

COMMENTS TO THE DRAFT ARTICLE 5 ODS DESTRUCTION PROJECT PROTOCOL,
Version 2.0.

By Laura Martonova

Energy Changes Projektentwicklung GmbH, Vienna, Austria

April 30th 2012

Protocol is omitting/is very unfavourable to a case scenario when ODS are recovered from end-of-life appliances (which in A5 countries is, indisputably, rather rare and should/could be encouraged). There are several problematic issues:

- (a) According to the current interpretation the ODS can be considered as EOL if recovered (collected? – this issue is discussed further below) within the past 12 months before the project start.. It should be taken into consideration that the conditions are not as “simple” as doing the same within the US territory. Collection of EOL ODS can be a lengthy process – it means to collect a volume large enough to be economical for transport, export and destruction, by assembling ca 100 grams amounts from one appliance. Enforcement of environmental legislation within the country is usually still weak but once the waste should cross the borders project developer will very probably face the bureaucracy of the system at its full power which would cause delays.
- (b) There are three major reasons to be able to fall within the current 12 months period:
 1. Point 3 of Section 2.4. doesn't specify the type of ODS refrigerant from EOL. This suggests that unless it is recovered from EOL appliances and destroyed (or mixed, in case of mixed ODS) within 12 months it may be well a type of ODS which is not saleable in the country anymore. Problem raises if the project meets unpredictable barriers/delays, spans over 12 months and the collected ODS (or part of it) will become a stockpile of ODS which is not legally saleable on the market.
 2. EOL stockpiled is “penalized” by the Protocol by a double reduction of emission reductions: naturally, the stockpiles may apply for 94% of 10-year cumulative emissions only. But according to the current interpretation of the baseline definitions in Table 5.1. ODS from EOL appliances older than 12 months are considered as stockpile and as such must apply the stockpile baseline scenario and account for project emissions from refrigerant substitutes (according to Section 5.2.1., Equation 5.5.) although there are no substitutes of any kind. This accounting has a remarkable negative impact to the resulting emission reductions of the project.
 3. In case when only a part of the total volume of ODS sent for destruction happens to be EOL and the other one is stockpiled already, project developer may have a problem to determine the quantity of each part and document the origin (see comment (c) below for further discussion on documentation)

Suggestions:

- Considering these specific, sometime unpredictable conditions in A5 countries this period could be prolonged (e.g. to 24 months?) to allow better opportunity for the project developer to organize and execute the import to USA
- Creating a new baseline scenario of “stockpiled EOL ODS” and excluding it from calculating the project emissions from substitutes

- (c) There is a conflict/ambiguity in requirements on how to justify the origin of ODS and document it by evidence:
 1. As mentioned above, according to Section 5.1. the origin of EOL ODS is tied to the time when the ODS is recovered.
 2. Documentation requirements as per Section 6.2. involve tracking and records keeping depending on when the ODS have been collected.

Thus if the ODS have been assembled from many quantities of less than 500 lbs the documentation from the aggregation facility (if not older than 12 months) should be sufficient.

But to document when the ODS has been recovered to distinguish the EOL from stockpile could mean that project developer must keep records of volumes far below that. In the case the aggregation facility is collecting ODS from several dismantling facilities who are not project developer's subsidiaries such an evidence can be impossible to obtain.

Suggestion:

- Unifying the sections by adding words “and collected” to the Table 5.1., column Refrigerant origin, row 3, as follows: “Used ODS refrigerant recovered from end-of-life equipment **and collected** during the 12 months prior to the start date”.

(d) Ad Section 3.2. Project start date: The project start date definition has been changed in order “to include all project activities that affect sources of GHG emissions within the GHG Assessment Boundary”. For the mixed ODS the start date is set as “the day that mixing procedures begin. This is not in line with the project boundary SSR since thus the transport is not regarded as a project activity although emissions from transport must be accounted for as project emissions.

Another argument is that the date of mixing are out of project developer's sphere of competence and influence and trespassing the 12 months may happen easily.

Suggestion:

- Specifying the start date for mixed ODS as the day that the project ODS departs the final collection or aggregation facility for transportation to the destruction facility, as it is for the concentrated ODS. This would enable the project developer to plan for the proper and sufficient timing. A condition could/should be applied that the mixing and destruction must occur within certain period (e.g. 2 months) after date of departure.

(e) Ad Section 3.5. Regulatory compliance: The regulatory scope compliance has been extended to include the mixing facility and the transportation. Project developer thus must attest the regulatory compliance for other companies (services providers) which is out of project developer's sphere of competence and legal responsibility.

(f) Section 3.5. Regulatory compliance: “Any upsets or exceedances of permitted emission limits at a facility must be managed in keeping with an authorized start-up, shutdown, and malfunction plan (40 CFR 63.1206)”. It is not clear whether this applies to the transportation, too, since there are no “permitted emission limits at a facility” and especially for the transportation within the Article 5 countries (it is probable that any plan is not required in A5 country – how should then the A5 transporter obtain authorization for such a plan?). It is not clear whether the project developer is required to provide the mentioned plan for his subcontractors.