We submit these comments in the context of the California Air Resources Board’s (ARB) October 12, 2017 meeting to begin a process to consider regulatory changes to the ARB Cap-and-Trade Program implementing Assembly Bill 398 and Board Resolution 17-21. We appreciate the opportunity to provide input into ARB’s process and would like to comment on one particular issue: to express our strong support for the development of a new offset protocol that has the potential to significantly reduce emissions of hydrofluorocarbons (HFCs), potent greenhouse gases, in foam blowing applications.

Whirlpool Corporation is the world’s leading global manufacturer of home appliances with $21 billion of 2016 sales while operating in nearly every country around the world. Whirlpool Corporation manufactures and sell refrigerators and freezer products in North America under the Whirlpool, Amana, Maytag, Jenn-Air, and KitchenAid brands. Our foaming operations are eligible to generate offset credits under the American Carbon Registry (ACR) methodology titled, “Emission Reduction Measurement and Monitoring Methodology for the Transition to Advanced Formulation Blowing Agents in Foam Manufacturing and Use.” We utilize both open and closed cell foaming technology to form rigid polyurethane foam inside of the doors and cabinets of refrigerators and freezers. HFC-245fa is one of the foam blowing agents currently used widely in applications that are eligible for credits under the methodology.

We have voluntarily made the transition to the low-global-warming-potential (GWP) foam-blowing agent Solstice® Liquid Blowing Agent (HFO-1233zd(E)) (LBA) in some of our U.S. production facilities, owing in no small part to the availability of offset credits from ACR. If ARB were to adopt a new protocol to credit the substitution of HFCs with low-GWP blowing agents, our company would have a significant additional incentive to continue to invest in low-GWP blowing agents where we are currently using these agents and investigate expansion of the use of these low-GWP blowing agents in additional manufacturing locations.

The opportunity to generate credits for the substitution of HFCs with low-GWP blowing agents under a new offset protocol is particularly important given the uncertain future of the HFC phaseout requirements imposed by the EPA rule under its Significant New Alternatives Policy (SNAP) program, which remains under challenge in federal court.[1]  With the fate of the federal mandates uncertain, additional incentive is needed to maintain the transition away from HFC-based blowing agents and prevent transition back to high-GWP blowing agents , particularly where the alternatives, while offering equal or better performance, are more costly.

Our first project is currently undergoing validation and verification, which is expected to result in the issuance of more than 100,000 credits from ACR from project activity during 2014-2015. We expect over a million credits total for projects we tentatively plan to submit for activity during the 2015-2019 period. Of this total, we estimate that 20,000 of the credits from our current project and more than 200,000 credits from potential projects in the future are attributed to California due to the high volume of our products sold and used in California.

A new ARB offset protocol should recognize the investments made by early adopters, back to 2013, by allowing ACR credits generated under the existing methodology to be eligible for conversion into ARB compliance offset credits. As with other new offset protocols that have recognized early actors, doing so in this instance will reward companies that make investments in environmentally responsible actions and encourage others to do the same.

We urge California to consider adopting a new compliance offset protocol similar to the ACR low-GWP foam methodology, with recognition of existing ACR credits under the methodology starting in 2013. Such a protocol would accelerate the transition to low-GWP foam blowing agents and reduce the likelihood of transition back to high-GWP foam blowing agents due to the uncertain future of the requirements under EPA’s SNAP program. An ARB low-GWP foam offset protocol would offer significant incentive for foam manufacturers and users to invest in a near-term transition out of HFCs to low-GWP alternatives and could reduce the risk of companies switching back to high-GWP blowing agents or hydrocarbon alternatives.

Sincerely,

Ronald L. Voglewede