June 12, 2015

Ryan McCarthy, Office of the Chair
Air Resources Board, California Environmental Protection Agency
1001 I Street
Sacramento, CA 95812

RE: Comments on Proposed Short-lived Climate Pollutant Strategy

Dear Mr. McCarthy:

The American Carbon Registry (ACR), an approved Offset Project Registry (OPR) for the California Cap-and-Trade program, respectfully submits comments herein on the California Air Resources Board's proposed Short-lived Climate Pollutant (SLCP) Strategy. We appreciate that California continues to pioneer climate action, taking a leadership role in addressing the subset of climate pollutants whose mitigation would provide near-term environmental benefit and would extend the limited time available to address the issue comprehensively.

ACR has developed, and is continuing to develop, carbon offset methodologies that address methane and F-gases, including key sources identified in ARB's SCLP Strategy Concept Paper (May 2015). These sources include livestock manure, enteric fermentation, air-conditioning equipment, refrigeration systems, and foam blowing agents.

Indeed, ACR's methodologies, available at http://americancarbonregistry.org/carbon-accounting/standards-methodologies, may provide a useful foundation for certain initiatives within the SLCP strategy. Of particular value may be the following:

- Grazing Land and Livestock Management
- Reduced Carbon Intensity of Fed Cattle (currently in scientific peer review)
- Conversion of Foam Blowing Agents from High-GWP to Low-GWP Materials (currently in scientific peer review)
- Use of Reclaimed HFC Refrigerants and Advanced Refrigeration Systems (currently in scientific peer review)

In addition, ACR is updating ARB's existing ODS destruction protocol with new data. One relevant implication for the SLCP strategy is that the revised protocol will better support destruction of F-gases in foam insulation.

As ARB develops control measures for SLCP's, ACR would like to offer the following ideas for consideration:

1) Greenhouse Gas Reduction Fund proceeds could be used to purchase and retire offsets generated from specified voluntary methodologies. Procurement criteria could be designed to maximize the emission reductions achieved with available budget. Furthermore, allowing offsets from any of the specified methodologies would let the market determine which emissions reductions are most cost effective. An additional benefit would be that practices now

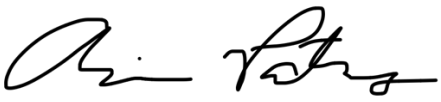
uncommon would be piloted, establishing an experience base for further application.

2) The regulatory constraint on usage of offsets to meet compliance obligations under California's cap-and-trade program could be revised to specifically incentivize mitigation of SLCP's. For example, the 8% limit on offsets usage could be increased to 9%, with the stipulation that any offsets in excess of 8% must be generated from California-based SLCP reductions. Compliance data indicate that few entities are likely to use their full quotas; therefore, there is little likelihood that increasing the offsets limit would push aggregate offsets usage above a level deemed appropriate.
3) All facilities that accept for disposal refrigerant-containing equipment, including small items such as automobile air-conditioners, room air-conditioners, and refrigerators, could be required to report relevant data to ARB. This could include an inventory of all items collected (manufacturer, serial number, date of manufacture), type of refrigerant used, and amount of refrigerant collected. This information would illuminate refrigerant collection rates and enable comparative analysis between facilities.
4) ARB could incentivize or otherwise encourage a California waste destruction facility or cement kiln to accept CFC's for destruction in accordance with ARB's offset protocol for ODS destruction. This may require upgrades to equipment, additional instrumentation, and permit modification. No California facility currently destroys F-gases in accordance with California's ODS destruction protocol.

We hope that ARB will leverage ACR's methodologies in developing the SLCP strategy. Every methodology is created through a rigorous and transparent process that includes public comment and blind scientific peer review, ensuring that the emissions reductions are real, quantifiable, permanent, verifiable, and additional. Furthermore, we encourage ARB to consider how the SLCP program could achieve large, low-cost emissions reductions through offsets-related approaches, such as those we have outlined above.

Please feel free to contact me if you would like to further discuss the ACR methodologies or how offsets could be an important component of a successful SLCP strategy. Thank you for the opportunity to provide our comments to ARB.

Respectfully,



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