

September 12, 2014

California Air Resources Board
1001 "I" Street
Sacramento, CA 95814

Re: Comments on California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms - Proposed Compliance Offset Protocol Ozone Depleting Substances Projects

Release Date: July 29, 2014

Hearing Date: September 18, 2014

Written Comments Due: September 15, 2014

Dear Board Members:

Recleim, LLC. (Recleim) respectfully submits the following comments concerning the California Air Resources Board's (ARB) draft ODS Compliance Offset Protocol. Recleim is a South Carolina demanufacturing and recycling facility specializing in the processing of appliances at end of service life with specialized capabilities in ODS capture and destruction.

Comment No. 1: Aggregation of ODS

The process at the Recleim facility involves both the collection and destruction of ODS. Specifically, ODS is removed from individual appliances and stored in ODS storage containers. These smaller containers may later be aggregated into larger containers before destruction.

In the proposed protocol, Appendix D paragraph (a)(4) states:

Each single compartment, cylinder, drum, or any other eligible ODS container arriving at the destruction facility must be weighed separately, sampled separately, and treated as a separate destruction event.

In illustration 4.1 of the proposed protocol, recovery and collection (and aggregation as part of the process) are outside the offset project boundary. The process assumes that aggregation is complete before the container is shipped to the destruction facility. When the recovery, collection, aggregation, and destruction occur at the same facility, the project boundary is not as clearly defined by the shipment to the destruction facility. For clarity, the project boundary should be defined as a container that has been identified and destined for destruction. For a facility that performs off-site destruction this designation would immediately precede shipping to the destruction facility. For Recleim, this designation immediately precedes destruction. In both cases, the offset project boundary is more clearly defined by this designation.

Recleim would like to request rewording the protocol in order to clarify the project boundary for facilities that perform both capture and destruction of ODS. Following is language proposed for this purpose:

Appendix D

- (a)(4) Each single compartment, cylinder, drum, or any other eligible ODS container that has been identified and destined for destruction must be weighed separately, sampled separately, and treated as a separate destruction event.
- (5) All recovery, collection, and aggregation activities may occur until the container has been identified and destined for destruction. After the ODS container has been identified and destined for destruction, ODS must not be added or removed.

Comment No. 2: Inclusion of HCFC-22 and HCFC-142b as Refrigerants

In sections 2.2.1(b), ARB presents the refrigerants that are eligible for offset generation. Recleim feels that HCFC-22 and HCFC-142b should be added to the list of eligible refrigerants.

In 40 CFR Part 82.15, the use of HCFC-22 and HCFC-142b are banned except for

1. Transformation or destruction
2. Use in equipment that is manufactured prior to January 1, 2010
3. Export to an article 5 country.
4. HCFC-22 produced before January 1, 2010 may be used in medical equipment and thermostatic expansion valves prior to January 1, 2015.

While there are still allowances for the refrigerants to be produced for the service of existing equipment manufactured prior to January 1, 2010, the recycling process at Recleim destroys both the refrigerant and the refrigeration equipment. This destroys not only the ODS but also the equipment that could legally receive the refrigerant in the future. The simultaneous destruction of the equipment ensures permanence of the ODS destruction as the equipment cannot be refilled with newly produced refrigerant later thereby negating the destruction activity. As such, Recleim recommends the inclusion of these ODS refrigerants in the list of eligible refrigerants with the requirement that both the refrigerant and the original equipment be destroyed in the process.

Comment No. 3: Inclusion of HCFC-142b as a Blowing Agent

In sections 2.2.2(b), ARB presents the blowing agents that are eligible for offset generation. Federal regulation in 40 CFR Part 82.15 bans and provides no allowance for the use of HCFC-142b as a blowing agent after January 1, 2010. Recleim recommends the inclusion of HCFC-142b as an eligible blowing agent.

Comment No. 4: Protocol Language Referencing Refrigerated Shipping Containers

Transportation Refrigeration Units (TRUs) have been identified by EPA as a significant source or greenhouse gas emissions. In 2010, the transport refrigeration sector accounted for about 9% of global HFC consumption in the refrigeration/AC sector—approximately 80 million metric tons of carbon dioxide equivalent (MMTCO₂ eq.)—or approximately 7% of HFC consumption across all sectors. (USEPA, Transitioning to Low-GWP Alternatives in Transport Refrigeration, 2011, http://www.epa.gov/ozone/downloads/EPA_HFC_Transport.pdf)

In the proposed protocol, Section 2.2.2 paragraph (c) it states:

The only foam sources eligible under this protocol are building and appliance insulation foams. Other sources, such as transport refrigeration units, are not eligible.

While Recleim has had discussions with ARB staff on the possibility of inclusion of TRUs in the protocol, it is not clear why this statement has been added to the protocol. In these conversations with ARB, it has been understood that the refrigerated shipping containers are not eligible under the current protocol without modification. However, the conversations were productive in that there was agreement that TRUs may be eligible with relatively minor modifications.

The specific exclusion of TRUs with this statement is counter to these discussions and sets a precedent that could potentially make future modifications of the protocol and inclusion of this significant greenhouse gas source more difficult. Recleim requests the removal of the latter sentence in this paragraph or, at a minimum, the removal of the reference to TRUs in the sentence. This modification will not change the scope of the protocol or any protocol method.

Recleim sincerely appreciates the opportunity provided by ARB to comment on this draft rule. If you have any questions or need any further information, please do not hesitate to call me at (404) 937-6499 or contact me via email at bhirokawa@reclim.com.

Sincerely,



Ben Hirokawa
Recleim, LLC

CC: Steve Allison – Smith Aldridge
Matthew Page – Smith Aldridge
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