: Adopt new Board Committee Structure

9:50 AM Best Practices Roundtable and Exchange among board members (*Chair*)

- Updates on Regional Cap and Trade Programs
- Exchange of insights and best practices on climate actions

10:15 AM Public Comment

10:35 AM **SPEAKER: Lisa Jackson, EPA Administrator** (invited)
EPA and the States: presentation and discussion

11:30 AM ***Adjournment***

Box Lunches available



The Climate Registry

**ACTION #1
Resolution 06.02.09 – 1
Election of Officers/Executive Committee**

The TCR Executive Committee and Officers are elected for 2 year terms. The Executive Committee is lead by the Chair, and consists of the Chair, the two Vice Chairs, the Treasurer, the Secretary and 4 At-Large Members. It acts in place of the full board as authorized in the by-laws. The committee meets 6-12 times per year.

Chair Gina McCarthy queried the Board several times in the past 6 months to survey interest in serving on the Executive Committee. Your Executive Committee is pleased to present the following slate for your approval.

Elect	Name	Title	Comment
Chair	Doug Scott	Director, Illinois EPA	*Serving currently- Vice Chair, Development & Recruiting – 2 nd year of 3 year term
Vice Chair	Eileen Tutt	Deputy Secretary, Cal EPA	Serving currently- Vice Chair, Protocols
Vice Chair			open
Secretary	James Martin	Executive Director, CO DPHE	Board Director
Treasurer	Jim Norton	Director, NM Environmental Protection Division	*Currently serving 2nd year of 3 year term
At Large Member	James Colman	Asst. Commissioner, MA DEP	*Currently serving 2nd year of 3 year term
At Large Member	David Thornton	Asst. Commissioner, MN Pollution Control Agency	Currently completing 2 year term
At Large Member	Steve Anderson	Executive Director, BC Climate Change & Intergovernmental relations	**elected June 4, 2008 for one year; position will be 2 year term from now on
At Large Member	Carol Couch	Director, GA DENR	Board Director

*Elected May 23, 2007 **Elected June 4, 2008

- **If elected, starred candidates' terms will extend to June 2011 when all Officers & Executive Committee will be up for re-election at the same time for election.**

_____ **I APPROVE SLATE AS PRESENTED**

_____ **I DO NOT APPROVE**



The Climate Registry

**ACTION #2
Resolution 06.02.09 – 2**

**Adopt Minutes from the January 14, 2009 Board of Directors Meeting
Teleconference**

The Board of Directors (Board) of The Climate Registry (the Registry) met via teleconference on January 14, 2009 at 11:00am PST.

Chair Gina McCarthy (CT), called the meeting to order at 11:05 AM. Secretary Steve Owens (AZ) called the roll.

The following directors were present: Keith Leggat, Alberta; Stephen Owens, AZ (Secretary); Steve Anderson, British Columbia; Eileen Wenger Tutt, CA; Lisa Gover, Campo Kumeyaay Nation; Jim Martin, CO; Gina McCarthy, CT (Chairman of the Board of Directors); Joseph Kahn, FL; Laurence Lau, HI; Doug Scott, IL; Jason Marcel, IA; Tom Gross, KS; Kevin Macdonald, ME; Robert Summers, MD; James Colman, MA; Vinson Hellwig, MI; David Thornton, MN; Leanne Tippet Mosby, MO; Leo Drozdoff, NV; Joanne Morin, NH; Christopher Sherry, NJ; Jim Norton, New Mexico (Treasurer); Peter Iwanowicz, NY; George Foote, Nova Scotia; Eddie Terrill, OK; Dick Pedersen, OR; Howard Loseth, Saskatchewan; Renee Shealy, SC; David Paylor, VA; Allen Shea, WI; Ian Church, Yukon; A quorum was present.

The following non board members were present: Dale Hurst, AL; Leroy Williams, Gila River Indian Community; Juliane Schnaible, Manitoba; Eric Merchant, MT; Joe Sherrick, PA; Rusty Lundberg, UT; Dick Valentinetti, VT; Todd Parfitt, WY

Action Item #1 - 01 14 09 Minutes from June 2008 Board Meeting. *Chair Gina McCarthy (CT) called for a motion on Action Item #1 – 01 14 09. Steve Owens (AZ), moved the item,, which was seconded by James Colman (MA). Minutes from the last meeting were adopted as amended.*

Report of the Chair. Gina McCarthy indicated that the Executive Committee and Officers serve 2 year terms. These terms are up in June 2009, with the exception that, for the first term only, the Vice Chair of Development, Treasurer and one At Large Member will serve for initial 3 year terms. She also noted that At Large Executive Committee member Brock Nicholson (NC) has retired and Secretary Steve Owens (AZ) will be resigning. Chair McCarthy indicated that any Board member interested in serving on the Executive Committee should contact her directly. A slate of nominees for the 2009-2011 term will be presented at the June 2009 Board of Directors meeting. Nominations will also be accepted from the floor.

Chair McCarthy welcomed the new board members since June: Ian Church, Yukon; Jim Sparling, Northwest Territories; Keith Leggat, Alberta; Leonard Peters, Kentucky; and Margaret Cook, Gila River Indian Community.

Chair McCarthy also highlighted several of The Registry's accomplishments over the past six months, including:

- The registry now has 309 organizations enrolled as reporting members;
- Climate Registry Information System (CRIS) Software was launched in July 2008;
- The first round of verification bodies have been accredited;
- A Pilot project is now underway in the State of Nevada for The Registry to support Nevada's mandatory GHG reporting programs;
- Four regional forums have been organized across the country to engage new members. The first Forum was held in Boston, MA in November, and the remaining three forums will be held in Tampa, Florida; Denver, Colorado, and Columbus, Ohio over the months of February and March 2009. See the TCR web site for details;
- The Registry served as an official observer to the UNFCCC Conference in Poznan, Poland and a small delegation from TCR participated in side events at the conference in December 2008.

Executive Report. Executive Director, Diane Wittenberg provided an update on the Registry's budget, including projected and actual revenue streams and expenditures to date. She stated that The Registry's budget would be revised to a total of \$3.4 million from the prior approved budget of \$4.2 million annually. She indicated that the reduced budget was primarily because new voluntary members and other contractual revenues are lower than anticipated. Diane thanked all the contributing board jurisdictions for their generous support. Diane provided an overview by sector of the Registry's current members and she indicated that The Registry's focus will be on increasing the number of voluntary members. She asked that each jurisdiction try to sign up at least three major members.

Policy Report. Jill Gravender introduced the new TCR policy staff members. On the voluntary reporting side, the bulk of TCR members will be reporting their emissions by June of this year and TCR staff are working to ensure that this process goes smoothly. For mandatory reporting, TCR staff are working on the Nevada pilot project, the common framework and the regional initiatives. The Policy team is also working on sector specific protocols for the Electric Power Sector, oil and gas and local government operations.

Member Services. Robyn Camp introduced staff. She emphasized the team's role in assisting members with their inventories, handling reporting questions and encouraging emission reductions over time. Robyn provided an overview of the training opportunities provided by TCR and stated that Member services will continue hosting events and trainings to help build the outreach of TCR.

Diane briefly updated communications activities. She also discussed the Cool Planet Project, which provides a useful service for large utilities and companies installing energy efficiency and has broad appeal to companies through TCR.

Canadian Update. Steve Anderson (BC) reported that Environment Canada has a new Executive Director, Bob Hamilton. Canada seeks to work with the U.S. on

environmental issues and cap & trade programs. Prime Minister Harper will be scheduling a meeting with President-elect Obama.

Federal Report. Denise Sheehan provided an update on the status of US EPA's draft mandatory GHG reporting bill. She also reported that TCR is mentioned favorably in all major GHG registry and cap & trade bills. Denise discussed changes in Congress, including that Representative Waxman has been selected as the new Chair in House Energy & Commerce Committee. In the Senate Senator Klobuchar has been lead on GHG Registry legislation. Denise announced Capitol Hill Day for Board members (March 24 and 25, 2009) to meet with members of Congress and congressional staff.

Committee Reports

Finance. Treasurer Jim Norton (NM) re-capped that originally the Board approved a budget projection of \$4.2 million which is now currently at \$3.4 million. The drop-off of \$800,000 is approximately due to limited reporters and the present economy. TCR has modified hiring plans and made other adjustments to accommodate the new revenue projections. The Registry has also assured its cash reserves are in CDs protected by the FDIC. The Finance Committee agreed that the adjustments can be made with the current projections and that a new budget proposal for the Board was not needed.

Mandatory Reporting. Jim Norton (NM) and Steve Anderson(BC) briefed the Board on its activities. One key committee action was to create a Shared System workgroup overseeing the 'Common Framework' and launching the pilot project in Nevada. Chris Condit, Registry Director of IT, described the Common Framework benefits: 1) reducing cost by a having a common set tool to customize programs for jurisdictions and 2) a data exchange standard to simplify reporting. Leo Drozdoff (NV) gave final comment in appreciation of TCR's help on the system in Nevada.

Protocols. Eileen Tutt (CA) gave a look ahead for the adoption at the June Board meeting for the Electric Power Sector and Local Government protocols, and previewing the workplan for Oil & Gas and Local Government Operations protocols. Sam Hitz, TCR staff, added that the EPS protocol in development will be released for public comment in February.

Audit & Ethics. James Colman (MA) extended thanks to Gillian Calof and Jackie Huggins of the staff for helping facilitate the committee work. TCR received a clean audit and its documents are available on the website in the board area. ANSI is conducting the Pilot program for Verification which is being evaluated by the Verification Oversight Panel. The first group of Verification Bodies have been accredited on schedule.

Development & Recruiting. Doug Scott (IL) briefed the recent membership of Kentucky and Gila River Indian Community. Outreach has occurred with Texas, North and South Dakota and will continue to the remaining non-member states.

Board Action Items

After the committee reports were given, Chair McCarthy asked to move ahead with the Action items to be voted on. The Executive Committee has reviewed and supports all items.

Action Item #2 - 01 14 09 The Registry will support mandatory reporting programs through two technical options.

Jim Norton introduced the Action Item and gave the report referring to page 33 of the Board book. He explained the two approaches for TCR's support of mandatory programs.

Dick Pedersen (OR) had a question regarding contracted fees with the program. Jim clarified that the mandatory reporting fees being paid by the states are separate from the voluntary contribution states make to support TCR.

Chair McCarthy called for a motion to approve. Leo Drozdoff (NV) motioned, seconded by Eileen Tutt (CA). Action Item #2 01 14 09 passed unanimously.

Action Item #3 – 01 14 09 The Registry shall explore supporting cap and trade programs.

Jim Norton presented the Action Item to allow The Climate Registry to explore supporting cap-and-trade program, while reminding the Board that it remains optional for states, but authorizes TCR to explore supporting cap & trade programs.

Several board members raised questions seeking clarifications. Diane clarified that this particular action item is in respect to a tracking functionality of the software and not related to protocol development or offset projects.

James Colman (MA) added that the wording could be changed to 'is authorized to explore the expansion'

Chair Gina McCarthy(CT) called for a motion to approve Action Item #3- 01 14 09.

James Colman (MA) motioned to approve with the suggested amendment, Dick Pedersen (OR) seconded. Action Item #3 – 01 14 09 was approved unanimously.

Action Item #4 – 01 14 09 The Climate Registry Board of Directors adopts the following position regarding federal GHG programs and the role of The Climate Registry.

A draft was presented to the Board via email for final comment and edits.

Chair McCarthy provided an overview of the position statement and the need for the Board to clearly articulate its position to the federal government. She walked the Board through the Statement and asked for comments and questions.

The Board members engaged in a lengthy and robust discussion with several members raising questions and suggesting edits. The draft statement was viewable to all Board members on the webinar screen and edits were continuously made to the document to address individual comments and to facilitate the discussion.

Several board members suggested that the statement should specifically reference The Climate Registry's importance as a creation of states, provinces and native sovereign nations with the purpose of serving as a single unified North American registry. Other members stressed the importance for the federal mandatory programs to utilize the existing infrastructure and calculation methodologies put in place through TCR. Several members emphasized the concern that federal program should seek to reduce the reporting burden on regulated entities and seek the most cost-effective approach through the use of the Registry.

Several Board members also felt that the statement should emphasize the desire of the Board to partner with the federal government to develop a coordinated approach for reporting. Several board members also felt it was important to stress the North American scope of The Climate Registry and the importance of consistent reporting practices across national borders and international programs.

The edits per the board discussion were made on the screen. Chair Gina McCarthy (CT) called a motion to approve the final revised version of Action Item #4 – 01 14 09. Larry Lau (HI) motioned, Ian Church (Yukon) seconded.

After a additional comment was made by Lisa Gover (Campo) to replace 'tribes' with Native Sovereign Nations, plus technical amendment comments made by Eileen Tutt (CA) and Larry Lau (HI) to specify 'seek to create an international or North American system', Chair Gina McCarthy called for another motion to pass 'Action Item #4 – 01 14 09 as further amended for technical corrections'. Larry Lau (HI) motioned, Doug Scott (IL) seconded. Action Item #4 - 01 14 09 was passed unanimously.

Action Item #5 – 01 14 09 Protocol Revisions

Change 1 – Registry Members may use default factors for up to 100 percent of their total electricity use in leased spaces, provided that they make a direct statement in their emission report confirming their inability to obtain site-specific data.

(page 37– board book reference)

Change 2 – Amend General Verification Protocol to treat verification of worldwide entity emission reports as one verification statement rather than requiring separate North American and worldwide verification statements.

(page 41- board book reference)

Eileen Tutt (CA) explained other verification-related revisions. James Colman (MA) reported that the Audit & Ethics committee supports the changes.

Kevin Macdonald (ME) motioned, Doug Scott (IL) seconded approval of the item.. Action Item #5 – 01 14 09 was approved unanimously.

Action Item #6 – 01 14 09 Adopt the process for Adopting, Changing, and Clarifying Protocols. (page 46 – Board book)

Eileen Tutt (CA) introduced the resolution specifying the process for making changes to protocols. She elaborated that the executive committee can make the change and staff can implement the changes.

There was a short discussion among the Board members seeking clarification of the process.

Chair Gina McCarthy called the motion for a vote on Action Item #6- 01 14 09. Kevin Macdonald (ME) motioned, Doug Scott (IL) seconded. The motion passed unanimously.

Action Item #7 – 01 14 09 Recommendation for States to Consider The Climate Registry projects in potential use of State Supplemental Enforcement Projects (SEPs) (page 58 – Board Book)

Chair Gina McCarthy (CT) introduced the resolution providing information to Board members on the potential use of Supplemental Enforcement Funds for TCR projects. She explained that many jurisdictions are facing fiscal challenges and SEPs may provide an opportunity for states to support TCR projects.

In response to questions from Kevin Macdonald (ME), Chair Gina McCarthy (CT) replied that this resolution is intended solely as an option for Board members to consider within their own legal authority. Other Board members indicated that the use of SEPs can provide opportunities to address climate change and obtain reductions in greenhouse gas emissions.

Chair Gina McCarthy (CT) called for a final vote to approve Action Item #7 – 01 14 09. Peter Iwanowicz (NY) motioned, Steve Owens (AZ) seconded. Action Item #7 – 01 14 09 was approved with a majority vote, while Ian Church (Yukon) and Kevin Macdonald (ME) abstaining.

Chair Gina McCarthy (CT) called a final motion for adjournment of the Board meeting. James Colman (MA) motioned, seconded by Lisa Gover (Campo Kumeyaay Nation). The Board of Directors of The Climate Registry adjourned at 2:05pm PST.

Item B

Reporting Update

We are at the start of our first major year of reporting. Almost 200 of 331 members have committed to report their 2008 emissions this year. Additionally, more than 50 members intend to start their reporting with their 2007 emissions or even earlier. With all of this activity, we continue to develop and improve our reporting resources to help automate answers to common questions, and facilitate efforts to prepare inventories, particularly for organizations attempting this for the first time.

Verification Update

Accreditation: To date we have 9 Registry-recognized, ANSI-accredited Verification Bodies, with an additional 24 applicants proceeding through ANSI's Accreditation Program for The Climate Registry. We know of at least 5 additional preliminary applicants (to be screened by ANSI) for ANSI's Accreditation Program.

Batch Verification: The Registry has selected Complete Integrated Certification Services Ltd. (CICS) as its Batch Verification Body this year. The cost to have an emissions report verified by CICS through batch verification is \$750 per member. The Registry anticipates that as many as 90 members may be eligible for batch verification, and interested members must submit an application to CICS by June 1. Members will be notified of their eligibility to participate in batch verification by June 19.

Currently (as of May 14, 2009) as many as 90 of our reporting members may be eligible for batch verification, leaving approximately 135 members that must proceed through the normal verification process by the extended verification deadline of March 1, 2010. The Registry is confident that between the 9 Registry-recognized Verification Bodies and the 24 ANSI Applicants, sufficient resources are available to our members.

Verification Costs: To help answer the question, what is the cost of verification? The Registry developed a *Guide to Understanding Factors that Affect Verification Costs* to educate members on the cost of verification. This matrix identifies the many variables that affect costs including size, number, complexity of sources and experience with reporting, among others. An organization can review this to understand if they are likely to have low, medium, or high costs for verification.

Additionally, in May 2009, The Registry issued a survey to accredited Verification Bodies to request cost estimates for representative scenarios, including 1) an office-based organization; 2) a retail organization; 3) a manufacturing company; 4) a local government; and, 5) a power generator. The Registry will use the feedback from this survey to better educate prospective Members on verification costs. We believe this effort will ultimately result in organizations taking quicker action to join The Registry. Following the first verification deadline (March 1, 2010), The Registry will issue another survey to accredited Verification Bodies and Members to request actual verification costs and other relevant information.

Program Update

Member Survey Results: The Registry conducted its first annual members' survey in February. The survey was designed to elicit feedback from participating members to assist the Member Services team in evaluating its current program and identify future initiatives. Approximately 100 Climate Registry Members responded, representing more than a third of the Registry's Membership at the time. Overall, The Registry received high marks for its thoughtful leadership in climate policy and excellent support of its Members in reporting and registering their GHGs.

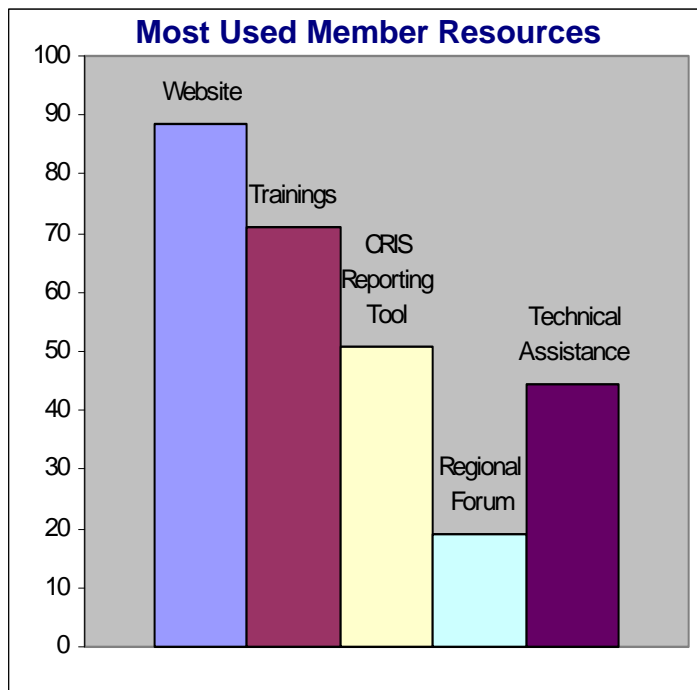
The survey asked Members to rate current Registry services, provide feedback on the usefulness of

additional initiatives, and offer their suggestions for prospective Registry projects and services. Several key findings are of note:

- 40% of Climate Registry Members also participate in some other type of emissions reporting program
- 57.8% anticipate that their facilities or units will be regulated in a future mandatory reporting program.
- For 66% of Climate Registry Members this is their first attempt to quantify their greenhouse gas emissions

In addition, we found that preparing an annual emissions inventory helped Members' and their organizations to:

- Establish a baseline - 72%
- Identify/prioritize reduction opportunities - 47.6%
- Streamline information management systems - 41.5%



The Registry will circulate the results to members through the electronic mailing list and website. Staff will use the information to inform planning efforts and is preparing to conduct another survey next year to assess the progress of its efforts.

Overview of Program Resources and Activities

Trainings: The Registry offers three trainings bi-monthly for Members to better understand The Climate Registry's protocols and software. All trainings are interactive and allow for exchange between Members and The Climate Registry. Attendance ranges from 5-30 at each session. Non-Members are invited to participate for a \$100 fee. These three trainings include:

- *Building a Verifiable Inventory* - provides an overview of The Registry's General Reporting Protocol and of the basic principles of greenhouse gas inventory design and management.
- *Using CRIS to Report Your GHG Emissions* - provides an overview of navigating and using The Climate Registry's emissions reporting software, CRIS.

- *Prepare for Verification* - prepares Members for verification by reviewing the process, hearing “lessons learned” from those who’ve previously completed verification, and provide the opportunity to hear from ANSI GHG accredited Verification Bodies (VBs). (Starting May 2009)

As new protocols such as the Electric Power Sector, Local Government Operations and Oil and Gas Sector protocols are adopted, trainings of the protocol will be offered for these sectors. (LGO and EPS in July 2009 & O&G in Feb 2010)

Tools & Resources: Member Services has developed a wide variety of programmatic tools and resources to assist Members in reporting and verifying their GHG inventories. Our newest tools are designed to be easily customizable by members in the hopes that these can be used to conduct their own internal trainings, namely:

- *Reporting to The Climate Registry, An Orientation for Staff* – this presentation can be downloaded and customized by any member to provide internal training on what Registry participation means. The PowerPoint provides an introduction to member staff to The Climate Registry’s program requirements and milestones and helps them understand what roles they might be asked to fulfill.
- *Sample Inventory Management Plan* – this template assists reporters in organizing GHG inventories and communicating the process, policies, and procedures to their internal staff and third party Verification Body.

To assist software users, we have developed:

- *User’s Guide to CRIS* - walks members through CRIS’ functionalities step by step, complete with screen shots and helpful tips.
- CRIS excel tools that streamline reporting in the tool
- “Internally Reviewing Your CRIS Report” checklist reporters can use to identify common errors before the verification process begins.

Sectoral Resources: As previously mentioned, we will be working to implement new protocols this fiscal year. As part of these efforts we will be launching user groups initially for three sectors:

- 1) Electric Power Sector
- 2) Government Agencies
- 3) Office-based organizations.

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User groups will provide training customized for the sector, host quarterly virtual discussions around reporting, verification and managing emissions from each sector, and address other needs as identified by the user groups. Where appropriate, we will develop reporting guidance. We recently completed our first such guidance, for agencies.

State Agency Guidance: 26 state governments and agencies have joined The Registry and committed to reporting and verifying their GHG emissions as members. Recognizing that state, provincial, and territorial agencies face specific challenges when reporting their GHGs; the newly developed guidance addresses boundaries, data management, resource constraint, and procurement challenges. The guidance also includes tips, sample assessments, lessons learned and best practices. This guidance is an organic document that will be expanded and elaborated upon, as more and more agencies complete the reporting process.

Technical Assistance Provider Program: The Registry routinely receives requests from consulting firms who wish to be listed as “Technical Assistance Providers” on The Registry’s website. In an effort to promote The Registry’s greenhouse gas reporting program and to provide a new source of revenue for The Registry, Member services is creating an online directory of qualified, reputable firms. This directory will create a central location for members’ use identifying a range of consultants who can assist with GHG needs. As part of the Technical Assistance Provider program, firms will complete an application and pay

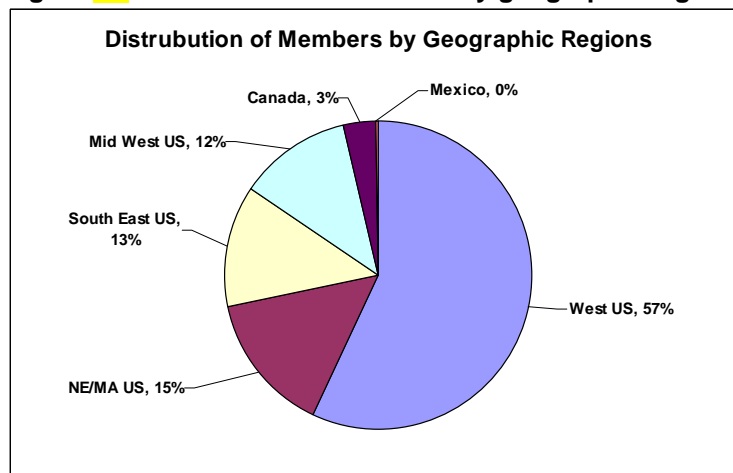
an annual fee to be listed in the online directory. The Registry will perform its due diligence to ensure the credibility of the firms listed by checking references and verifying their GHG experience before advertising them in the directory. The listing will be updated annually, and will organize firms based on their areas of expertise and relevant experience.

Licensing of Training Courses: The Registry has received a number of inquires from various Verification Bodies and consulting firms who wish to partner with us to provide GHG emissions trainings for Members, consultants and the general public. In response, The Registry is exploring several options that would possibly form affiliations with training providers. These trainings would provide an additional revenue stream and ensure the consistency of all GHG trainings that are available stakeholders.

Virtual Events: The Member Services team hosted a variety of useful virtual forums for Members throughout FY09. These events significantly increased the benefits associated with Membership by granting exclusive access to state regulator discussions and up to date climate policy information. Quarterly Members-only Virtual Meetings were held to bring Members up to date on the latest regional activities and current mandatory and voluntary reporting happenings. Member Services also worked in conjunction with the Policy Team to brief Members on EPA's draft mandatory GHG emissions reporting rule and The Registry's response and comments.

Regional Forums: We remain interested in increasing our membership across North America. The current distribution is shown in **Figure XX** below.

Figure XX: Distribution of Members by geographic regions.



The Climate Registry launched a series of regional climate policy forums aimed to heighten The Registry's visibility, provide meaningful discussion, recruit new Members and engage current members across North America. The forums solicited speakers from state government, businesses, academics and non-profit organizations. Discussion focused on regional environmental initiatives in the context of relevant federal and international climate policy milestones with an incoming Obama administration and the upcoming UNFCCC's COP15 in Copenhagen in December of 2009. Approximately 440¹ participants attended the forums.

Policy forums were followed by half day trainings for Members on building their inventory, using CRIS and third party verification. Total Participation included 120² in diverse sectors.

The Climate Registry solicited feedback from attendees on whether to continue the forums or to move towards one large forum. Participants advocated for a continuation of regional forums as a unique venue

¹ Boston(100), Tampa (80), Denver(160) and Columbus (100)

² Boston (20), Tampa (30), Denver (50), and Columbus (20)

to hear from local leaders and businesses that faced similar regionally specific opportunities and constraints.

Study Trips

Building on the success of our joint delegation to COP-14 in Poznan, Poland, The Registry will take a joint delegation together with the Climate Action Reserve (formerly the California Climate Action Registry) to the historic COP-15 in Copenhagen, December 14-18, 2009. This event is anticipated to be a turning point in the history of climate policy, with expectations that a successor agreement to the Kyoto Protocol will be reached. We hope that our delegation will be led by governors and other state environmental leaders to help highlight the accomplishments of sub-national actors in effecting climate policy.

We also intend to lead study trips in Spring 2010 to Australia and Summer 2010 to the Arctic. The purpose of study trips is to convene diverse stakeholders to travel together and undertake in-depth study of innovative climate policy in other parts of the world.

Next Steps

Based on feedback from the 2008 Members Survey and internal identification of various areas of growth still needed to build out current services, the Program Team will focus on increasing the value of membership for its community of reporters in FY10.

The team will also continue to work in tandem with the Policy team to increase the functionality and usability of its GHG reporting software. Resources will also continue to be developed that focus on building a verifiable GHG inventory for:

- o State Agencies
- o Local Government
- o Registry's most represented sectors

In addition, two new online trainings will be added to the suite of educational services already offered. These trainings will focus on preparing for the verification process and using a CRIS report to plan for emission reductions.

In order to continue the excellent stream of services that are currently offered, add additional resources, and service a growing number of members, the Member Services team will also add three FTE on a staggered time scale in FY10. We may also need to grow to accommodate support for any mandatory reporting programs.

Board Support in FY10

Members Services still needs the support from the Board of Directors during Fiscal Year 2010. Board Members can work to highlight the value of Registry Membership to organizations within their jurisdictions, helping to increase the number of Members and aid The Registry in meeting its recruiting goals for FY10. Board members can also promote The Registry's regional forums by participating in one (or more) as an attendee or speaker and circulating registration information to the state constituents and contacts. If your particular state/provincial/territorial agency hasn't joined The Registry to report its GHG emissions yet, please consider joining, as well as encouraging other agencies in your jurisdiction to do the same.



The Climate Registry

Item C: Regional Directors' Update -- State Support and Recruiting

Overview

The Climate Registry has four regional directors located in the East, Midwest, Western U.S, and Canada, respectively. We each perform a variety of tasks and responsibilities, including:

- Education and outreach to state, provincial, territorial and federal government officials on the role of The Registry, its programs and protocols;
- Recruiting new organizations and businesses to join the Registry;
- Monitoring and analysis of climate policies and programs administered or proposed by states, provinces, territories and the federal governments;
- Monitoring and assistance to regional climate initiatives, including the Regional Greenhouse Gas Initiative, the Western Climate Initiative and the Midwest Governors Greenhouse Gas Accord;
- Understanding of state-, province- and territory-level climate action plans;
- Providing information and technical assistance on other mandatory GHG reporting programs;
- Performing outreach and education to interested groups and organizations, and
- Serving as a resource for states, provinces, territories and Registry members

We encourage Board members and their respective staffs to contact the Regional Directors on initiatives in their states, provinces and territories and to utilize the Regional Directors as a resource to support your efforts. The Regional Directors work closely together to coordinate our activities, share information and recruit members, and we collectively handle inquiries from non-members, nations and Mexican states. Regional duties are divided geographically as follows:

Eastern Regional Director, Denise Sheehan: Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland, Virginia, D.C., North Carolina, South Carolina, Georgia, Florida, Alabama, Tennessee, Kentucky and West Virginia. Also serves as liaison to Congress and US EPA.

Midwest Regional Director (Part-time), Ann McCabe: Minnesota, Wisconsin, Michigan, Iowa, Illinois, Ohio, Missouri, Kansas

Western Regional Director, Tymon Lodder: Washington, Idaho, Montana, Oregon, Wyoming, California, Nevada, Utah, Colorado, Arizona, New Mexico, Oklahoma, Hawaii

Canadian Director, Alex Carr: All Canadian provinces and territories and relations with Canadian Federal government

Recruiting Activities

During fiscal year 2009, the Regional Directors reached out to over 5,700 potential members through over 90 state/province/territory-sponsored presentations, webinars, conferences and trade associations. Table 1 provides an estimate of the events completed during the year.

Table 1: Summary of Recruiting Events (June-May 2009)		
Event	Occurrence	Attendance (Est.)
State/province/territory Sponsored Presentations	17	780 attendees
Trade Association Presentations	25	1,450 attendees
Intro and Sector Specific Webinars	21	1,050 attendees
Conference Presentations	33	2,500 attendees
Total	96	5,780 attendees

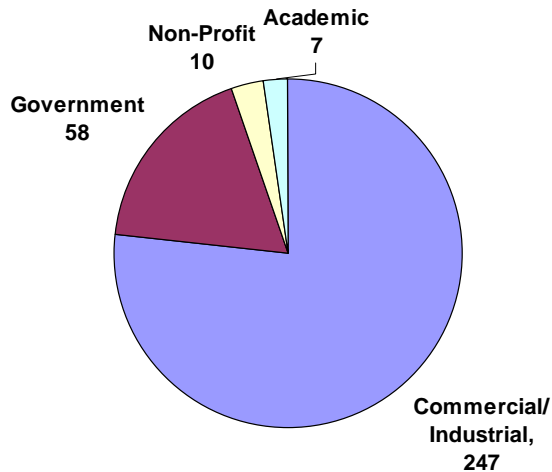
Some significant forums where the Regional Directors presented include the following:

- UNFCC COP 15 IEATA Event – Poznan
- Point Carbon/Pew Fall Conference – Washington, D.C.
- Plains CO2 Reduction (PCOR) Partnership Annual Meeting
- Understanding Reporting Compliance in Cap-and-Trade Systems-Seattle

Member Overview

The Registry met the 300 member milestone on December 23, 2008. Figure 1 provides a high level breakdown of our current 322 members by sector.

Figure 1



Some significant companies which joined the Registry at the end of fiscal year 2009 include:

- Wal-Mart
- Levi Strauss
- Raytheon
- San Diego Gas and Electric

- Rio Tinto Minerals
- Southern California Gas and Electric

Recruiting and Membership Challenges

Recruiting in fiscal year 2009 was a lot more challenging for the Registry than in prior years. A large downturn in the economy played a significant role in deterring membership as organizations limited their discretionary spending and pro-active operations. Along with the economic downturn, four key components of Registry membership provided additional challenges to increasing membership. These four key components, in order of importance were the following:

- Uncertainty of Federal regulation
- Verification costs
- Linkage to Offsets
- Usability of CRIS

Uncertainty of Federal Regulation

Challenge: Uncertainty surrounding the implementation of a Federal reporting rule as well as a Federal Cap and Trade framework is causing potential members to have concerns about reporting to more than one forum and how data flows between systems.

Potential Resolution: Work diligently with EPA and other standards organizations to ensure as tight a data exchange and alignment as possible given the Federal direction currently outlined.

Verification costs

Challenge: Third-party verification can be an important component of establishing a rigorous GHG inventory. The Registry's annual verification, however, go above and beyond both State and proposed federal mandatory programs. This added cost coupled with uncertainty in general of verification costs has been the biggest impediment to recruiting members in an environment of tight dollars.

Proposed Resolution: The Registry should investigate aligning more closely with state, provincial and territory mandatory reporting requirements. A tiered program allowing for annual verification and triennial verification would help align with mandatory programs and provide members with some flexibility.

Linkage to Offset

Challenge: Many of the organizations that the Registry has targeted have a strong desire to incorporate recognized offset programs into their corporate footprint. The Registry's lack of guidance and/or endorsement of offsets has discouraged those potential members who would like to rigorously account for their emissions and show proven reductions in those reported footprints.

Potential Resolution: TCR should investigate partnerships or merger opportunities with the Climate Action Reserve

Usability of CRIS application

Challenge: The CRIS application, although filled with sophisticated features lacks some of the usability and data upload capabilities required by larger more sophisticated members.

Potential Resolution: Work with PQ&A to complete current system bulk upload capability and actively investigate other potential IT solutions to ease reporting and data exchange burdens.

Regional Climate Policy Forum Series

The Climate Registry conducted a series of four regional conferences to bring together government leaders, registry members, environmental, business and academic stakeholders to address climate policies in their region. The forums were held in Boston, MA, Tampa, FL, Denver, CO and Columbus, OH. The forums provided an important opportunity for the Registry to highlight its unique relationship with states and give Registry members and prospective members a front-row seat in discussions with key state and business leaders. The forums also featured a half-day workshop exclusively for Registry members to provide them with hands-on technical assistance in preparing their GHG inventories that members found very helpful. Your support and participation in these events was instrumental to their success and for our efforts to highlight the important role of The Climate Registry in addressing climate change.

Short Term and Long Term Recruiting Strategy: US

During the summer of 2008, we focused our recruiting efforts on the electric power sector, particularly focusing on large utilities and power producers. We also did outreach to universities and colleges in conjunction with the Association for the Advancement of Sustainability in Higher Education (AASHE), and targeted large cement companies as well as other large businesses in our respective regions of the country.

This past fall we conducted outreach to the following sectors which we pursued into the first quarter of 2009:

- Healthcare and Hospitals
- Pharmaceuticals and Biotech
- Defense
- Food Industry
- Mining
- Biofuels

We recently began outreach to local governments and large cities in conjunction with the MOU between The Registry and ICLEI and the completion of the Local Government Operations protocol. In this U.S., this effort is also being done and in conjunction with education to communities about stimulus funding now available through the U.S. Department of Energy's Energy Efficiency and Conservation Block Grant (EECBG) program and how communities can utilize those funds to support their membership in The Registry. This effort has involved outreach to states, the U.S. Conference of Mayors, and the U.S. Associations of Counties and Towns, respectively

We have also begun targeting the transportation sector for recruitment efforts. Given that transportation accounts for approximately one-third of greenhouse gas emissions, we felt this sector was appropriate to pursue for membership in The Registry. Although

EPA's draft mandatory reporting rule does not require reporting by mobile sources, Congress and several states have included mobile sources as covered sources for reporting purposes. Further, we have had some recent success in recruiting members from this sector (Virgin Airlines, local transit agencies), and there is definitely an interest among many in the sector to track the GHG emissions associated with actions they are taking to reduce emissions.

We welcome Board member thoughts and ideas on other sectors or specific businesses we should pursue. Your assistance in facilitating contacts, meetings or presentations with companies and organizations is instrumental to our success in recruiting new members to join the Registry.

Short term and long term recruiting strategies: Canada

A Canadian Regional Director, Alex Carr, was hired in February 2009 and is based out of Vancouver. Her initial focus has been to work with the Canadian directors to determine the way forward for The Registry in each of their jurisdictions. In some instances this has meant conducting outreach activities within the various government agencies so that they are aware of the tools and services The Registry offers. A number of these agencies have expressed interest in joining The Registry and are encouraged to demonstrate their leadership by doing so.

There have also been some discussions around how the Directors can help facilitate broader outreach activities, such as sponsoring meetings with the private sector. These activities need further commitment in 2009/2010 if Canada's environmental leadership is to be reflected in The Registry.

Continuing to work with the WCI and other provinces with mandatory reporting schemes e.g. Alberta will be crucial, particularly given the federal policy landscape is not yet clear and there is a unique opportunity to influence or at the very least harmonize with Environment Canada. The Climate Registry will continue to liaise with the federal government and promote the interests of the Canadian Directors.

We will also continue to explore ways in which The Registry can be used as a platform to share information about policy and related subject matter, and to bring the Canadian climate community together to share experiences and best practices.

Next Steps

Given the uncertainties of the economy as well as the finalization of the EPA reporting rule and US Federal Climate legislation, we anticipate recruiting to remain challenging in 2009 and 2010 with approximately 100 new members joining in fiscal year 2010. Addressing some of the key recruiting constraints (relationship with EPA, verification, offsets, uncertainty and IT System improvements) should help us meet and potentially exceed that target.

We encourage Board members and their respective staffs to contact the Regional Directors on initiatives in their jurisdictions and to utilize the Regional directors as a resource to support your efforts.

As a part of our efforts to increase membership levels, the Regional Directors are available to partner with States, provinces and territories to help communicate the benefits of Registry membership and grow each jurisdiction's membership count to at

least 3 by spring of 2010. States, provinces and territories currently with 2 or fewer members include:

- Alabama
- Alberta
- Connecticut
- Delaware
- Hawaii
- Iowa
- Idaho
- Illinois
- Indiana
- Kansas
- Kentucky
- Maine
- Manitoba
- Maryland
- Montana
- New Brunswick
- Newfoundland & Labrador
- New Hampshire
- New Mexico
- North West Territories
- Nova Scotia
- Oklahoma
- Ontario
- PEI
- Rhode Island
- Saskatchewan
- Tennessee
- The Yukon

It is crucial that all board states, provinces and territories help recruit at least three members by June 2009 to support the core mission of the Registry for adoption of consistent GHG reporting standards.

Please note: 13 states have a state agency reporting to The Registry, which shows excellent leadership. If your state, province or territory does not yet have an agency member, please consider having your own agency report its GHG footprint to The Climate Registry.



Policy Update

2009 has been an exciting, eventful, and productive year for the Policy Team thus far. Our work has focused on the following three areas:

- Industry Specific Protocol Development
- Mandatory GHG Reporting
- Climate Registry Information System (CRIS) Enhancements

Industry Specific Protocol Development:

This month The Registry completed its first two industry specific protocols: the Electric Power Sector (EPS) Protocol and the Local Government Operations (LGO) Protocol Appendix. The Registry began work on both protocols last summer, and has devoted significant time to researching issues, thinking through options, writing numerous drafts, hosting public hearings/webinars, and managing industry specific workgroups to get to the point where we are ready to propose both protocols for the Board's consideration.

These protocols will be used by over 15% of The Registry's current Members and will expand The Registry's ability to recruit new members in these sectors. In addition, the new protocols contribute to The Registry's thought leadership within the GHG community.

Mandatory GHG Reporting:

With the inauguration of President Barack Obama in January, climate change policy has shifted radically and rapidly in Washington, DC. March brought the release of both a draft US EPA Mandatory Reporting Rule as well as a draft cap and trade bill in Congress. The Registry has worked to establish regular communication with EPA staff, and hopes to work collaboratively with EPA as they finalize and implement their rule. Registry staff also participated in two EPA hearings about the mandatory rule.

While Registry staff has met with senior officials within Environment Canada, it is still unclear how Canada's federal GHG initiatives will unfold. With the addition of a Regional Director (Alex Carr) in Canada, The Registry has been able to establish stronger ties with Provincial leaders, and looks forward to improved relations with the Provinces.

In addition to developments at the federal level, the regions and individual states and provinces have forged ahead with their own initiatives. The Registry continues to serve as an Advisor to the Western Climate Initiative (WCI) in both policy and technical capacities. WCI released final drafts of its reporting requirements (Essential Reporting Requirements) in May and plans to finalize these requirements in June. On the technical front, The Registry secured a contract with WCI to develop its Regional

Emissions Database. Work on the WCI Database project began in April. The Registry plans to complete a Requirements Analysis document for WCI in July.

CRIS Enhancements:

Staff has been hard at work on two types of CRIS Enhancements since January: 1) Voluntary Registry Enhancements and 2) Technical Options to Support Mandatory Reporting.

The Registry launched CRIS v 1.1 this spring. This version release included several improvements to the application, including: improved user help functions, certification functions, and several improved verification functions. Staff plans to release CRIS v 1.2 this summer which will add a new set of enhancements to improve users' experiences.

In collaboration with the Mandatory Reporting Committee and the Shared System Workgroup, staff implemented two pilot projects to test key aspects of its technical support options to support mandatory GHG reporting programs: the Common Framework and Data Transfer.

The Common Framework is an extension of The Registry's Climate Registry Information System (CRIS). It is a generic mandatory GHG reporting and data collection template that jurisdictions can customize to meet their specific program needs. The Common Framework shares key functionality (emission factors, quantification methodologies, work flow processes, user help, etc.) as well as new development (new features) and infrastructure costs (server and hosting functions) across multiple GHG programs. Therefore, it is a low cost option (as opposed to developing, hosting, and maintaining a separate jurisdictional tool) for jurisdictions to use to implement their mandatory GHG reporting programs. Ultimately, the Common Framework is an off the shelf alternative to developing a new database application to collect GHG data.

The Registry partnered with the State of Nevada to develop and test the Common Framework. While the pilot project experienced some delays, The Registry plans to launch the Nevada Module at the end of June. In addition, The Registry is currently preparing a proposal to implement the Common Framework in Massachusetts, and looks forward to implementing this data collection solution for various jurisdictions in the future.

The Registry's Data Transfer pilot project aims to test the Consolidated Emissions Reporting Schema's (CERS) ability to successfully transfer GHG data to The Registry through the Exchange Network. The Registry is partnering with the Climate Action Reserve to test this functionality and plans to complete the project this summer.

Looking Ahead:

The most notable development in the policy arena this year is the increased development of mandatory GHG initiatives, particularly by the US government. The Registry has historically been a significant contributor to thought leadership on GHG accounting issues, which is often referenced by mandatory programs—both the WCI and EPA documents reference The Registry's GRP. However, both the WCI reporting requirements and EPA mandatory rule contain reporting direction for many more industrial sectors than The Registry's GRP and new industry specific protocols do. As a result, The Registry finds itself in a strange position of "catching up" to mandatory

program requirements. We plan to do so by incorporating these mandatory reporting requirements into the next version of the GRP (GRP 2.0 estimated in early 2010).

While The Registry plans to develop two new industry specific protocols in FY 10: Oil and Gas Exploration and Production and Natural Gas Transmission and Distribution, the nature of The Registry's policy work will likely shift from direct protocol development to implementing mandatory program support options and developing new initiatives to add value to the voluntary registry (Scope 3 initiatives, offsets accounting, etc.). The Policy Team welcomes the Board's suggestions and input on the types of policy activities the Board would find most valuable.



The Cool Planet Project

Program Summary:

The Climate Registry administers an energy efficiency and greenhouse gas (GHG) emissions reduction program called the Cool Planet Project which rewards and incentivizes large industrial and local governmental customers of utility companies to install energy efficiency projects. The reward to customers for installing a specified threshold of kWh or therms saving projects is one year's paid membership to The Climate Registry. The Climate Registry membership enables customers to create an accurate, third party verified, state recognized carbon footprint of their entire organization, helps track greenhouse gas reductions, and reveals energy inefficiencies within organizations.

The Climate Registry administers the Cool Planet Project on a contractual basis with utility companies in North America. In addition to marketing, incentivizing, and rewarding customers' participation in utility energy efficiency (EE) programs, the Cool Planet Project staff educates customers and utility company staff about the relationship between energy usage and greenhouse gas emissions and on how to manage their carbon footprints. The Cool Planet Project also provides a public relations campaign to all customer participants to communicate their environmental leadership to the public.

The program was conceived when the California Public Utilities Commission (CPUC) directed IOUs to 'co-brand with The Registry' and a successful pilot program was launched in 2006 with Southern California Edison. Currently corporations such as Raytheon, Jet Propulsion Laboratory (JPL), THUMS/Occidental Petroleum, California Department of Corrections, Merrick Engineering, and Gill's Onion Farm are a few of the customer participants in the Cool Planet Project. For more information visit www.theclimateregistry.org see 'join.'

Benefits to Utility Companies

- Demonstrates environmental leadership and best practices
- Encourages reductions from the largest energy users and GHG emitters
- Supports state and regional energy policy and goals regarding GHG reductions and EE
- Effectively markets and increases energy efficiency installation by relating it to climate change.
- Saves money from having to meet demand by building power plants or importing energy.
- Provides climate change education and training to utility staff

Benefits to Customers

- Gain recognition as an environmental leader
- Create an accurate, third party verified, organization-wide carbon footprint
- Access to web-based software and technical support to calculate and verify GHG emissions
- Public relations assistance to communicate environmental leadership to the public
- Learn to manage risk associated with GHG emissions and how to reduce them.

- Preparedness for new GHG regulations and reporting
- Educational services - newsletters, workshops, conferences & policy updates

Benefits to the World

Energy efficiency is the most immediate and cost effective way to reduce greenhouse gas emissions and mitigate climate change. By teaching utility company staffs and their large industrial customers about this relationship and rewarding them for installing energy efficiency projects by giving them the tools to measure their carbon footprints we are taking large effective steps to mitigate the problem of climate change. In doing so we are also reducing our dependence on fossil fuels and creating new jobs in the clean energy sector.

###



The Climate Registry

ACTION #3

Resolution 06.02.09 – 3

Approve the Electric Sector Protocol

The Protocol Committee recommends that the Board take the following actions:

- Adopt the Electric Power Sector Protocol. Please see Appendix A of the Board Packet.
- Convene a workshop of scientific experts and policy makers to examine the state of the science about potential GHG emissions from reservoirs used in the generation of hydroelectric power. The Committee recognizes that carrying out this recommendation will be subject to the ability of interested Registry Board Members to provide logistical, staff, and financial support for the workshop.

The Climate Registry
Balance Sheet
At March 31, 2009
(3rd Quarter)

ASSETS

	<u>Current Funds</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Current Assets			
Bank of America Maximizer	\$ 149,158.31		\$ 149,158.31
Payroll Account	\$ 25.00		\$ 25.00
New Resource Bank	\$ 623,682.54	\$ 179,856.11 ¹	\$ 803,538.65
Total Checking/Savings	\$ 772,865.85	\$ 179,856.11	\$ 952,721.96
Accounts Receivable	\$ 36,203.32		\$ 36,203.32
Contract Receivable	\$ 93,472.89		\$ 93,472.89
Member Fees	\$ 183,440.64		\$ 183,440.64
Total Accounts Receivable	\$ 313,116.85		\$ 313,116.85
Other Current Assets			
Prepaid	\$ 43,832.41		\$ 43,832.41
Total Current Assets			\$ 1,309,671.22
Fixed Assets			
Property and Equipment	\$ 107,185.41		\$ 107,185.41
Total Fixed Assets			\$ 107,185.41
TOTAL ASSETS			\$ 1,416,856.63
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable	\$ 114,797.68		\$ 114,797.68
Total Accounts Payable	\$ 114,797.68		\$ 114,797.68
Other Current Liabilities			
Deferred Revenues	\$ 411,642.58		\$ 411,642.58
Total Liabilities	\$ 526,440.26		\$ 526,440.26
Equity			
Unrestricted Net Assets	\$ 653,896.20		\$ 653,896.20
Net Income	\$ 56,664.06	\$ 179,856.11	\$ 236,520.17
Total Equity	\$ 710,560.26	\$ 179,856.11	\$ 890,416.37
TOTAL LIABILITIES & EQUITY			\$ 1,416,856.63

¹ Restricted Grant funds from British Columbia (\$300,000 CDN for 3 years)

THE CLIMATE REGISTRY
Budget to Actual - At March 31, 2009

	Approved FY '09 Budget	Actual March 2009	YTD Actual July '08 - Mar 09	Year End Projection	Notes
REVENUE					
Carry Over	\$ 356,270			\$ 356,270	
Grants					
Private Foundation	\$ 800,000		\$ 355,000	\$ 700,000	\$280k from Energy Fnd, \$300k from BC, \$30K Compton, \$88K Rockefeller., \$75K merck
Restricted Grants					
Industry-Specific Protocol Development/CRIS	\$ 250,000		\$ 354,000	\$ 75,000	\$55k commitment to date
Unrestricted Grants					
Contracts					
Implement State & Regional Mandatory Prgs	\$ 300,000			\$ -	CRIS development delays
Energy Efficiency Utility Programs	\$ 380,000	\$ 16,166	\$ 101,309	\$ 250,000	Projected lower due to contracting delays
Other Contracts	\$ 50,000			\$ -	
Contributions					
Members (Directors)	\$ 800,000		\$ 695,000	\$ 800,000	Received \$145K, prior 6/30/08, in transit 50K from California & 10K Hawaii: Total recd \$695K plus \$60K in
Reporters (Members)	\$ 1,500,000	\$ 64,687	\$ 878,715	\$ 970,000	
Member Services					
Regional Workshops/Forums	\$ 150,000	\$ 15,410	\$ 137,561	\$ 150,000	Projected revenue from 4 regional forums (and verifier trainings)
Sponsorships			\$ 4,950		
Other Income					
Interest Income	\$ 15,000		\$ 8,477	\$ 15,000	
Other Support Revenue					
TOTAL INCOME	\$ 4,245,000	\$ 96,263	\$ 2,535,012	\$ 3,316,270	

THE CLIMATE REGISTRY
Budget to Actual - At March 31, 2009

	Approved FY '09 Budget	Actual March 2009	YTD Actual July '08 - Mar 09	Year End Projection	Notes
EXPENSES					
Salaries & related expenses					
Salaries & wages - other	\$ 1,675,000	\$ 91,559	\$ 810,349	\$ 1,020,000	Assumes current staff
Employee Benefits	\$ 392,438	\$ 5,505	\$ 58,626	\$ 75,000	Better rate in insurance overall
Payroll Taxes	\$ 211,312	\$ 6,548	\$ 63,337	\$ 80,500	Taxes lower than anticipated
Salaries & related expenses	\$ 2,278,750	\$ 103,612	\$ 932,312	\$ 1,175,500	Expect ~\$1.01m savings in Salaries/Benefits from original budget on Target from PROJECTED BUDGET
Contracts					
Contract Services Expense/Protocol Dev	\$ 275,000		\$ 157,282	\$ 170,000	Includes services for public relations
Professional Fees - other	\$ 20,000	\$ 313	\$ 11,747	\$ 18,000	
Direct Services Contractor	\$ 50,000	\$ 16,442	\$ 53,933	\$ 82,000	Inc. Cdn Director and MW Director
Software Development - CRIS Upgrades	\$ 375,000	\$ 8,333	\$ 325,446	\$ 470,000	Revised to reflect new contracted amount
EE Program Expense	\$ 120,000	\$ 14,812	\$ 88,703	\$ 100,000	
Shared Staff - CCAR	\$ 600,000		\$ 251,682	\$ 475,000	Projected \$125k in savings. (3-5 FTE)
Non-personnel related expenses					
Supplies	\$ 15,000	\$ 1,323	\$ 27,448	\$ 36,000	
Telephone & communications	\$ 8,000	\$ 1,538	\$ 16,606	\$ 20,000	Includes costs of supplies for set up of new office space
Marketing/Advertising	\$ 50,000	\$ 6,784	\$ 30,417	\$ 50,000	
Postage & Delivery	\$ 1,500	\$ 54	\$ 3,366	\$ 3,500	
IT, Website & Upgrades, software					
Printing & reproduction		\$ 1,510	\$ 1,668		
Publications & Subscriptions		\$ 296	\$ 1,990	\$ 1,700	
Program Expense (workshops, events etc.)	\$ 100,000	\$ 39,819	\$ 67,567	\$ 50,000	
Insurance	\$ 5,000	\$ 1,230	\$ 8,697	\$ 8,000	Incl D&O, property, commercial liability and worker's compensation
Facility & equipment Expenses					
Occupancy	\$ 130,000		\$ 65,704	\$ 100,000	Projected 30K in savings
Equipment Rental	\$ 40,000	\$ 4,003	\$ 8,818	\$ 5,000	
Computer Software Maintenance	\$ 36,000		\$ 54,889	\$ 60,000	
Accum. Depreciation Expense			\$ 9,856	\$ 20,000	
Travel	\$ 125,000	\$ 20,280	\$ 86,417	\$ 100,000	Projected 25K in savings
Other Expenses	\$ 25,000		\$ 2,115	\$ 5,000	
Business Expenses		\$ 2,449	\$ 6,851	\$ 8,000	
Taxes - Other					
<i>Subtotal</i>	\$ 1,975,500	\$ 119,186	\$ 1,281,201	\$ 1,782,200	
TOTAL EXPENSES	\$ 4,254,250	\$ 222,798	\$ 2,213,513	\$ 2,957,700	
NET INCOME/(LOSS)	\$ 347,021	\$ (126,536)	\$ 321,499	\$ 358,570	

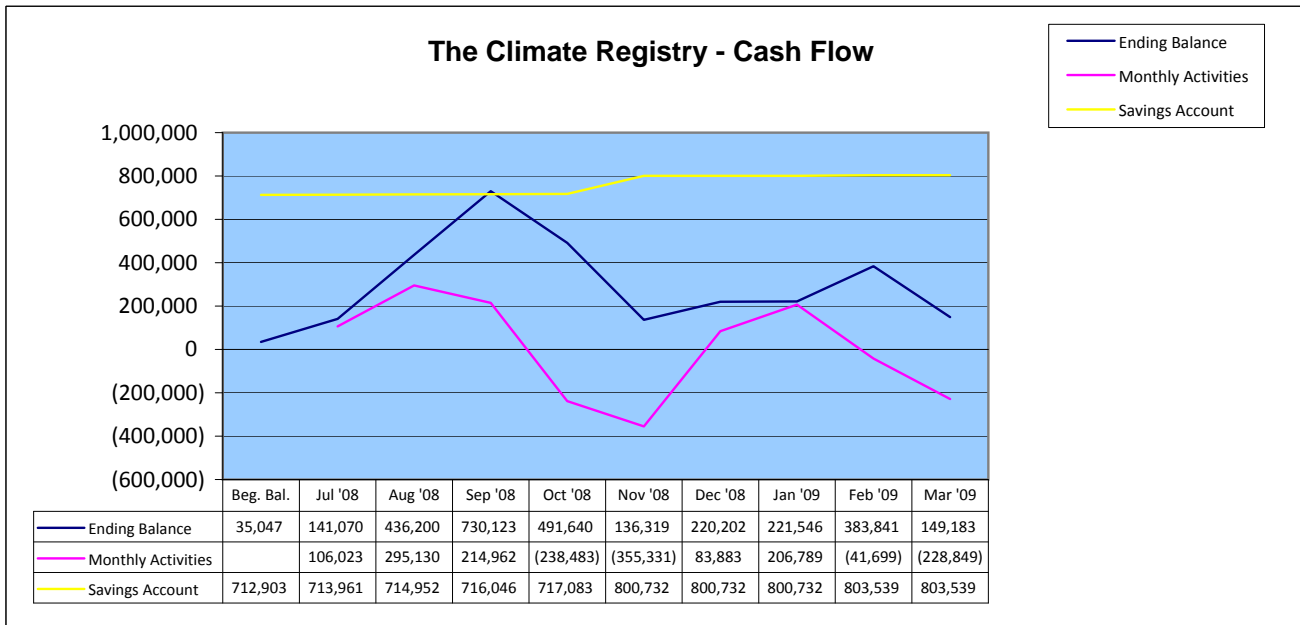
**The Climate Registry
Statement of Cash Flow
March 31, 2009**

CHECKING ACCOUNT (1001)

Ending Cash (2/28/09)	\$383,841
Increases to Cash	\$66,915
Decreases to Cash	(\$301,573)
Ending Cash (3/31/2009)	\$149,183

New Resource Bank

Beginning Balance:	\$800,732
Increases to Savings (will see increase in 2 mos)	\$2,807
Ending Cash (3/31/2009)	\$803,539





The Climate Registry

BOARD DISCUSSION

What is the Role of The Climate Registry in the Context of U.S. Federal Mandatory Reporting?

ISSUE

The Climate Registry (TCR or “The Registry”) is at an important crossroads. The Registry was created by states, provinces, territories and nations to provide a high-quality, consistent greenhouse gas (GHG) emissions data. The Registry filled an important void left by the federal governments throughout North America, which until recently have not taken a leadership role in greenhouse gas quantification and reporting. Over the past two years, The Registry has established a respected and robust voluntary reporting program for North America, developed a widely respected General Reporting Protocol and has developed a Common Framework to support individual states’ efforts to establish state-level mandatory GHG reporting programs.

With the recent changes in leadership in the White House, Congress and at EPA, the U.S. federal government is taking a more proactive approach to climate programs and GHG regulations. Congress is actively working on cap-and-trade legislation and EPA’s recent release of its Mandatory GHG Reporting Rule (MRR) represents the first major step by EPA to address GHGs. With this changing Federal landscape in the U.S., The Registry needs to consider what future strategic direction it should take to work in concert with federal programs, add value for the states, provinces and nations, and support organizations interested in managing their GHG emissions and demonstrating leadership in GHGs emissions management.

DISCUSSION -- POTENTIAL OPTIONS

Mandatory Reporting – The Registry’s Role in the U.S. Federal GHG Mandatory Reporting Program

In the Registry’s comments to EPA on the proposed MRR, we have encouraged EPA to:

- Recognize the importance of corporate entity-wide reporting and state mandatory reporting programs for the roles they play in providing useful additional information to government and corporate decision-makers.
- Provide states with programs that meet EPA’s standards with the option to collect GHG data under EPA’s MRR.
- Partner with The Registry and the states to develop solutions that will ease the burden on companies facing different reporting requirements at the state and federal levels.

We have also advocated with Congress for the inclusion of language in the Waxman-Markey bill to require EPA to work with the states and The Registry to develop mechanisms to streamline reporting to federal, state and voluntary programs.

To date, Congress has recognized The Registry in major climate legislation for its protocols, but the Waxman-Markey bill sponsors did not adopt our suggested language to streamline reporting in the latest version of the bill. Also, EPA has not provided The Registry with substantive feedback on a potential relationship between the two organizations. Prior to the release of the MRR, EPA indicated that they could not discuss the rule with us because it was in development. Since the rule's release, EPA has indicated that because the MRR is currently the subject of public comment, they are unable to enter into "deliberative" discussions with any one party and cannot actively enter into discussions with the Registry. As a result, we have been operating in the dark and trying to anticipate EPA's approach.

EPA staff have informally indicated that there is some support within EPA for delegating the MRR program to interested states and have also indicated the likelihood of sharing data with states and The Registry through the Data Exchange Network. However, EPA staff have also relayed to us that due to heavy pressure from Congress to establish GHG reporting program, EPA's primary interest is in finalizing the MRR by the end of the year, and implementing a program to begin collecting GHG data by March 2011.

Although we have been unable to directly explore partnership opportunities with EPA, we have identified potential scenarios for how The Registry may interact with EPA as it carries out the MRR program:

1. EPA collects GHG data directly from reporters and shares data with states and TCR through data exchange at the "back end" of the process based on request of reporter.

ANALYSIS: This is EPA's current proposal. Under this scenario, reporters will face multiple reporting requirements for state, federal and voluntary reporting. This option will likely undermine voluntary corporate footprint reporting because companies will focus on complying with multiple mandatory reporting requirements, rather than take on the additional responsibility to complete corporate footprint reporting in a voluntary program. States will also likely face pressure from industry to abandon state mandatory reporting programs which cover additional sources and sectors and facilities emitting less than 25,000 mt CO₂e. However, states who do not intend to adopt separate state mandatory GHG reporting programs may prefer this option as the simplest approach to achieve federal GHG reporting. This option would be more beneficial to The Registry if EPA was willing to accept data directly from The Registry. However, EPA has indicated that it must be the "first receiver" of the data.

2. Establish an effective Common Data Interface with EPA, the states and The Registry's Voluntary Program to provide "one-stop shopping" approach for reporters.

ANALYSIS: Under this scenario, The Registry would assume a leadership role to work with EPA and the states to establish a common interface for reporting GHG emissions to Federal and state mandatory programs and The Registry's voluntary program. The interface would be based on the requirements of EPA's Consolidated Emissions Reporting Schema (CERS) and data would be transferred through the data exchange network to the appropriate mandatory program and to The Registry's voluntary database. This scenario will take a great deal of coordination upfront by EPA, the states and The Registry but it provides the best option to minimize the burden on reporters, ensure consistency in reporting and continue to encourage both corporate footprint reporting and compliance with state and federal facility-based reporting.

3. EPA provides states with the option of collecting, on behalf of EPA, GHG data required under the MRR.

ANALYSIS: In the event the EPA provides interested states with the option to collect GHG data required under the MRR, The Registry could assist states to establish GHG collection systems using The Registry's Common Framework reporting platform. The Registry has developed the Common Framework in conjunction with several states, some of whom have indicated an interest in utilizing The Registry's Common Framework application to support state-level mandatory GHG reporting. The Common Framework application could be utilized to assist states in collecting federally required GHG data as well. States using the Common Framework to collect federal and state mandatory GHG data are able to provide The Registry 's members with a one-stop shop for reporting their mandatory and voluntary GHG data. However, we need additional information about how many states are interested in collecting GHG data on behalf of EPA and how many states would also be interested in utilizing the Common Framework.

Should states elect to collect GHG data on behalf of EPA but not utilize the Common Framework, data would need to be transferred to The Registry's voluntary database through a data exchange mechanism. In those states not using the Common Framework, reporters would still benefit from reporting specific state-required GHG data and EPA-required GHG data in one place but reporters with operations in more than one state would continue to face multiple reporting requirements in different states.

4. EPA contracts with The Registry to serve as a software provider and data repository for the GHG data collected by EPA.

ANALYSIS: This scenario would be analogous to The Registry serving as a private contractor providing a direct service to EPA. Under this scenario, The Registry would essentially use The Registry's Common Framework model to establish a reporting platform for EPA. This option would support our goals to ensure consistency in reporting and would reinforce the concept of a single repository for GHG data. However, based on our conversations with EPA to date, EPA has appeared resistant to this concept and as a result, this scenario appears unlikely.

It is important to note that EPA's plans for its data collection system are currently very unclear. We do not yet know whether EPA will simply add GHG reporting to its current data collection systems or establish an entirely new reporting platform. It is also unclear whether they intend to competitively bid the project or will seek to contract on a sole source basis. We are aware that EPA has been in private discussions with IT providers on GHG data collection and given the short timeframe, EPA may choose the path of least resistance and simply add GHGs to its existing data systems without bidding the work or creating a new system.

Recommendation: We believe that Options 2 and 3 represent the best options for streamlining reporting requirements, reducing the burden on reporters, ensuring consistency in GHG data collection, providing states with the flexibility to require additional GHG reporting and meeting EPA's GHG data needs. We recommend that we continue to advocate with EPA and Congress for EPA to work with The Registry and the states to develop common-sense solutions to support GHG reporting.

Other Potential Complementary Roles for The Climate Registry

With the advent of Federal mandatory reporting and implementation of several new state mandatory reporting programs, we have also identified other potential roles for The Registry which would complement these mandatory efforts. Each of these ideas would require support from, or would be strengthened by support from, EPA or Congress. They include:

1. Identify The Climate Registry as the nationally recognized voluntary registry for corporate footprint reporting. Ideally, EPA would abandon its voluntary GHG reporting program, known as the Climate Leaders Program or alternatively, contract with The Registry to implement the Climate Leaders program using The Climate Registry's reporting platform. This would free up EPA staff to focus on implementing EPA's mandatory reporting program and other regulatory initiatives. Differences between EPA's approach to membership fees and third party verification requirements would need to be resolved (Climate Leaders does not have membership fees and does not require verification) but we believe The Registry represents a cost-effective way for EPA to continue supporting corporate footprint reporting through a public high-quality program. While EPA staff may be resistant to this idea, new EPA leadership may be more receptive to it.
2. Establish a formal partnership between The Registry and EPA to establish additional sector-specific protocols and scope 3 protocols. EPA has worked with The Registry in the past in the development of our General Reporting Protocol and has served in an advisory capacity to The Registry in the development of sector-specific protocols. We believe that there are additional opportunities for The Registry to work in a formal partnership with EPA, as an expert organization, to develop the next generation standards for carbon footprinting, including additional sector specific protocols, scope 3 protocols and product labeling. This would allow The Registry to remain in the forefront of protocol development and ensure a voice for states, nations and provinces in the development of future protocols used by EPA.

3. Create a workgroup among The Registry, EPA and other stakeholders to establish a Carbon Accounting Standards Board. The CASB would be similar to the Financial Accounting Standards Board and the Government Accounting Standards Board. The Registry believes that a CASB is needed to ensure consistent application of GHG quantification methodologies across jurisdictions and sectors. As financial disclosure of climate risks receives increased attention, the need for a GHG accounting standards board becomes great. Based on our experience working with states, provinces, nations, business and environmental stakeholders, as well as with EPA and other NGOs, we believe that The Registry is well positioned to lead the establishment of a CASB.

We look forward to discussing these potential options for The Registry's future with you. Your feedback and thoughts are critical to ensuring the future success of The Registry.



The Climate Registry

ACTION #4

Resolution 06.02.09 – 4

Approve Local Government Operations Protocol

The Protocol Committee recommends that the Board take the following action:

- Adopt the Local Government Operations Protocol and The Registry's program-specific appendix. Please see Appendix B of the Board Packet.



The Climate Registry

Item H.

Possible Merger of the Climate Action Reserve into The Climate Registry

About the Climate Action Reserve

Purpose

The Climate Action Reserve is a non-profit offset Registry. It was formed by the California Climate Action Registry after TCR was created. As California Registry members have transitioned to TCR, the California Registry has successfully transitioned its business and staff to an offsets registry serving North America. The Reserve is similar to TCR in 1) well-respected process and results in establishing high quality, transparent protocols (footprint protocols for TCR, offset project protocols for the Reserve); 2) having an excellent registry software infrastructure, and, 3) requiring accredited 3rd party verifiers in order to certify inventories/projects.

Structure

The Reserve is a non-profit 501c3

The Climate Action Reserve operates as a program under the similarly named nonprofit organization. Two other programs, the [Center for Climate Action](#) and the [California Climate Action Registry](#), also operate under the Climate Action Reserve.

TCR interest in developing an offsets program.

- Better to build upon existing credible effort than recreate (same argument TCR is making to EPA re: reporting), especially as offset protocols can require 9-18 months to develop and require their own registry software to serialize and track emission reductions.
- Merging with Reserve would provide high-quality offsets program to TCR immediately.
 - o Rigorous protocols, compatible verification program, and robust registry software platform.
- A merger would give TCR jurisdictional governance and control over offset program.

Reserve interest in regulatory adoption of program activities.

- Current offset program built to anticipated regulatory standards and proposed for WCI, federal cap and trade.
- TCR jurisdictional governance will make eventual regulatory adoption more likely.

Overview of The Climate Registry

- A 501(c)3 not-for-profit organization.
- Operates a voluntary GHG emission inventory reporting program; supports state and regional mandatory reporting.
 - o 335 members of which 80 are dual with CCAR/Climate Action Reserve who will fully transition in 2010.
- Independent third-party verifiers accredited by ANSI.
- Governed by 41 U.S. states, 12 Canadian provinces, 6 Mexican border states, and 4 tribal nations.
- 20 full-time staff members and 6 shared staff with the Reserve; FY09 budget of \$3.3 M (US); healthy cash reserves.

Overview of Climate Action Reserve

- A 501(c)3 not-for-profit organization.
- Operates a voluntary GHG emission offsets program; supports state early voluntary action reporting.
 - o 57 projects in 23 U.S. states.
 - o Formally accepted by California, Pennsylvania, and Mexico as recognized early action.
- 350 reporting members of which 80 are dual with TCR. All members to transition to TCR in 2010 or cease voluntary inventory reporting.
- Independent third-party verifiers accredited by ANSI.
- Governed by traditional non-profit self-perpetuating governing board comprised of 11 government, business, and environmental community members.
- 22 full-time staff members and 6 shared staff with the Registry; FY09 budget of \$3.8 M (US); healthy cash reserves.

Merger Process:

- Both Boards must independently approve of merger for it to proceed.
 - o Merger to be discussed with respective Executive Committees by mid May.
 - o If appropriate, TCR will discuss at June 2-3 Board meeting.
 - o If appropriate, Reserve Board to consider in same time frame at Special Meeting.
- Staff to work with attorneys to prepare necessary legal and financial documents to complete transition.

Conceptual Organizational Structure:

- Reserve board transitions into a formal Advisory Board to TCR. and may expand to include some advisory capacity to the TCR Board on inventory reporting.
- Options for Reserve board membership will be explored, including the Chair structure.

- Reserve program retains much of its current identity and functions within TCR governance.
- Both programs to be staffed throughout North America.
- Continued and expanded efficiencies through combined operations.



The Climate Registry

Subject: Possible Merger of the Climate Action Reserve into The Climate Registry

Discussion

TCR interest in developing an offsets program.

- Better to build upon existing credible effort than recreate (same argument TCR is making to EPA re: reporting), especially as offset protocols can require 9-18 months to develop and require their own registry software to serialize and track emission reductions.
- Merging with Reserve would provide high-quality offsets program to TCR immediately.
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Conceptual Organizational Structure:

- Reserve board transitions into a formal Advisory Board to TCR. and may expand to include some advisory capacity to the TCR Board on inventory reporting.
- Options for Reserve board membership will be explored, including the Chair structure.
- Reserve program retains much of its current identity and functions within TCR governance.
- Both programs to be staffed throughout North America.
- Continued and expanded efficiencies through combined operations.



The Climate Registry

ACTION # 5

Resolution 06.03.09 – #5

Adopt Change to Audit & Ethics Committee Charge

The Audit & Ethics Committee recently restructured the Verification Oversight Panel (VOP) to more efficiently meet The Registry's verification program needs. It named this new group the Verification Advisory Group.

Given the restructuring of the VOP, the Committee recommends that the Committee itself fulfill the following oversight responsibilities formerly assigned to the VOP:

- Assist the Manager of Verification Services in resolving any significant issues within the Verification or Accreditation Programs.
- Advise The Registry in evaluation of case-specific COI assessments that have either a medium or high potential for COI.
- Advise The Registry regarding disputes between Verification Bodies and Members.
- Advise The Registry in forming partnerships with additional Accreditation Bodies.

Based on this restructuring, the Committee recommends removing the specific reference to the Verification Oversight Panel in the Committee's charter, and recommends that the Board adopt the following revised charter for the Committee:

Audit and Ethics Committee

The Audit and Ethics Committee will consist of directors who are not on the Finance Committee. The Committee exercises the authority of the Board to hire an auditor and oversee the corporation's financial audits, oversees The Registry's accreditation and verification programs, and recommends resolutions to other ethical concerns or complaints that may arise. This committee meets 2 – 6 times a year. (Staffed by Jackie Huggins and Gillian Calof)



The Climate Registry

ITEM I

Protocol Committee

Board Meeting Update

June 2, 2009

1. Protocol Committee Members (and jurisdictions):

Eileen Tutt, (CA) <i>Chair</i>	Kevin Macdonald (ME)
Christopher Sherry (NJ)	Laurence Lau (HI)
Erin Taylor (Prince Edward Is.)	Rusty Lundberg (UT)
Dick Pedersen (OR)	Leo Drozdoff (NV)
Eddie Terrill (OK)	Joanne O. Morin (NH)
Howard Loseth (Saskatch.)	Thomas Gross (KS)
Renee Shealy (SC)	<i>Sam Hitz (Staff)</i>
John Hanger (PA)	<i>Peggy Foran (Staff)</i>
John Corra (WY)	<i>Adam Regele (Staff)</i>

2. Introduction:

The Protocol Committee oversees development of all new reporting and verification protocols, as well as the maintenance of existing protocols. In this role, the Committee reviews draft protocols prior to their release for public comment as well as final drafts prior to their adoption. The Committee receives regular updates from, and provides guidance to staff about protocol development activity as well as proposed updates or policy changes to existing protocols.

3. Summary of Committee Actions to date:

The Protocol Committee has met 4 times since January. During these meetings, it has undertaken the following actions and activities:

- Reviewed and released the draft Electric Power Sector (EPS) Protocol for public comment, reviewed a summary of public comments and recommended that the Executive Committee recommend the full Board of Directors adopt the final EPS Protocol.
- Reviewed and released The Registry's draft appendix to the program-neutral Local Government Operations (LGO) Protocol for public comment, reviewed a summary of public comments and recommended that the Executive Committee

recommend the full Board of Directors adopt the final LGO Protocol and Registry appendix.

- Oversaw the development of reporting guidance for state and provincial government Members.
- Conducted assessments of the need for protocols/accounting guidance in the forestry and transportation sectors, as specified in the FY 2009 work plan.
- Discussed and approved several updates and clarifications to the GRP (please see the summary of updates and clarifications to the GRP posted on the Board of Directors' webpage).
- Discussed and recommended protocol development priorities for FY 2010. This included a Committee discussion about the development of additional industry specific protocols for voluntary reporting versus other efforts to support voluntary and mandatory reporting.
- Directed staff to conduct a survey of Registry Members and Directors prior to the January 2010 Board meeting to assess ways in which the voluntary registry can be enhanced.

4. Look Ahead:

In the coming months the Protocol Committee will be engaged in several key activities related to the development of new Registry protocols, including:

- Reviewing and, if appropriate, recommending release of the Natural Gas Transmission and Distribution Protocol for public comment in FY 2010. (July)
- Reviewing the process for the development of an update to The Registry's General Reporting Protocol (GRP 2.0) in FY 2010. (August)
- Reviewing and, if appropriate, recommending release of the Oil and Gas Exploration and Production Protocol for public comment in FY 2010. (September)
- Reviewing and if appropriate, recommending for adoption by the Board the final drafts of the both the Oil and Gas Exploration and Production Protocol and the Natural Gas Transmissions and Distribution Protocol in FY 2010. (January)
- Assessing new opportunities for protocol development and other ways to enhance the voluntary registry in the second half of FY 2010. (January)
- Reviewing and, if appropriate, recommending release of the GRP 2.0 for public comment in FY 2010. (January)
- Reviewing and if appropriate, recommending for adoption by the Board the final drafts of the GRP 2.0 in FY 2010 (March)

5. Board Recommendations/ Board Discussions:

Board Recommendation #1:

To adopt the Electric Power Sector Protocol.

In addition, the Committee recommends that staff convene a workshop of scientific experts and policy makers in order to examine the state of the science about the

potential GHG emissions from reservoirs used in the generation of hydroelectric power. The Committee recognizes that carrying out this recommendation will be subject to the ability of interested Registry Board Members to provide logistical, staff, and financial support for the workshop.

Board Recommendation #2:

To adopt the Local Government Operations Protocol and the Registry-specific appendix.



The Climate Registry

ITEM J

Audit and Ethics Committee

**Board Meeting Update
June 2 and 3, 2009**

1. Audit and Ethics Committee Members (and jurisdictions):

Jim Colman, MA (Chair)	Leanne Tippet Mosby, MO
Gillian Calof (Financial)	Dean Munde, New Brunswick
Ian Church, Yukon	Richard Opper, MT
John Corra, WY	Stanley Paytiamo, Pueblo of Acoma
Vinson Hellwig, MI	Jackie Huggins (Staff)

2. Introduction:

The Audit and Ethics Committee was established by the Board on June 4, 2008 to carry out three Primary Responsibilities: hire and oversee financial audit (independent of Finance Committee); resolve any ethical issues that arise; and, appoint and manage the Verification Oversight Panel (VOP).

3. Summary of Committee Actions Since January 2009:

The Audit and Ethics Committee has met two times since the last Board meeting on January 14, 2009. During these meetings it has undertaken the following actions and activities:

- Received updates from staff on implementation of ANSI GHG Accreditation Program;
- Reviewed The Registry's internal procedure for CRIS Report and Verification Statement Publication;
- Reviewed The Registry's process for evaluating and selecting a Batch Verification Body;
- Reviewed and discussed several proposals to streamline the Committee's responsibilities to better reflect its advisory role.
 - As a result, the Committee approved the restructuring of the Verification Oversight Panel into the Verification Advisory Group.
- Approved revisions to The Registry's Process for Adopting, Changing & Clarifying Protocols; and,

- Approved The Registry's approach to development of Industry Sector-Specific Verification Requirements and Guidance.

4. Look Ahead:

In the coming months, the Audit and Ethics Committee will be engaged in several key activities related to oversight of The Registry's finances as well as our verification and accreditation programs, including:

- Selecting a financial auditor for FY 2009 in July 2009.
- Reviewing and, if appropriate, approving audited financials in early January 2010.
- Continuing to provide feedback to refine and improve the ANSI Accreditation Program.
- Reviewing and, if appropriate, approving a proposal from the Standards Council of Canada (SCC) to provide accreditation services.
- Overseeing the continued development of a relationship with Entidad Mexicana de Acreditación (EMA).

Due to the restructuring of the VOP into the Verification Advisory Group, the Audit & Ethics Committee will also fulfill the following responsibilities formerly assigned to the VOP:

- Assist the Manager of Verification Services in resolving any significant issues within the Verification or Accreditation Programs.
- Advising TCR in evaluation of case-specific COI assessments that have either a medium or high potential for COI.
- Advising TCR regarding disputes between Verification Bodies and Members.

5. Board Recommendations/ Board Discussions:

- Changes to the Charge of Audit & Ethics Committee



The Climate Registry

ITEM K

Mandatory Reporting Committee

Board Meeting Update
June 2-3, 2009

1. Mandatory Reporting Committee Members (and jurisdiction):

Jim Norton, NM (Co-chair)
Steve Anderson, BC (Co-chair)
Janice Adair, WA
Leo Drozdoff, NV
Vinson Hellwig, MI
Joseph Kahn, FL
Laurence Lau, HI
Keith Leggat, Alberta
Kevin Macdonald, ME
Jason Marcel, IA
Jim Martin, CO
Robert Noel de Tilly, Quebec

Richard Opper, MT
David Paylor, VA
Dick Pedersen, OR
Robert Summers, MD
David Thornton, MN
Gina McCarthy, CT
John Lieou, ON
Chris Condit (Staff)
Jill Gravender (Staff)
Tymon Lodder (Staff)

Shared System Workgroup

Dennis Paradine, BC
Colleen Sparks, BC
Ginny Brannon, CO
Andy Putnam, CO
Tracy Babbidge, CT
Peter Brunelli, CT
Cadedra Parmer, FL
Yi Zhu, FL
Michelle Bergin, GA
Andy Matsumoto, HI
Laurence Lau, HI
Thomas Arizumi, HI
Wilfred Nagamine, HI
Jan Hasegawa, HI
Jason Marcel, IA
Marnie Stein, IA
Scott Fasula, MA
Beth McDonough, MA

Aimee Powelka, MA
William Space, MA
Diane Franks, MD
Mary Jane Rutkowski, MD
Molla Sarros, MD
Allan G Ostrander, MI
Peter Ciborowski, MN
Nathaniel Edel, MN
Azra Kovacevic, MN
Sushma Masemore, NC
Brad Musick, NM
Mike Schneider, NM
Lany Weaver, NM
Colleen Cripps, NV
Sigurd Juanarajs, NV
Brandy Albertson, OR
Uri Papish, OR
Christiana Simeone, PA
Gail Sandlin, WA
Nancy Prichard, WA

2. Introduction:

The Mandatory Reporting Committee is charged with developing and implementing The Registry's involvement in, and support of, state, regional, and federal mandatory GHG reporting programs. At the June 2008 Board meeting, the Committee specifically tasked itself with developing technical service offerings that The Registry could provide to jurisdictions to support their mandatory GHG reporting programs.

3. Summary of Committee Actions to Date:

The full Committee met twice since the Board meeting in January. It met in March to discuss the US EPA's draft Mandatory Reporting Rule and again in May to receive updates on the Common Framework and Data Transfer pilot projects and to prepare for the Board meeting.

Over the past year, the Committee has helped to develop the following service offerings to support mandatory GHG reporting programs:

- **Common Framework for Mandatory Reporting:** The Common Framework is a shared GHG data collection system based on The Registry's CRIS application which may be customized to meet the needs of individual jurisdictions. Since the Common Framework is based on a shared technical platform (therefore, development and maintenance costs are shared) it is a cost effective way for jurisdictions to collect and manage mandatory GHG data. In addition, the Common Framework allows Reporters to enter their mandatory GHG data and voluntary GHG data in one location (rather than having to use a separate data collection tool). Thus, the Common Framework serves the dual objective of: 1) serving as a central data repository for Reporters to enter their mandatory and voluntary GHG data, and 2) providing agencies with the autonomy to collect and manage their own jurisdiction-specific GHG data.

To prove this concept, The Registry formed a pilot project with the State of Nevada to develop a Module to meet Nevada's mandatory GHG program needs. The Nevada Common Framework Module is scheduled to launch on June 30, 2009.

- **Data Transfer to the Voluntary Registry:** For those jurisdictions who choose to design, develop, host, and manage their own GHG data collection tool, The Registry's Data Transfer option will provide them with a schema that they can use to transfer relevant mandatory GHG emissions data (for Reporters who are also Members of The Registry) to The Registry's voluntary reporting program. This solution will prevent Reporters from entering their GHG data twice (once in the mandatory data tool and once in The Registry's CRIS application). It will also help to promote data consistency between mandatory and voluntary programs.

To prove this concept, The Registry formed a pilot project with the California Climate Action Registry to transfer GHG data from the California Registry to CRIS. The California Registry data transfer is scheduled to be completed this summer.

The Registry's staff has been hard at work developing these offerings, which the Shared System Workgroup and the Committee will review and finalize in several months. While both projects have been delayed, they will be completed this summer.

The Committee has also closely followed the developments of federal mandatory GHG reporting programs and regulatory initiatives throughout North America.

4. Look Ahead:

The Committee will finalize The Registry's service offerings to support mandatory reporting programs by the end of the summer. At that time, jurisdictions may choose to partner with The Registry to implement these options.

Currently, the Western Climate Initiative (WCI) and the Midwest Regional Greenhouse Gas Accord (MRGGA) have committed to use the Common Framework to support their Regional GHG Database initiatives. In addition to Nevada, the states of Washington, Massachusetts, and New Mexico, as well as the province of British Columbia have expressed interest in using the Common Framework for data collection in their jurisdictions. The states of California, Connecticut, and Oregon have expressed interest in using the Data Transfer option. The Committee expects that many jurisdictions will be interested in using The Registry's tools, and that much of the Registry's staff's focus will turn to the technical implementation of these solutions.

Given the evolving landscape of mandatory GHG initiatives, the Committee will turn its attention to monitoring and tracking various mandatory GHG initiatives to ensure that The Registry remains relevant and plays a key role in promoting standardized approaches to calculating, reporting, and verifying GHG emissions across voluntary and mandatory GHG programs. The Committee will reevaluate The Registry's support of mandatory programs and path forward vis a vis the US federal GHG initiatives once the EPA Mandatory Reporting Rule is finalized (expected in November, 2009).

5. Board Recommendations/ Board Discussions:

None.



The Climate Registry

ACTION #6

Resolution 06.03.09 – 6

Merger with Climate Action Reserve

The Board approves in principle merging with the Climate Action Reserve. The staff shall prepare a merger action plan and Resolution to Merge in consultation with the Executive Committee. Upon Executive Committee approval, the Resolution shall be presented for approval by the full board at a special telephonic board meeting.

Item L

New Membership Fee Category

Background

The board adopted annual registry fees for members to report their annual emissions in June, 2007. These fees range from a high of \$10,000 annually for corporations with revenues in excess of \$2 billion to a low of \$450 for non-profit and government agencies with budgets below \$20 million. This fee structure continues unchanged.

Proposed Premium Dues Category

Adding a new premium dues category of \$50,000 annually.

The premium category of membership offers the following benefits:

Annual registration of emissions footprint and all current services of the Registry

High level sponsorship of all regional and national conferences

Free admission to those events

High level sponsorship for COP delegation

Planning and reservation services for the COP

Opportunity to speak at COP panel

High level sponsorship of any other trips the Registry may plan in each year.



The Climate Registry

The Climate Registry FY 10 Goals

1. **Insure the voluntary reporting program is implemented with excellence.**
 - a. Increase overall usability of CRIS, as measured by customer satisfaction survey.
 - b. Ensure 80% of members successfully report and verify 2008 emissions.
 - c. Evaluate verification program: analyze cost factors, and develop guidelines for keeping costs as low as possible.
 - d. Update GRP to promote consistency with mandatory reporting requirements.
 - e. Develop at least 2 new protocols.

2. **Build Registry support of mandatory reporting programs.**
 - a. Implement Common Framework and data transfer options to interested member jurisdictions.
 - b. Work cooperatively with federal programs to promote consistency amongst reporting programs.

3. **Diversify and grow revenue streams.**
 - a. Recruit 200 new members.
 - b. Grow the Energy Efficiency program by one new utility.
 - c. Generate revenue from new publication and product offerings.
 - d. Successfully implement Premium Membership category.



The Climate Registry

The Climate Registry
FY 09 Goals

1. **Insure the voluntary reporting program is implemented with excellence.**
 - a. Finalize data exchange schema to accommodate bulk data upload from Reporters. **IN PROCESS – WILL BE COMING THIS FALL.**
 - b. Enable data transfer between programs. **WILL BE COMPLETED IN JULY**
 - c. Ensure that Registry approved Verification Bodies are available to Reporters by December 2008. **7 BY LAST DECEMBER, CURRENTLY 9, 24 IN PIPELINE**
 - d. Develop and implement services that support Reporters' achievement of reporting and verification milestones. **LAUNCHED 3 TRAINING MODULES ACCOMODATING OVER 500 PEOPLE, 4 REGIONAL WORKSHOPS, RELEASED DOZENS OF ON-LINE RESOURCES, EXPANDED HELP LINE STAFFING.**
 - e. Develop at least two industry specific protocols. **COMPLETED: ELECTRIC SECTOR PROTOCOL AND LOCAL GOVERNMENT SECTOR GUIDANCE. ALSO, AGENCY GUIDANCE.**

2. **Design and implement Registry support of mandatory reporting programs.**
 - a. Support a minimum of three state/provincial and regional mandatory reporting programs. **CONTRACTS WITH NEVADA AND WCI. IN BID PROCESS WITH MASSACHUSETTS.**
 - b. Customize CRIS to support mandatory programs. **COMMON FRAMEWORK PILOT LAUNCH JUNE 30.**
 - c. Work cooperatively with federal programs to promote consistency amongst reporting programs. **ATTENDED EPA PUBLIC HEARINGS, REGULAR COMMUNICATIONS WITH EPA STAFF, MEETINGS WITH ENVIRONMENT CANADA. EFFECTIVENESS NOT AS GOOD HAS HOPED.**

3. Diversify and grow revenue streams.

- a. Recruit for a total of 500 Reporters. **336 REPORTERS**
- b. Recruit 50 new \$10,000 level Reporters. **LESS THAN 20**
- c. Establish contracts for Registry consulting services. **NEVADA, WCI, CAL EPA**
- d. Grow the Energy Efficiency program by one new utility. **GREW FROM 2 TO 4 UTILITIES**
- e. Recruit corporate sponsors for targeted projects. **25 SPONSORS FOR REGIONAL WORKSHOPS, SOME SUPPORT FOR EPS PROTOCOL DEVELOPMENT.**

THE CLIMATE REGISTRY
PROPOSED FY10 Budget

<i>Item L - Board Book</i>	<i>Proposed FY10 Budget</i>	<i>Notes on Proposed Budget</i>
REVENUE		
Grants		
Private Foundation	\$ 220,000	Chorus Foundation; other reasonably certain foundation sources
Restricted Grants	\$ 214,000	Rockefeller Bros; Canadian Grant; Roy Hunt Foundation; CARB
Unrestricted Grants	\$ -	
Contracts		
Implement State & Regional Mandatory Prgs	\$ 425,000	\$425k representing 4 contracts with reasonable certainty; 7 others in discussion.
Energy Efficiency Utility Programs	\$ 350,000	
Other Contracts		
Contributions		
Directors	\$ 200,000	
Members - Renewing	\$ 1,000,000	
Members New	\$ 300,000	Assumes 100 new members
Members Dual to Full	\$ 175,000	Assumes 100 current, dual members, transitioning to full membership
Members - Transfers from CCAR	\$ 300,000	Assumes 100 members transfer from CCAR
Premium Members	\$ 150,000	Proposed new membership category
Member Services		
Training Workshop Fees	\$ 70,000	
COP Delegation Study Trips	\$ 100,000	COP 15 Copenhagen
Conference/Forum Fees	\$ 200,000	Assumes 4 regional workshops or one annual conference
Directory	\$ 37,000	Technical Services directory - new budget line item
Collateral Products	\$ 18,000	New budget line item
Other Income		
Interest Income	\$ 18,000	
In-Kind Services	\$ 500,000	IT Development, Attorney's Fees
TOTAL REVENUE	\$ 4,277,000	

THE CLIMATE REGISTRY
PROPOSED FY10 Budget

<i>Item L - Board Book</i>	<i>Proposed FY10 Budget</i>	<i>Notes on Proposed Budget</i>
EXPENSES		
Salaries & Related Expenses		
Salaries & Wages	\$ 1,450,000	Assume 15 current FTE; 2 PTE; 7 possible new positions - 2 Member Svcs; 1 Verification; 1 IT; 1 Policy; 1 EE; 1 Admin
Employee Benefits & Taxes	\$ 362,500	
Total Salaries & Related Expenses	\$ 1,812,500	<i>New hires only when funding permits</i>
Contracts		
Contract Services Expense/Protocol Dev	\$ 140,000	Protocol Development
Professional Fees - other	\$ 30,000	
Direct Services Contractor	\$ 150,000	
Software Development	\$ 340,000	CRIS application
EE Program Expense	\$ 50,000	
Shared Services - CCAR	\$ 450,000	
Non-Personnel Related Expenses		
Supplies	\$ 15,000	
Telephone & Communications	\$ 8,000	
Marketing & Advertising	\$ 75,000	Marketing, PR, Advertising
Postage & Delivery	\$ 10,000	
IT, Website & Upgrades, Software	\$ 25,000	
Printing & Reproduction	\$ 35,000	Brochures, protocols
Publications & Subscriptions	\$ 11,000	
Program Expense (workshops, events etc.)	\$ 200,000	
Insurance	\$ 8,000	
Accounting and Legal	\$ 15,000	
Facility & equipment Expenses		
Occupancy	\$ 110,000	
Equipment Rental	\$ -	
Computer Software Maintenance	\$ 36,000	
Accum. Depreciation Expense	\$ 25,000	
Travel	\$ 115,000	
In-Kind	\$ 500,000	
Other Expenses	\$ 5,000	Miscellaneous fees, Merchant Services
Business Expenses		
Meetings/Conferences	\$ 17,500	
<i>Subtotal</i>	\$ 2,370,500	

TOTAL EXPENSES	\$ 4,183,000
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NET INCOME/(LOSS)	\$ 94,000
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The Climate Registry

ACTION #7

Resolution 06.03.09 – 7

Adopt FY10 Goals, Budget, and New Dues Category

The board adopts the FY 10 Budget, Goals and Premium Dues category as presented in Item L of the Board Book.



The Climate Registry

ACTION #8

Resolution 06.03.09 – 8

Adopt new Board Committee Structure/Membership

Background

TCR currently has 7 board committees, with each board member serving on at least one committee. This model of committee membership is common in non-profits but is not working well for TCR. Some of the current committees do not meet often, nor do they have substantive work to do.

Proposal

Reduce the Board Committees to those listed below. Let board members sign up for whatever committees interest them. All board committees will meet at least twice a year. Some board committees will meet more often.

Current Board Committees

Executive Committee
Finance Committee
Protocols Committee
Mandatory Reporting Committee
Audit and Ethics Committee
Development and Recruiting Committee
Stakeholder Advisory Committee

Proposed Board Committees

Executive Committee PAT, ADD BRIEF DESCRIPTIONS TO EACH OF THESE
Finance Committee
Protocols Committee
Mandatory Reporting Committee
Audit and Ethics Committee