

A-Gas

Jordan,

In preparation for the approval of the ODS protocol revision (fingers crossed), we are analyzing our R22 acquisition data for ODS that we would like to destroy under the Washington program. We have isolated a number of ISO tanks that contain R22 and I think there will likely be other developers that have a similar situation that I will describe below.

We've collected significant amounts of R22 mainly for resale. When we reclaim this gas, we store this in bulk quantities in ISO tanks and then will eventually fill smaller tanks from these ISOs for packaging and distribution. It is common that we will only have requisite point of origin details for a portion of the gas that is included in these ISO tanks. For the portion of gas that we have point of origin details on, we'd like to be able to transfer that mass to a different ISO tank and then we'd destroy all of the contents of the ISO tanks for which we hold point of origin documentation per protocol requirements. This is a mass balance approach and I think is logical particularly for a situation like this where R22 has never been eligible in a compliance market before.

This said, there is a section of the proposed revision that is a carry over from previous ARB versions that would likely disqualify this scenario. That is section 6.2(c)(4) which states:
When ODS is added to a single container which is part of a stockpile and a portion of the ODS is subsequently removed from the container, the ODS removed must be considered the ODS stored the longest (i.e., first-in, first-out method).

The issue here is that, the ODS stored the longest in a particular ISO may not be the gas that we have point of origin details for (i.e. we know when an ISO tank was filled but lack acquisition details on some of the gas that goes into each ISO). I'm not sure when/by whom that particular section of the methodology is used and don't think it should be used to penalize a situation like this where a mass balance approach would be reasonable.

Could you please let us know your thoughts on this? Happy to have a call to discuss further as well.

Eric