大成 DENTONS

To: Rajinder Sahota, Chief
Climate Change Program Evaluation Branch, Industrial Strategies Division
California Air Resources Board, 1001 I Street, Sacramento, California 95814
Online Submission:
http://www.arb.ca.gov/lispub/comm/bcsubform.php?listname=slcp2016&comm_period=N

DENTONS' COMMENTS ON CALIFORNIA AIR RESOURCES BOARD'S

PROPOSED SHORT-LIVED CLIMATE POLLUTANTS REDUCTION STRATEGY

These comments, on behalf of Foam Supplies, Inc., are submitted with respect to the Short Lived Climate Pollutant strategy published by ARB for comment and dated April 11, 2016. These comments are submitted by the May 26 due date.

On April 29, the American Carbon Registry published a new methodology for control of Greenhouse gas emissions: "Emission Reduction Measurement and Monitoring Methodology for the Transition to Advanced Formulation Blowing Agents in Foam Manufacturing and Use." (hereafter cited as "FBA Methodology"). The methodology was proposed for public comment in February 2015 and underwent the rigorous ACR peer review process.

The FBA methodology addresses the replacement of HFC blowing agents, and provides an incentive for early action in the replacement of HFCs with low-GWP blowing agents. In addition, it provides a substantial incentive for foam manufacturers to go beyond the use of any HFCs, even those which EPA would continue to allow to be used indefinitely. This is not only a methodology which incents early action, it also rewards manufacturers to switch to very low GWP blowing agents, and go far below what EPA would allow.

The subject matter of the FBA Methodology thus complements the SLCP strategy. The sooner this methodology can be adopted by ARB, the greater the emission reductions.

This methodology has been constructed to rely on business records and does not depend on documents not yet in existence. The information necessary for projects and demonstration of the methodology are already available. Foam Supplies is preparing an application to ACR for issuance of ERT credits under the FBA Methodology and expects to file that request within the next two weeks.

Based on the market surveys conducted during the peer review process, it appears the FBA methodology could generate substantial carbon offset credits, potentially in the hundreds of thousands of credits annually. The FBA methodology applies to a wide range of foam

manufacturing activates, reflecting the fact that there has been very low market penetration in many manufacturing and construction applications including: XPS boardstock, residential refrigeration, 2-component PU Spray, and Rigid PUF Injection applications involving industrial refrigeration, refrigerated transport, marine flotation and buoyancy, HVAC systems, and garage and entry doors.

The FBA Methodology would clearly advance the SCLP policy and the efforts of ARB to reduce such pollution while providing significant cost containment features through a new methodology for generation of substantial volume of carbon offset credits.

Respectfully submitted,

DENTONS US LLP

on behalf of Foam Supplies, Inc.

97021371\V-2