From: Industrial Innovation Initiative (I^3)
Contact(s): David Soll and Zachary Byrum
Date: October 16, 2025
RE: Docket ID No. EPA-HQ-OAR-2025-0186

Background

The Greenhouse Gas Reporting Program (GHGRP) is a proven, reliable mechanism for American companies, as it is a trusted, centralized resource that companies can use to report and verify emissions for trade, intergovernmental regulations, and voluntary emission reduction goals. Further, Congress designed several tax credits that rely on the availability of GHGRP data, many of which directly strengthen American industry. In response to the Request for Comments regarding the Environmental Protection Agency's proposal to permanently remove program obligations for 46 source categories of the Greenhouse Gas Reporting Program (GHGRP), **the Industrial Innovation Initiative has prepared the following comments to explain why our members support maintaining the current structure and reporting requirements of the GHGRP to ensure American manufacturers can collect necessary data to remain competitive, global leader across domestic and international markets.**

About the Industrial Innovation Initiative (I^3)

The Industrial Innovation Initiative (I^3) is an ambitious coalition of leaders from industry, labor, and nonprofits focused on strengthening American industry by advancing solutions that support industrial innovation through policy development and implementation, technology demonstration and adoption, and demand-side market development. The Initiative builds on years of extensive stakeholder engagement and leadership by its co-conveners, the Great Plains Institute (GPI) and World Resources Institute (WRI), to establish consensus around and advocate for key industrial policies and programs. The Initiative values a competitive United States (US) economy, thriving livelihoods for American workers, a safe and healthy environment, and a stable climate. The Initiative's insights are valued by stakeholders, policy makers, and agency officials across all levels of government because of our non-partisan, consensus-based approach.

General Comments

I^3 members support maintaining the current structure and reporting requirements of GHGRP. Eliminating the reporting requirements under the various subparts of GHGRP does not eliminate the need for and desire by various subsectors to track their emissions. Some

states may also require industry to report emissions. In addition, as we detail below, American manufacturers may be required to track and document this data to competitively participate in key trade markets.

Establishing a replacement for GHGRP would be a daunting financial and administrative challenge. More than three quarters of the anticipated savings from eliminating reporting requirements will accrue to the petroleum and natural gas industries. Other industrial sectors will realize only modest savings. If these industrial sectors elect to establish separate reporting systems and seek out third-party verification systems, their total costs could exceed the current cost of complying with GHGRP reporting requirements. There is concern from American industry that the savings realized from the elimination of GHGRP reporting requirements may be far exceeded by the costs they incur to establish alternative reporting mechanisms approved by other governments.

The Greenhouse Gas Reporting Program is an established and respected reporting mechanism. America's industrial sector has become adept at complying with its reporting requirements. An expansive group of stakeholders including industrial companies and state governments utilize the GHGRP's data for multiple purposes, many of which are specifically aimed at helping industry modernize, improve operational efficiency, and reduce cost. As we detail below, eliminating GHGRP reporting requirements may have several negative consequences. For these reasons, I^3 urges the Environmental Protection Agency to reconsider its proposal and retain existing GHGRP reporting requirements.

At a minimum, EPA should consider retaining subparts, such as RR, that enable taxpayers to access existing energy tax credits. Several subparts allow industrial producers to prove compliance and claim tax credits. We have heard from members that the interconnection between subparts is what makes the GHGRP so effective at enabling manufacturers to prove compliance and claim tax credits. At minimum, I^3 recommends that the EPA maintain GHGRP reporting requirements until the Internal Revenue Service (IRS) releases guidance that ensures that taxpayers can access all energy-related tax credits.

Specific Comments

Trade and Related Impacts

I^3 supports this Administration's central priority of leveling the playing field between American manufacturers and foreign competitors. Ensuring that American manufacturers have unrestricted access to compete in foreign markets is essential to achieving this goal. We are concerned that eliminating the GHGRP will put American manufacturers at a disadvantage in global markets and potentially complicate efforts by American producers of cement, iron and steel, aluminum, fertilizers, electricity, and hydrogen that are required

to submit emissions data under the European Union's (EU) Carbon Border Adjustment Mechanism (CBAM). In 2026, covered US products exported into the EU, even those with lower carbon intensities, are at risk of being assigned default emission values that incur a carbon price penalty if they do not use EU measurements or if the EU does not accredit a similar US measurement system, such as GHGRP.

The number of affected producers will grow as the EU CBAM increases covered products in the coming years, most notably chemicals, 25 percent of which the EU imports from the US.1 The carbon intensity of many of these American-made products is quite low by international standards. As a result, maintaining the current structure and reporting requirements of the GHGRP positions American manufacturers to effectively compete with European and global competitors under the CBAM.

Repealing the GHGRP removes the likelihood of harmonization with the EU and future CBAM systems. Moreover, GHGRP provides a central, certain regulatory structure for US manufacturers, without which producers will likely have to devote additional resources toward voluntary and unharmonized systems that attempt to replace it.

Even if a US exporter does not import their product into the EU, they will be impacted as sophisticated importers will likely pass their cost of non-compliance via contract to their foreign (i.e. US) suppliers, indirectly holding them accountable for their CBAM violations. Right now, the EU CBAM is the only supranational carbon pricing instrument out of 78 carbon pricing instruments[2] globally. Without the GHGRP or an equivalent centralized reporting system, US producers are at greater risk of losing valued buyers when the other 77 and growing carbon markets start to inevitably include international trade like the CBAM.

45Q Tax Credit: Carbon Capture and Sequestration

It is important to acknowledge that the GHGRP underpins the Section 45Q tax credit for storing carbon dioxide. Facilities that store carbon dioxide must report the amount sequestered to the GHGRP to claim the 45Q tax credit. To claim the credit, taxpayers must use the information reported to the GHGRP.

For example, maintaining the GHGRP subpart RR, which regulates reporting requirements for wells that inject a CO2 stream for long-term containment in subsurface geologic formations, is critical for ensuring the integrity of the 45Q tax credit. Our members have also expressed concern that the EPA's proposal to repeal the GHGRP did not fully account

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[1] USA-EU International Trade in Goods: Statistics, https://ec.europa.eu/eurostat/statistics-explained/index.php?title=USA-EU_-_international_trade_in_goods_statistics

[2] https://www.i4ce.org/wp-content/uploads/2025/06/Global-carbon-accounts-2025_V2.pdf

for the substantial compliance costs that entities will incur in pursuing alternative methods to demonstrate secure geologic storage for purposes of claiming the 45Q tax credit. It is also important to note that RR is not the only subpart that industrial producers rely upon for 45Q, as we have heard from our members that it is the interconnection between several subparts for each sector that makes the GHGRP so effective at enabling manufacturers to prove compliance and claim the credit.

Eliminating GHGRP has the potential to thwart investment in carbon management projects. Carbon management developers have invested upwards of $77 billion into existing and near-term projects that rely on the GHGRP reporting mechanism. Eliminating GHGRP would cause tremendous uncertainty for investors in carbon management projects and make the tax credit program less transparent, undermining public confidence in its integrity.

Industrial sectors such as cement, steel, and chemicals are investing in carbon management technologies. In many instances, the most efficient way to reduce emissions from processes is to capture carbon dioxide and either securely store it or repurpose it to make new products. The 45Q tax credit reduces the cost of installing and operating carbon capture technology at industrial facilities. Eliminating GHGRP could make it difficult for taxpayers to claim the 45Q credit, increasing the cost of carbon capture projects, and likely making it less economically viable to deploy these advanced technologies.

American companies use the subparts of the GHGRP to demonstrate the carbon intensity of their products, allowing them to remain competitive in global markets and avoid burdensome carbon taxes. Eliminating GHGRP could make it difficult for American companies that have made substantial investments in carbon management to meet reporting requirements imposed by the EU and future markets. These companies made these investments in good faith based on the final regulations for the 45Q tax credit issued in 2021 and require regulatory and statutory certainty to ensure successful completion of those projects.

45V Clean Hydrogen Production Tax Credit

I[3] members are also concerned about the implications of eliminating GHGRP on taxpayers eligible for the 45V clean hydrogen production tax credit. Data from GHGRP subpart W is used to calculate the GHG intensity of the hydrogen produced and the corresponding credit amount.

EPA's proposed rule makes it clear that eliminating GHGRP will force hydrogen producers using natural gas to use previously estimated national average default rates for methane leakage. This will overstate the leakage rates of some producers, reducing the value of the credit. This has the potential to make hydrogen production uneconomical and jeopardize

trade deals with countries eager to purchase advanced hydrogen and derivative products, such as ammonia, from the US.

Final Comments

I^3's members look forward to working with President Trump and the EPA to strengthen American manufacturing and its innovative edge. Key to those mutual goals is retaining a central, government-backed reporting mechanism that companies can rely on to guide their investments and trade goals. The current GHGRP system has provided this business certainty. While retaining a voluntary system would be more beneficial than leaving companies without any reporting mechanism at all, the Industrial Innovation Initiative urges the Administration to maintain the current structure and reporting requirements of GHGRP to ensure American manufacturers can collect necessary data to remain competitive, global leader across domestic and international markets.