



STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

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Summary notes ODS Technical Working Group Meeting #3

Topic #1: Revise Substitute Emissions Factors for Refrigerants

What additional context or considerations should Ecology be aware of?

- Substitute emissions factors are generally based on the assumption that new equipment is being installed, rather than retrofitting of existing equipment which results in different leak rate assumptions for substitutes.

Should substitute emissions factors that assume substitution with a phased-out refrigerant be updated?

- Phasing out a refrigerant does not mean that the refrigerant will not be used from a reclaimed source.
- A phased-out refrigerant may still be the appropriate substitute, depending on common practice for that particular application.

Do refrigerant use applications reflect current practices?

- There are several potential new substitutes to consider, for example HFO's in the mobile air conditioning space and natural refrigerants.
- Updating substitute factors should follow a consistent methodology.

Does this change contribute to Ecology's programmatic goals of this rulemaking of 1) reflecting advances in policy and scientific understanding 2) removing unnecessary project development barriers, inefficiencies, and exclusions and 3) increase methodological rigor?

- Substitute emissions can make sense for a recovery scenario, but for some scenarios a stockpiling scenario is more realistic, and a substitute emissions factor should not be used.
- Allowing different baselines (stockpiling vs. recovery) may place a burden on verifiers to determine what baseline in approach.

Topic #2: ODS Sourced from the Federal Government

What additional context or considerations should Ecology be aware of?

- In the initial protocol development enforceability of federally backed projects was a driver in this prohibition, and this enforceability risk bled into decisions related to the ODS protocol.
- This change could increase supply and impact the market, as well as advantage developers with relationships to federal facilities.
- In some cases the federal government may have paid for destruction of gases, but this has not been a blanket requirement.

- In voluntary markets federal sources have been used as a source for project development.
- Removing the blanket prohibition may help smaller developer procure project financing.

Are there significant federal ODS sources outside of DLA and customs seizure? (e.g. installations at federal facilities)

- Auctions can be a significant source, but not necessarily only DLA auctions. DOE also auctions off refrigerants.

Without a specific prohibition on ODS from customs seizures, would these be eligible in the current protocol?

- Seized material are not possessed by the government that seizes it, ownership is typically attributed to the original importer.
- As long as the protocol intends only for sourcing from the US or its territories a specific prohibition may be warranted.

Is a prohibition on ODS sourced from strategic stockpiles needed for substances besides halons?

- Definition of “strategic stockpile” is unclear and warrants consideration.
 - Arguably any halon could be part of a strategic stockpile.

Does this change have the potential to significantly increase the supply of ODS eligible for destruction?

- This change does have the potential to increase the supply of ODS, but the significance of this supply is unclear.
- We could expect federally sourced material to be included in destruction projects if not explicitly prohibited.

Does this change contribute to Ecology’s programmatic goals of this rulemaking of 1) reflecting advances in policy and scientific understanding 2) removing unnecessary project development barriers, inefficiencies, and exclusions and 3) increase methodological rigor?

- This change would remove an unnecessary project development barrier.

Topic #3: Invalidation liability

What additional context or considerations should Ecology be aware of?

- In 2012 CARB’s rule dictated that any noncompliance would result in invalidation of all credits for that crediting period. This has since changed, and this change has been adopted in WA’s program which has limited the liability of invalidation for ODS projects.
- Verifiers have requested guidance on the scope of noncompliance that could result in an invalidation.
 - Specificity in any rule language is essential, as well as regulatory guidance.

Is this a meaningful change in invalidation liability at ODS destruction facilities?

- This change would be helpful for administrative violations specifically. Where projects have administrative violation risk they often opt for the voluntary offset market.
- Destruction facilities may have any number of activities co-occurring that could result in a violation.

- Clarity around invalidation liability of ODS residue disposal is needed, as well as definition of related terms.

Would this change impact project verification activities (e.g. limit the scope of verifications)?

- This change may reduce the scope of verification activities at some facilities.
- This change would provide verifiers with some additional clarity.

Would this change be anticipated to significantly impact either developer or buyer decisions (e.g. less incentive for a 2nd verification, reduction in “discount” of offsets with a longer invalidation period)?

- This change would be unlikely to have an impact on buyer or developer activity.
- Overtime buyers may become more comfortable with the invalidation liability with this reduction in scope.
- There is still some trepidation in the market regarding this invalidation.
- Removing a guardrail would impact the market. Verifier feedback should be solicited on this change.

Does this change contribute to Ecology’s programmatic goals of this rulemaking of 1) reflecting advances in policy and scientific understanding 2) removing unnecessary project development barriers, inefficiencies, and exclusions and 3) increase methodological rigor?

- This change may decrease methodological rigor by not catching potential violations at some facilities.
- The specific language that Ecology that uses for this change would determine the impact of this change.
 - Ecology would need to very carefully craft any rule language to avoid unintended impacts.
- This invalidation liability puts pressure on facilities to comply with state and federal requirements, which is a positive impact.