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Delivered via Email

Comments to the November 20th 2009 Public Draft Protocol for "Destruction of Domestic High GWP Ozone Depleting Substances" and "Destruction of Ozone Depleting Substances from Article 5 Countries"

Domestic Protocol

2.3.1 Refrigerant Sources

We suggest modifying the first sentence in this paragraph to acknowledge the potential that the source gas could have also been illegally vented into the atmosphere in addition to being recycled for recharge of exiting equipment. On the other hand we do understand that there is no documentation which would have supported using venting in the development of the default leak rates for the individual ODS baseline calculations. We applaud CAR for taking the conservative approach to developing the "Baseline Emissions from Refrigerant Recovery and Resale" in section 5.1.

3.3 Project Crediting Period

We strongly support that CRT's will be issued for all ODS emissions avoided by a project over 10 years at the time the project is verified, due to the fact that all future emissions of the destroyed ODS will be permanently avoided at the time of destruction.

5.1 Quantifying Baseline Emissions

We support the 10 year cumulative emissions (%) in Table 5.1 for refrigerants on page 19.

5.2 Quantifying Project Emissions

We support the project emissions equation 5.5

5.2.1 Project Emissions from the Use of Refrigerant Substitutes

We support the Refrigerant Substitute Emission Factors and applaud CAR for coming up with a standardized approach that will give project developers and verifiers clarity for determining substitute emission rates.

5.2.3 Default Project Emissions from ODS Transportation and Destruction

We strongly support the default project emission factors for ODS transportation and destruction facility emissions. However we would like to see clarification as to whether or not verifiers will be required to verify the "actual" emissions rate due to transportation and destruction in the event the project developer elects to use the default emissions factors. We would encourage CAR not to require this double verification as it would defeat the purpose of having the default option and unnecessarily drive verification costs.

6.2 Point of Origin Documentation Requirements

We strongly support the point of origin documentation for ODS destruction projects. We feel as this is a necessary step and will provide documentation which can be used for triangulation purposes in verifying what is destroyed.

Suggestion- Grandfather all "Packaged" stockpiles which can be documented as being held in inventory for sale on or before the protocol approval date. This would have to be documented with inventory and purchase records proving that the stockpiled "Packaged" refrigerant was in stockpile form before the protocol approval date.

Reason- There are several stockpiles of ODS that are either remaining virgin material or material which has been recycled and reclaimed in the past. It would be impossible to match up these stockpiled materials with the equipment that they came out of in the case of reclaimed material. Currently there are no regulations that require this type of tracking. However there are requirements for the purchaser to have in their possession invoices and payment records showing that they are the rightful owner of the material and where the material was purchased from.

6.5 ODS Composition and Quantity Analysis Requirements

Suggestion- Change "1. A sample must be taken while ODS is in the possession of the final destruction facility" to "1. <u>A sample must be taken while ODS is in the possession of the company which will be managing and performing the destruction activity."</u>

Reason- Destruction capacity is limited in the U.S. and it will be necessary to give destruction companies as much flexibility as possible to schedule and plan around their facilities capacity constraints. It is common practice that destruction facilities stage containers at one of their facilities for sampling and storage and then transfer the containers under their management to the facility where the destruction activity will occur when they have the available capacity. This is

primarily because a RRCA facility only has 24 hours to start processing Hazardous Waste once it enters the facility where the destruction activity will occur.

Suggestion- Change “3. Samples shall be taken with a clean, vacuum sealed stainless steel double ended bottle with minimum capacity of one pound and pressure of 600 PSI” to “ Samples shall be taken with a clean, vacuumed container with a minimum capacity of one pound and that meets the D.O.T. 39 requirements for shipping.

Reason- The type of bottle specified doesn’t meet D.O.T. 39 specifications. Any sample bottle which meets the D.O.T. 39 requirement would be adequate.

Suggestion- Change “7. Chain of custody for each sample shall be documented by a bill of lading” to “Chain of custody for each sample shall be documented by one of the following: paper bills of lading or electronic bills of lading that use package specific tracking numbers and electronic proof of deliveries.”

Reason- The most common way to ship samples is via Fed Ex or UPS. Both of these companies have highly evolved tracking systems which have been developed through the years. A tracking number is attached to the package at the shipment location and the driver scans the package when they pick it up. This scanning of the package is the “electronic signature” of the driver then when the package delivers to the final destination the package is again scanned and the consignee signs for the package on the handheld device. This signature is matched up with the electronic bill of lading and produces a “proof of delivery” document.

It may also be necessary for a shipment to go on multiple bills of lading. For example if a destruction facility is the project developer they will be required to have an outside party pull the ODS sample and retain it for shipment to the ARHI laboratory. In this case the third party sampler would have a bill of lading from the destruction facility to their place of business where the sample would be packaged and shipped to the ARHI laboratory using a transportation company. This is just one example of where it would be necessary to have two bills of lading to support the chain of custody.

Suggestion- Bottom of page 30 change number 3. “Moisture level in parts per million. The moisture content of each sample must be less than 90% of the saturation point for the ODS taking into account the temperature recorded at the time the sample was taken at the destruction facility.” to “Moisture level in parts per million. The moisture content of each sample must be less than 90% of the saturation point for the ODS taking into account the temperature recorded at the time the sample was taken under the management of the destruction company”

Reason- Destruction capacity is limited in the U.S. and it will be necessary to give destruction companies as much flexibility as possible to schedule and plan around their facilities capacity constraints. It is common practice that destruction facilities stage containers at one of their facilities for sampling and storage and then transfer the containers under their management to the facility where the destruction activity will occur when they have the available capacity. This is primarily because a RRCA facility only has 24 hours to start processing Hazardous Waste once it enters the facility where the destruction activity will occur.

Suggestion- Allow early actors to use temperature records from the National Oceanic and Atmospheric Administration also known as NOAA to document the temperature at time of sampling in cases where the temperature was not recorded at time of sampling. The temperature record would have to be documented and from a temperature recording station within 5 miles of the sampling location.

Reason- Early actors would most likely not anticipated a requirement to record temperature at time of sampling since this is not something that is required by an ARI-700 laboratory in order to

run a ARI sample. NOAA's National Weather Service division has monitoring stations all around the country which continuously record the temperature, these records can be used to validate the temperature at the time of sampling.

Suggestion- Define Mixed ODS as any composition which consists of less than 90% a single ODS species.

Reason- The requirements for sampling mixed ODS are very involved and subject to additional costs. There will be several cases were one ODS species would be over 90% of the mixture but less than 99%. In these cases there is very little benefit to subjecting the product to the circulation process.

6.6 Destruction Facility Requirements

Suggestion: Page 33 lists requirements that a destruction facility must track during the destruction process. One requirement is that the destruction facility must continuously track the amount of electricity and the amount of fuel consumed during the destruction process. I think language should be added that in the event the project developer decides to use the default destruction emissions rates then the verifier does not need to quantify the emissions from actual electricity and fuel consumed during the destruction process.

Reason: ODS is a small percentage (1% - 3%) of a RRCA facilities total destruction capacity on a daily basis, and given the fact that the plant receives an electric bill on a monthly basis it would be nearly impossible to determine the specific amount of electricity attributable to the ODS destruction.

8.6.1 Project Eligibility and CRT Issuance

Table 8.4 page 43

Suggestion: Change "Verify that all ODS samples were taken by a third-party at the destruction facility" to "Verify that all ODS samples were taken by a third-party while the ODS was in possession of the company which is managed and performed the destruction of the ODS."

Reason: Destruction capacity is limited in the U.S. and it will be necessary to give destruction companies as much flexibility as possible to schedule and plan around their facilities capacity constraints. It is common practice that destruction facilities stage containers at one of their facilities for sampling and storage and then transfer the containers under their management to the facility where the destruction activity will occur when they have the available capacity. This is primarily because a RRCA facility only has 24 hours to start processing Hazardous Waste once it enters the facility where the destruction activity will occur.

Comments specific to the Imported Ozone Depleting Substances Project Protocol

First off I would like to recognize all the extra time and energy that CAR put into developing the Imported Ozone Depleting Substances Project Protocol. Carbon Finance is an important step in insuring that ODS refrigerants will not be vented into the atmosphere as equipment approaches end of life in Article 5 (Developing) countries. CAR stepped up to the plate and recognized the impact it could have in helping to avoid the release of these substances by developing the this Protocol which allows for the destruction of ODS refrigerants from Article 5 countries who have ceased production and importation of these ODS substances.

3.2 Project Start Date

We support the project start date for imported ODS projects being the day that Destruction commences as this is consistent with the project start date for the Domestic protocol and will help with the standardization of the Reserve's tracking system.

We also strongly support the Reserve's policy on allowing early actors to register projects which were completed prior to the issuance of the Protocol for up to 12 months for any project which has a start date of February 7th 2008 or later.

Suggestion: For clarification purposes we suggest changing the 3rd paragraph in section 3.2 to read as follows:

Only ODS refrigerants phased out of production in the country of origin before the export date are eligible to generate reductions under this protocol. For projects with export dates prior to the Montreal Protocol mandated phase-out of January 1, 2010, a letter from the Ozone Secretariat shall be required to confirm that early phase-out occurred.

Reason: The definition of project start date is the date that destruction commences. There could be several months of time between when the ODS is exported from the source country and when destruction commences. Changing this will clarify that production had ended in the source country before the ODS was exported.

3.4.1 The Legal Requirement Test

Suggestion: For imported ODS projects with respect to the source country the legal requirement test should only have to be met up to the date of export from the source country to the United States for destruction of the ODS.

Reason: This will avoid a project developer from regulatory uncertainty due to regulatory changes after the date of export and before the before it is destroyed. For example a project developer could procure ODS from an A5 country and then after it is exported the A5 country issue a law or regulation requiring the destruction of ODS. As long as the project developer can show that the project met the regulatory requirement and destruction was not required when they exported the ODS the project should still be eligible.

6.3 Custody and Ownership Documentation Requirements

Suggestion: On page 22 the 2nd bullet point reads "– Bill of lading (where appropriate) Change to "Bills of lading (where appropriate)"

Reason: On an import project there will be several bills of lading. For example you will have an ocean freight bill of lading to get the product from the source country to the United States, and then you will have a separate bill of lading to get the product from the port to the destruction company.

Please consider all of our comments on the domestic protocol as also applying to the import protocol where there is relevance. For example all of our comments on section 6.5 ODS Composition and Quantity Analysis Requirements would are the same for both protocols.

Early Actors

In general we would like to see CAR allow early actors some leniency when requesting Variances in situations where Triangulation of other data points can help to support and document anything that the project developer was not able to predict would have been requested in a future CAR protocol.

In closing I would like to thank the Climate Action Reserve for allowing Coolgas and myself to participate in the development of both ODS destruction protocols. I can attest to the fact that the process was open-minded and everyone's suggestions and concerns were considered and debated freely. I feel a great deal of accomplishment in being a part of the workgroup process.

Sincerely,

Jesse Combs
President

Coolgas Inc.