

Margaret Williams is the Technical Director for the American Carbon Registry (ACR). ACR is an approved offset project registry for the California cap and trade system and approved supplier to the Carbon Offsetting and Reduction Scheme for the International Aviation (CORISA) program. She oversees project review and credit issuance for industrial project types in ACR's compliance and voluntary programs. She also oversees new carbon accounting methodology development for ACR.

# Ms. Margaret Williams Technical Director for the American Carbon Registry



Incentives for ODS
Destruction from
Carbon Finance

Margaret Williams
Technical Director
American Carbon Registry



El ambiente es de todos

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# American Carbon Registry

- Founded in 1996 as the first private voluntary GHG registry
- Approved in December 2012 as California Offset Project Registry & Early Action Offset Program
- Approved in 2020 to supply Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) eligible credits
- 125+ million tons of CO2-e emissions reductions issued
- Carbon offset project types across sectors







# Winrock International Institute for Agricultural Development

- Believes that markets are the most effective path to mobilize actions to reduce emissions
- Operates ACR to stimulate opportunity for GHG reductions in new sectors, to create confidence in integrity of actions and results, and to serve as an incubator for new compliance markets



### Carbon Offsets

= 1 metric ton of CO<sub>2</sub>e emissions reductions or removals from an unregulated source, fungible with other offsets, and of a specific year.



### Carbon Offsets

#### Real

GHG reductions or removals result from demonstrable actions that have already occurred. **Ex post** GHG accounting is conservative, comprehensive and scientifically credible.

#### **Additional**

GHG reductions or removals exceed those otherwise required by law, regulation or legally binding mandate.

### Carbon Offsets

#### **Permanent**

GHG reductions or removals are not reversible. When they are, mechanisms are in place to replace any reversed emissions reductions or removals, to ensure credited reductions endure.

#### Quantifiable

GHG reductions or removals can be accurately measured or calculated relative to a project baseline, in a reliable and replicable manner and accounting for uncertainty and leakage.

### Carbon Offsets

#### Verifiable

Offset Project Data Report assertion is well documented and transparent such that it lends itself to an objective review by an accredited third-party verifier (auditor).

#### Enforcable (CA)

The authority for the California Air Resources Board to hold a particular party liable and to take appropriate action if any of the provisions of the regulation are violated.

# Registries

#### Protect the environmental integrity of offsets

- Develop and approve environmentally rigorous carbon offset accounting standards & methodologies (protocols)
- Oversee independent verification by accredited entities

- Review and register GHG emissions reduction projects, including issuance of serialized offsets
- Operate a transparent registry system

### Project Development Process



Program	Gases, Geography
California Cap and Trade Program (Compliance Market)	CFC-11, CFC-12, CFC-13, CFC-113, CFC-114, CFC-115, HCFC-22, HCFC-141b U.S. Stockpiles, Equipment, Systems; U.S. destruction
American Carbon Registry (Voluntary Market)	CFC-11, CFC-12, CFC-13, CFC-113, CFC-114, CFC-115, HCFC-22, HCFC-141b, HFC-134a, HFC-245fa, Halon 1211, Halon 1301 U.S. Equipment, Systems, Stockpiles w/restrictions; U.S. destruction
	CFC-11, CFC-12, CFC-13, CFC-113, CFC-114, CFC-115 Equipment, Systems, Stockpiles w/ restrictions, Outside U.S. w/ restrictions, Destruction facility meets TEAP Standards
Climate Action Reserve (Voluntary Market)	CFC-11, CFC-12, CFC-13, CFC-113, CFC-114, CFC-115, HCFC-22, HCFC-141b U.S. Equipment, Systems, Stockpiles w restrictions; U.S. Destruction
	CFC-11, CFC-12, CFC-113, CFC-114, HCFC-22, HFC-32, HFC-125, HFC-134a, HFC-143a  Mexican Equipment, Systems, Stockpiles w/restrictions; Destruction facility meets TEAP Standards
Verra (Voluntary Market)	CFC-11, CFC-12, CFC-13, CFC-113, CFC-114, CFC-115, HCFC-22, HCFC-123, HCFC-124, HCFC-141b, HCFC-142b, HCFC-225ca, HCFC-225cb Article 5 and Non-Article 5 Countries. Only CFC Stockpiles; Destruction Facility meets TEAP Standards

### Regulatory Additionality

ACR's additionality requirements are intended to ensure that credited offsets exceed the GHG reductions and removals that would have occurred under current laws and regulations, current industry practices, and without carbon market incentives.

- Kigali Amendment to the Montreal Protocol
- American Innovation in Manufacturing Act (AIM)
- Significant New Alternatives Policy (SNAP) (federal and state)

# Facility Eligibility

- Multiple destruction events, single destruction facility
- HWC with a RCRA permit with > 99.99% destruction efficiency
- Facility that meets or exceeds Montreal Protocol TEAP Standards and >99.99% destruction efficiency certified within 3 years
- Must meet CAA and NESHAP standards
- Title V air permit at time of destruction; other required permits
- SSMP

# ODS Eligibility

General		
U.S. sources and destruction only	Building and appliance foams only	
<ul> <li>Government stockpiles not eligible</li> </ul>	<ul> <li>Extraction and transportation requirements</li> </ul>	
Refrigerant Sources	Foam Sources	
• CFC-11	• CFC-11	
• CFC-12	• CFC-12	
• CFC-13	• HCFC-22	
• CFC-113	• HCFC-141b	
• CFC-114	<ul> <li>HFC-134a (ACR Voluntary)</li> </ul>	
• CFC-115	<ul> <li>HFC-245fa (ACR Voluntary)</li> </ul>	
HCFC-22 (ACR Voluntary)		
Medical Aerosol (ACR Voluntary)	Fire Suppressant (ACR Voluntary	
• CFC-11	• Halon 1211	
• CFC-12	• Halon 1301	
• CFC-114	<ul> <li>No 1301 stockpiles</li> </ul>	
<ul> <li>FDA approved; post 2012;</li> </ul>		

# Monitoring Requirements

- Point of Origin
- Chain of Custody (Point of Origin → Destruction)
- Building Locations, Sizes and Construction Dates (Building Foam)
- Number of Appliances, Facility of Extraction and Appliance Destruction
- AHRI Sample (Technician, Time, Date, Employer, Ambient Air T, COC to Lab)



# Monitoring Requirements

- CEMS Data
- Certificate of Destruction
- Facility permits
- GCMS monitoring of events
- Technician Certifications
- Facility Permits
- Offset Title



# Non –Destruction Management Options for HFCs

- HFC Reclaim
- Switch to low GWP alternatives in Refrigeration Systems
- Switch to low GWP alternatives in Foam Blowing Agents

# Impact

		MTCO <sub>2</sub> e
ODS Destruction	California (Compliance)*	9,583,836
	ACR (Voluntary)	3,384
HFC Reclaim and Transition to Low GWP Alternatives	California (Compliance)	NA
	ACR (Voluntary)	5,957,096

### Conclusions and Outlook

- The California compliance market has been an effective incentive for destruction of CFC ODS in the U.S.
- ACR's methodology for U.S. based ODS destruction has not been used extensively even though more compounds are allowed relative to the California compliance protocol.
- ACR recently adopted a methodology for the destruction of internationally sourced ODS.
- As more HFCs are phased out, carbon markets can be used to incentivize destruction.
- Importance of incentivizing other activities in the interim.



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#### Thanks for your attention

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