

PUBLIC COMMENT

**METHODOLOGY FOR THE QUANTIFICATION,
MONITORING, REPORTING AND VERIFICATION
OF GREENHOUSE GAS EMISSIONS
REDUCTIONS AND REMOVALS FROM**

**THE TRANSITION TO ADVANCED
FORMULATION BLOWING AGENTS
IN FOAM MANUFACTURING AND
USE**

VERSION 3.0

January 2022

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A leading carbon offset program founded in 1996 as the first private voluntary GHG registry in the world, ACR operates in the voluntary and regulated carbon markets. ACR has unparalleled experience in the development of environmentally rigorous, science-based offset methodologies as well as operational experience in the oversight of offset project verification, registration, offset issuance and retirement reporting through its online registry system.

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This methodology was developed by:



Dentons, U.S., LLC

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In cooperation with:



Foam Supplies, Inc.



Global Chemical Consultants

Global Chemical Consultants



Susan Wood Consulting



True Manufacturing

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ACRONYMS AND DEFINITIONS

If not explicitly defined here, the current definitions in the most recent version of the American Carbon Registry (ACR) Standard apply.

TERM	ACRONYM (if applicable)	DEFINITION
Baseline blowing agent	Baseline BA	The BA that is being transitioned to an Eligible BA through the Project Activity.
Blowing agent	BA	The material used to propel foam mixture for its required use. BAs can also be used as an insulating component of foam. BAs are the main component that make up the GHG emissions associated with foam manufacturing, use and EOL.
Blowing agent blends	BA blends	The use of two or more BAs in the baseline or project.
Blowing agent ratio	BA ratio	The quantity of the Eligible BA that is required to replace the Baseline BA to produce the same quality of foam including equivalent thermal performance. This ratio is applied to the quantity of Eligible BA that is used in the project to calculate the amount of Baseline BA that would have been used.
Carbon dioxide equivalent	CO ₂ e	CO ₂ e is a metric to compare other GHGs based on their GWP relative to CO ₂ over the same timeframe. The IPCC publishes GWP values for converting all GHGs to a CO ₂ e basis (see “Global Warming Potential”).
Carbon offset credits	Offsets	A carbon offset is a reduction in emissions of GHG made to compensate for or to offset an emission of GHG made elsewhere (one offset = 1 MT CO ₂ e).

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TERM	ACRONYM (if applicable)	DEFINITION
Default BA		For foam applications required to transition to a different BA as the result of a regulation, the Default BA will be the BA that the project developer would have used instead of the Eligible BA. In these scenarios, the Default BA becomes the Baseline BA. See sections 4 and 5 for additional information regarding Default BA.
Design specifications	Design specs	Documents such as spec sheets, formulation recipes, etc. showing the amount of BA required to produce the foam material for the project or job.
Eligible blowing agent	Eligible BA	<p>Foam BAs which are eligible to create carbon credits under this Methodology meet the following criteria:</p> <ul style="list-style-type: none"> ● Low-GWP (GWP less than 30) ● Low-ODP (ODP less than .01) ● Is not a hydrofluorocarbon ● Is not a hydrocarbon ● Is not prevented from use by any regulation affecting the project
Eligible foam application		Those applications within the foam manufacturing industry for which the demonstrable adoption rate of an Eligible BA is not considered common practice (Table 1).
End of life	EOL	The emissions associated with the decommissioning recovery and destruction of the foam. Does not include the emissions associated with manufacturing and use of the foam.
Foam manufacturing		The process of combining a BA with additional chemicals to produce foam. The process may be

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TERM	ACRONYM (if applicable)	DEFINITION
Foam use		<p>conducted to produce a product either in a manufacturing facility or at a construction location.</p> <p>After the foam is manufactured (e.g., blown with the BA) the material is then “used” (e.g. insulates a refrigerator, a building, etc.). The use of a foam can extend many years after manufacturing and this methodology captures the emissions associated with the use of the product over its Leakage Lifetime.</p>
Formulators		<p>Also known as "Systems Supply Houses". These entities provide the "A" side and the "B" side chemicals which are then blown at a manufacturing site to produce foam products or at a construction site for buildings.</p>
Global warming potential	GWP	<p>Global warming potential is a relative scale translating the global warming impact of any GHG into its CO_{2e} over the same timeframe. This methodology references the 100-year GWPs in the IPCC Fourth Assessment Report (AR4) and, if unavailable, the GWPs from the IPCC Fifth Assessment Report (AR5). If neither are available, GWPs cited by the U.S. EPA SNAP Program shall be applied. GWPs found in this Methodology (Tables 3 and 9) shall be applied in the quantification of baseline and project emissions.</p>
Hydrocarbon	HC	<p>An organic compound containing only hydrogen and carbon atoms (e.g. pentane (C₅H₁₂) and propane (C₃H₈)).</p>
Hydrofluorocarbon	HFC	<p>A gaseous compound that contains carbon, fluorine, and hydrogen. Most common HFCs used in foam</p>

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TERM	ACRONYM (if applicable)	DEFINITION
		blowing are HFC-134a, HFC-152a, HFC-365mfc, HFC-245fa and HFC-227ea.
Isocyanate	ISO or "A-side"	Isocyanate is the reactive chemical used in the manufacture of Polyurethane Foams.
Leakage lifetime		Number of years, during the useful lifetime of a foam product, the blowing agent continues to physically leak from the foam product. This term is taken from Inventory of U.S. GHG Emissions and Sinks published annually by the EPA
Meter readings		The readings from meters used to record the quantity of BA and other materials used in the foam blowing process.
Metric ton	MT	The metric unit of measurement for one carbon offset. 1 MT = 2,204.62 pounds or 1.10 US tons.
Polyol	"B-side"	Polyol is a blend of various chemicals and blowing agents to produce the foam structure and density.
Polyurethane foam	PUF	Foam created through the mix of polyurethane chemicals and a BA.
Production data		The records maintained (either from historical production data, MSDS sheets, industry standards, etc.) that accurately represent the foam production volume, the quantity of BA used, and any other relevant recordkeeping information for the baseline and project activity.

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TERM	ACRONYM (if applicable)	DEFINITION
Project Activity		Transition to an Eligible BA in an Eligible Foam Application for foam manufacturing, use and disposal. See Applicability Conditions in Section 1.2.
Retail Food Refrigeration		<p>Stand Alone Equipment and Refrigerated Food Processing and Dispensing Equipment.</p> <p>Stand Alone Equipment (open or with doors) where all refrigeration components are integrated and, for the smallest types, the refrigeration circuit is entirely brazed or welded (i.e., hermetically sealed). These systems are fully charged with refrigerant at the factory and typically require only an electric supply.</p> <p>Refrigerated Food Processing and Dispensing Equipment primarily process the product by combining ingredients, and mixing/ preparing the ingredients at the proper temperature. Other equipment in this category function mainly as holding tanks to deliver the product at the desired temperature or to deliver chilled ingredients for processing, mixing and preparation. These may use a refrigerant in a heat pump or utilize waste heat from the condenser unit located elsewhere.</p> <p>Equipment within this end-use category include but are not limited to those used to process/store: chilled and frozen beverages (carbonated and uncarbonated, alcoholic and nonalcoholic); frozen custards, gelato, ice cream Italian ice, sorbets and yogurts; milkshakes, smoothies, and whipped cream.</p>

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TERM	ACRONYM (if applicable)	DEFINITION
Significant New Alternatives Policy	SNAP	The U.S. Environmental Protection Agency's (EPA) SNAP program implements section 612 of the amended Clean Air Act of 1990, which requires EPA's continuous review of alternatives to find those that pose less overall risk to human health and the environment. Through these evaluations, SNAP generates lists of acceptable and unacceptable substitutes for each of the major industrial use sectors. The intended effect of the SNAP program is to promote a smooth transition to safer alternatives.
Sources, sinks, and reservoirs	SSRs	<p>Sources: Any process that releases carbon into the atmosphere is known as a carbon source.</p> <p>Sinks: A natural or artificial reservoir that accumulates and stores some carbon-containing chemical compound for an indefinite period.</p> <p>Reservoirs: A pool of carbon that has the potential to accumulate or lose carbon over time. Generally applicable in the land use sector (aboveground biomass, belowground biomass, litter, dead wood, soil organic carbon, and wood products).</p>
Systems supply houses		See "Formulators".

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1 BACKGROUND AND APPLICABILITY

1.1 PURPOSE

Certain industries use blowing agents (BAs) in the production of foam. These BAs contain chemicals that contribute to global warming by releasing greenhouse gases (GHGs) during manufacture, use, and end-of-life (EOL). Over the years, industry has begun a transition away from BAs that have high global warming potential (GWP) and high ozone depleting potential (ODP) toward BAs with lower GWP and low or zero ODP. However, certain foam applications have low market adoption rates for low GWP BA and that is generally a result of technical and financial barriers limiting use of low GWP options in these applications. This Methodology is meant to stimulate innovation and accelerate a transition to low GWP BAs in certain foam applications more rapidly than would otherwise occur. The Methodology is based on a robust data set from the United Nations Framework Convention on Climate Change (UNFCCC) Clean Development Mechanism (CDM) methodology AMS-III.N (Avoidance of HFC Emissions in Rigid Polyurethane Foam Manufacturing).

1.2 APPLICABILITY CONDITIONS

A transition to the use of an Eligible BA for the production of foam is considered a “Project Activity” under this Methodology.

In addition to satisfying the latest ACR program eligibility requirements as found in the ACR Standard, projects must satisfy the following conditions:

- The project is located in the U.S., Canada or Mexico.
- The project is within an Eligible Foam Application (See Table 1).
- Other than for projects which use a Default BA, records of the Baseline BA used in the project must show a minimum of 2 years of usage of a BA with a GWP >30 prior to the Project Activity.

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Table 1: Eligible Foam Applications¹

FOAM APPLICATION	DESCRIPTION
XPS boardstock	XPS boardstock, block, and billet that is used for insulation in the following applications: roofing, walls, flooring, and pipes. Does not include XPS sheet foam applications.
Two-component rigid PU spray foam	Spray foam is a two-part polyurethane application that when combined forms a solid foam insulation; involves a gun, nozzle or straw and forms foam as the ingredient chemicals are blended together.
Rigid PU injected foam	<p>A manufacturing process for producing component parts by injecting two or more liquid streams into a mold or part. Materials are fed into a mix-head, mixed, and forced into the mold cavity where they react, foam, cool and harden to the configuration of the cavity. Only Rigid PU injected foam used in the following sub-applications are eligible:</p> <ul style="list-style-type: none"> ● Marine flotation or buoyancy ● Heating, Ventilation, Air Conditioning and Air Handling Systems ● Refrigerated Transport – Foam used in refrigerated logistics services such as refrigerated cargo boxes and coolers ● Small Retail Food Refrigeration – Includes Stand Alone Equipment and Refrigerated Food Processing and Dispensing Equipment ● Large Retail Food Refrigeration – Includes large, “engineered” systems used in supermarkets and walk-in freezers ● Industrial Refrigeration – Includes industrial process refrigeration and cold storage applications that employ cold storage panel insulation ● Garage and entry doors
Rigid PUF residential refrigerators and freezers	Appliances used to preserve food and beverages in residential applications.

¹ See Appendix A and Tables 8 and 9 for market penetration analysis for Eligible Foam Applications.

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1.3 REPORTING PERIODS

Projects shall have one reporting period which must not exceed 12 months in length. Baseline and project emissions shall be quantified (per Section 4) using the total volume of BA that would have been used in the absence of the Project Activity over a maximum of 12 months (baseline emissions) and the total volume of Eligible BA that was used during the project (project emissions) over the same corresponding time period.

1.4 CREDITING PERIODS

The crediting period shall be equal to the leakage lifetimes for individual foam end-use categories as mentioned in Table A-136 of the Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990-2019. Since Leakage lifetimes of different foam end-uses vary from 1 to 50 years, a fixed 10-year crediting period would not be appropriate. The crediting periods for projects using this methodology will be leakage lifetimes of the different foam end-uses included in the project. Since foam products emit (leak) GHGs at fixed annual rates over their leakage lifetimes, 100% of the foam blowing agent used to manufacture the foam product leaks over the leakage lifetime (including disposal and post disposal), and total lifetime emission rate will not exceed 100% (because additional foam blowing agent cannot be added to a manufactured foam product), allowing crediting periods equal to foam products' leakage lifetimes looks more appropriate and captures all potential GHG emissions from manufacturing to disposal.

The Methodology's quantification approach is based upon the UNFCCC small system method which includes the manufacturing and use of the foam product. The Methodology excludes any calculation of EOL emissions. EOL emissions may be considered in future versions of this Methodology.

1.5 PERIODIC REVIEWS AND REVISIONS

ACR may require revisions to this Methodology to ensure that monitoring, reporting, and verification systems adequately reflect changes to project activities. This Methodology may also be periodically updated to reflect regulatory changes, emission factor revisions, or expanded applicability criteria. Before beginning a project, the project proponent should ensure that they are using the latest version of the Methodology.

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1.6 EMISSION REDUCTIONS FROM DISPOSAL FOR 2019 AND 2020 VINTAGE PROJECTS

Version 3.0 of this methodology adds emissions associated with the disposal of BA in the calculations of baseline and project emissions. Version 3.0 of the methodology also replaces the individual emission rates for manufacturing and use with a single lifetime emission rate of 100% that includes manufacturing, use over the leakage lifetime and disposal (plus post disposal for some BAs).

Validated ACR projects for 2019 and 2020 vintages, that did not include emissions from disposal, are eligible to re-calculate the baseline and project emissions and emission reductions using the leakage lifetime emission rate (equal to 100%) provided in this version of the methodology to capture the EOL emissions not yet credited.

To claim additional ERTs resulting from EOL emissions, the validated ACR projects will submit the following within six (6) months of publication of this methodology.

1. Updated GHG Plan and Monitoring reports showing new equations and calculations.
2. Addendum to the original Validation and Verification Report that shows the new calculations of baseline emissions, project emissions, and emission reductions tonnes (ERTs). This should also show the outstanding ERTs to be issued (New ERTs – Original ERTs = EOL ERTs). The addendum shall state that eligibility and all other required checks of the VV audit remain unchanged since the first VV audit.
3. Addendum to the original Verification Statement that shows the New ERTs, Original ERTs, and the Outstanding ERs.

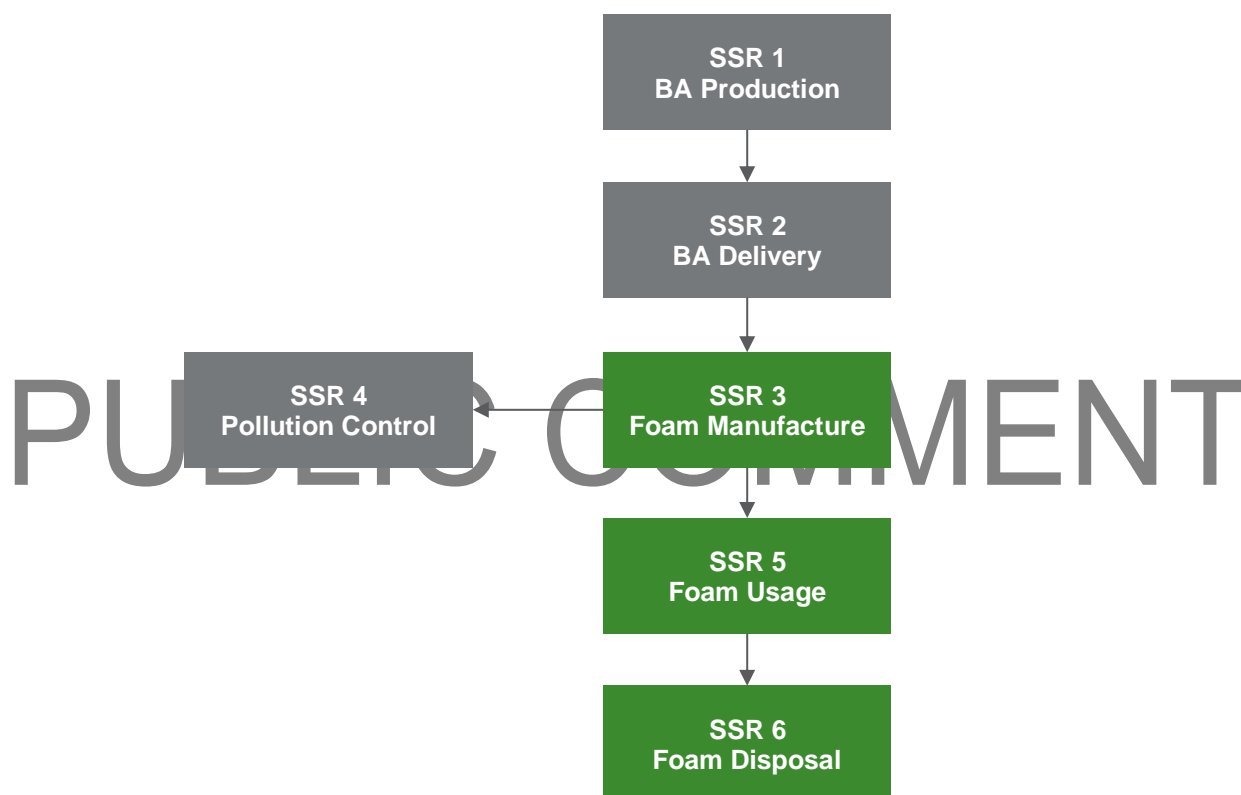
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2 PROJECT BOUNDARIES

The project boundary delineates the sources, sinks, and reservoirs (SSRs) that must be included or excluded when quantifying the net changes in emissions associated with the transition to an Eligible BA. Figure 1 illustrates the GHG assessment boundary for a project.

Figure 1: Illustration of the Project Boundary



All SSRs in green are included and must be accounted for under this Methodology. SSRs in gray are not included under this Methodology.

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Table 2: List of Identified SSRs

SSR	SOURCE DESCRIPTION	GAS	INCLUDED (I) OR EX-CLUDED (E)	QUANTIFI-CATION METHOD
1 BA Production	Fossil fuel emissions from the production of the BA.	CO ₂	E	N/A
		CH ₄	E	N/A
		N ₂ O	E	N/A
	Emissions from the production of the BA.	HFC or Low GWP BA	E	N/A
2 BA Delivery	Emissions from the delivery of the BA to the project site.	HFC or Low GWP BA	E	N/A
	Fossil fuel emissions from the delivery of the BA to the project site.	CO ₂	E	N/A
		CH ₄	E	N/A
		N ₂ O	E	N/A
3 Foam Manufacture	Emissions from the manufacture of the foam using a BA in the baseline and project.	HFC or Low GWP BA	I	Equations 1, 2 & 3
4 Pollution Control	Fossil fuel emissions from air pollution control equipment used in the baseline and project.	CO ₂	E	N/A
		CH ₄	E	N/A
		N ₂ O	E	N/A
5 Foam Usage	Emissions from the use of the foam in the baseline and project.	HFC or Low GWP BA	I	Equations 1, 2 & 3

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SSR	SOURCE DESCRIPTION	GAS	INCLUDED (I) OR EXCLUDED (E)	QUANTIFICATION METHOD
6 Foam Disposal	Fossil fuel emissions from the transport of the foam to EOL.	CO ₂	E	N/A
		CH ₄	E	N/A
		N ₂ O	E	N/A
	Emissions from the equipment used to destroy the foam at EOL	CO ₂	E	N/A
		CH ₄	E	N/A
		N ₂ O	E	N/A
	Emissions from the foam at EOL (e.g. landfill, shredding, incineration, etc.) including post disposal	HFC or Low GWP BA	I	N/A

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3 BASELINE DETERMINATION AND ADDITIONALITY

3.1 BASELINE DETERMINATION

The baseline for a project is calculated using: (1) the GWP of the Baseline BA, (2) data associated with the quantity of Eligible BA used in the project², and (3) the emission factor associated with the Eligible Foam Application.

Beginning in 2020, several U.S. states introduced bans on several BAs commonly used in foam products. In these states, the unacceptable BAs and acceptable replacements are based on the EPA’s SNAP rules 20 and 21. Similarly, Canada has also prohibited use of many traditional BAs in foam products as of 2021³. Table 3 separately lists the BAs eligible for use and assumed as BA baseline in different U.S. states, Canada and Mexico for years 2020 and 2021. The eligibility of baseline BAs are based on end-use categories as mentioned in EPA SNAP rules 20 and 21.

Table 3: GWP of Common Baseline BAs⁴

BA	GWP (AR4)	GWP ⁵ (FOR 2021)
HFC-152a	124	137
HFC-365mfc	794	805
HFC-245fa	1030	858
HFC-134a	1430	1301

² This data is used to calculate the amount of Baseline BA that would have been used to produce a foam of equivalent thermal performance that is produced with the Eligible BA.

³ [SOR-2016-137.pdf \(justice.gc.ca\)](https://www.justice.gc.ca/sor-2016-137.pdf)

⁴ This is not an exhaustive list but rather a guidance table for project proponents.

⁵ IPCC, Fifth Assessment Report (100- year GWP time horizon).

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Table 4: Eligibility of Baseline BAs by State, Country, Year and End-use Category

STATES	BASELINE BA			
	2020		2021 ⁶	
End-use Categories	(A), (B), (C)	(D), (E)	(A), (B), (C)	(D), (E)
California, Washington New Jersey (from July 1, 2020 for categories A, B, C)	HFC-152a	HFC-152a, HFC-365mfc, HFC-245fa, HFC-134a	HFC-152a	HFC-152a
Colorado, New York, Vermont Delaware (from Sep 1, 2021 for all categories) Maryland (from July 1, 2021 for categories C, D, E) Massachusetts (from July 1, 2021 for category E)	HFC-152a, HFC-365mfc, HFC-245fa, HFC-134a	HFC-152a, HFC-365mfc, HFC-245fa, HFC-134a	HFC-152a	HFC-152a
All other US states and territories	HFC-152a, HFC-365mfc, HFC-245fa, HFC-134a	HFC-152a, HFC-365mfc, HFC-245fa, HFC-134a	HFC-152a, HFC-365mfc, HFC-245fa, HFC-134a	HFC-152a, HFC-365mfc, HFC-245fa, HFC-134a
Canada ⁷	HFC-152a, HFC-365mfc, HFC-245fa, HFC-134a	HFC-152a, HFC-365mfc, HFC-245fa, HFC-134a	150 (GWP)	150 (GWP)
Mexico	HFC-152a, HFC-365mfc, HFC-245fa, HFC-134a	HFC-152a, HFC-365mfc, HFC-245fa, HFC-134a	HFC-152a, HFC-365mfc, HFC-245fa, HFC-134a	HFC-152a, HFC-365mfc, HFC-245fa, HFC-134a

⁶ 100-year GWP values for year 2021 are based on IPCC AR5.

⁷ Canada has set limit of GWP < 150 from year 2021 [SOR-2016-137.pdf \(justice.gc.ca\)](https://www.justice.gc.ca/eng/1525/1525main.html)

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- (A) Rigid PUF: Residential refrigerators and freezers
- (B) Rigid PU Injected Foam
- (C) Two-component Rigid PU Spray Foam – High Pressure
- (D) Two-component Rigid PU Spray Foam – Low Pressure
- (E) XPS Boardstock

3.2 ADDITIONALITY ASSESSMENT

Emission reductions from the project must be additional, or deemed not to occur in the “business-as-usual” scenario. Assessment of the additionality of a project will be made based on passing the two tests cited below. These two tests require the project proponent to demonstrate that the project is surplus to regulations and reduces emissions below the level established in the Methodology.

- Regulatory Surplus Test
- Practice-Based Performance Standard

3.2.1 Regulatory Surplus Test

In order to pass the regulatory surplus test a project must not be mandated by existing laws, regulations, statutes, legal rulings, or other regulatory frameworks in effect as of the start date. The project proponent must demonstrate that there is no existing regulation that mandates the project or effectively requires the GHG emission reductions associated with the transition to an Eligible BA.

There are no Federal requirements in the United States that require the transition to ultra-low GWP foam blowing agents⁸. However, starting in 2020, several U.S. states and Canada have introduced legislation that prohibit use of specific blowing agents in specific end-uses. For foam products or blowing agent formulations sold to the affected jurisdictions, baseline emissions calculations will be based on new baseline GWPs provided in Tables 3 and 4.

⁸ In December 2020, the American Innovation in Manufacturing (AIM) Act was passed, directing EPA to address the environmental impact of hydrofluorocarbons (HFCs) by: phasing down production and consumption, maximizing reclamation and minimizing releases from equipment, and facilitating the transition to next-generation technologies through sector-based restrictions. ACR conducted a review of the EPA’s first rule under the AIM Act and related regulations in Canada and Mexico enacted since this methodology’s initial adoption. As of the publication of this version, the project activity is considered additional to regulation. A description of the regulations reviewed can be found on the project page for this methodology on ACR’s website “Policy Update 2021”.

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3.2.2 Practice-Based Performance Standard

For a project to qualify for offsets under this Methodology it must also be demonstrated that the Eligible Foam Application has a low market adoption rate for Eligible BAs. This Methodology has already completed a market adoption analysis, and hence an additionality demonstration for the foam applications stated in Table 1. Project proponents must only show that their project falls into one of the Eligible Foam Applications found in Table 1.

Market research showing these applications to have low market adoption rates included, but was not limited, to the following: 1) review of the EPA SNAP rule, 2) various CARB and industry research reports, 3) a market characterization study commissioned for the Methodology, and 4) conversations with various regulatory bodies and industry experts. Additional applications may be added through revisions to this Methodology. A discussion of the development of the performance standard is found in Appendix A.

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4 QUANTIFICATION OF GHG EMISSION REDUCTIONS

Quantification of emission reductions requires the calculation of baseline emissions and project emissions using production data, the GWPs of the Baseline and Eligible BA, and the emission factor associated with the Eligible Foam Application.

The GHG emissions from the BA used in foam production occurs at three phases of the product lifecycle, (i.e. manufacturing, use, and EOL). Manufacturing, foam use for the entire leakage lifetime, and foam disposal (EOL) including post-disposal for few foam end-use categories are considered in this Methodology⁹. The leakage lifetime emission rates in Tables 5 and 6 are calculated using the following equation and are equal to 100%.

$$\text{Leakage Lifetime emission rate} = \frac{\text{Emissions from Manufacturing} + \text{Annual Emissions from Use} \times \text{Leakage Lifetime in years} + \text{Emissions from Disposal} + \text{Emissions from Post Disposal}}{\text{Emissions from Manufacturing} + \text{Annual Emissions from Use} \times \text{Leakage Lifetime in years} + \text{Emissions from Disposal} + \text{Emissions from Post Disposal}}$$

Table 5: Emission Factors for HFC-134a and HFC-152a¹⁰

FOAM APPLICATION	LEAKAGE LIFETIME IN YEARS	LEAKAGE LIFETIME EMISSION RATE (%) ¹¹
XPS – HFC 134a	25	100
XPS – HFC 152a	2	100
Rigid PUF residential refrigerators and freezers	14	100
Rigid PUF injected foam (all eligible sub-applications)	8-20	100

⁹ All offsets for a project’s manufacturing, use over the Leakage Lifetime, and EOL will be issued following verification.

¹⁰ Source: Table A-136: Emission Profile for the Foam End-Uses, Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990-2019.

¹¹ Leakage Lifetime emission rate is calculated based on equations on pages A-276 to A-278 and Table A-136 in the Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990-2019.

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Table 6: Emission Factors for HFC-245fa and HFC-365mfc¹⁰

FOAM APPLICATION	LEAKAGE LIFETIME IN YEARS	LEAKAGE LIFETIME EMISSION RATE (%) ¹¹
Rigid PUF injected foam (all eligible sub-applications)	8-20	100
Two-component rigid PU Spray foam	50	100
Rigid PUF residential refrigerators and freezers	14	100

4.1 BASELINE EMISSIONS

4.1.1 Baseline Emissions Associated with Foam Manufacturing, Use and Disposal

These emissions are calculated as the total quantity of Baseline BA that would have been used for the foam manufacturing in absence of the Project Activity, multiplied by the Leakage Lifetime emission rate associated with the foam application (Tables 5 and 6), multiplied by the GWP of the Baseline BA. For foam applications required to transition to a different BA as the result of a regulation, the GWP of a Default BA may be used if it can be demonstrated that the Default BA is the alternative most likely to be used upon transition. Project proponents shall provide documentation, which shall include financial, market and/or technical analyses, to justify the use of the Default BA. This documentation shall be subject to review by the ACR and assessment by the chosen verification body.

4.1.2 Calculating Baseline BA Blends

When the BA is a blend, baseline emissions are only calculated for the constituent BA that is being transitioned to the Eligible BA. In the event that each constituent of the Baseline BA is transitioned, each constituent of the Baseline BA is calculated separately.

Equation 1

$$BE_{BBA} = (Q_{BBA} \times LL_{BBA}) \div 2204.62 \times GWP_{BBA}$$

WHERE

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BE_{BBA}	Baseline emissions (MT CO ₂ e)
Q_{BBA}	The quantity of Baseline BA (in pounds) which would have been used to manufacture the foam in the absence of the project activity, using Equation 2
LL_{BBA}	Leakage Lifetime emission rate associated with the foam application (See Tables 5 and 6)
2204.62	Pound to metric ton conversion
GWP_{BBA}	The GWP of the Baseline BA ¹²

To calculate the quantity of Baseline BA that would have been used in the absence of the project activity, Equation 2 is applied.

Equation 2

$$Q_{BBA} = Q_{EBA} \times BAR$$

WHERE

Q_{BBA}	The quantity of Baseline BA (in pounds) which would have been used to manufacture the foam in the absence of the project activity
Q_{EBA}	The quantity of Eligible BA (in pounds) which is used to manufacture the foam for the project
BAR	Blowing Agent Ratio - The quantity of Eligible BA, as compared to the Baseline BA, that is required to replace the Baseline BA to produce a foam with equivalent thermal performance (%)

¹² For projects required to transition as a result of a regulation, the GWP of the Default BA will be used.

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4.2 PROJECT EMISSIONS

4.2.1 Project Emissions Associated with Foam Manufacturing, Use and Disposal

These emissions are calculated as the total quantity of Eligible BA that is used in the project, multiplied by the Leakage Lifetime emission rate associated with the foam application (same as the emission rate used in Equation 1), multiplied by the GWP of the Eligible BA.

4.2.2 Calculating Project BA Blends

When the BA is a blend, project emissions are only calculated for the Eligible BA portion of the blend.

Equation 3

$$PE_{EBA} = (Q_{EBA} \times LL_{EBA}) \div 2204.62 \times GWP_{EBA}$$

WHERE	
PE_{EBA}	Project emissions (MT CO ₂ e)
Q_{EBA}	The quantity of Eligible BA (in pounds), which is used to manufacture the foam for the project
LL_{EBA}	The Leakage Lifetime emission rate of the foam application (set equal to emission factor used in Equation 1)
2204.62	Pound to metric ton conversion
GWP_{EBA}	The GWP of the Eligible BA

4.3 LEAKAGE

4.3.1 Market-shifting Leakage Emissions

Transition to an Eligible BA does not cause the displaced BA to be used elsewhere. There is no market-shifting leakage and hence is to be disregarded.

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4.3.2 Activity-shifting Leakage Emissions

If the Project Activity results in the equipment used in the baseline being transferred to another location or activity in which a BA with a GWP greater than 30 is used, leakage effects are to be considered. If the baseline equipment is also used in the project or is decommissioned, then leakage is to be disregarded.

- **ACTIVITY SHIFTING LEAKAGE EMISSIONS ASSOCIATED WITH THE FOAM MANUFACTURING, USE AND DISPOSAL.** These emissions are calculated as the total quantity of BA with a GWP greater than 30 that is being used at the new location with the baseline equipment, multiplied by the Leakage Lifetime emission rate associated with the foam application (Tables 5 and 6), multiplied by the GWP of the BA.

Equation 4

$$LE_{LBA} = (Q_{LBA} \times LL_{LBA}) \div 2204.62 \times GWP_{LBA}$$

WHERE

LE_{LBA}	Activity shifting leakage emissions (MT CO ₂ e)
Q_{LBA}	The quantity of BA (in pounds) that is used at the new location
LL_{LBA}	The Leakage Lifetime emission rate associated with the foam application of the BA used at the new location (See Tables 5 and 6)
2204.62	Pound to metric ton conversion
GWP_{LBA}	The GWP of the BA used at the new location

4.4 EMISSION REDUCTIONS

The emission reductions achieved as a result of the transition to an Eligible BA are calculated as the baseline emissions minus the leakage emissions (if applicable) minus the project emissions.

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Equation 5¹³

$$ER = ((BE_{BBA} - LE_{LBA}) - PE_{EBA}) \times (1 - DF)$$

WHERE

ER	Emission reductions (MT CO ₂ e)
BE _{BBA}	Equation 1 - Baseline emissions (MT CO ₂ e)
PE _{EBA}	Equation 3 - Project emissions (MT CO ₂ e)
LE _{LBA}	Equation 4 - Leakage emissions (MT CO ₂ e)
DF	0.03 – Discount Factor (if applicable) ¹⁴

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¹³ As stated in Sections 4.1 and 4.2, where a BA blend is used, emissions are to be quantified separately for each constituent BA. As a result, a summation of baseline, project, and leakage emissions for the project shall occur to accurately quantify total emission reductions associated with a project.

¹⁴ See Footnotes 17 and 18 for applicability.

5 MONITORING AND DATA COLLECTION

Each project shall include a monitoring, reporting and verification plan sufficient to meet the requirements of the ACR Standard. The plan shall describe the collection of all data to be monitored and in a manner which meets the requirements for accuracy and precision of this Methodology.

This Methodology is based on determining the amount of BA that was or would have been used prior to project implementation and the amount of an Eligible BA used during the project. Project proponents are expected to provide data based on production quantity inputs to the manufacturing process (as shown in Figure 1). The Monitoring Plan shall provide inputs for all applicable equations used in this Methodology.

The project proponent is responsible for the collection and maintenance of all required data and monitoring parameters.

Individual manufacturing facilities or construction sites may be aggregated into a single project provided each of the facilities/sites meet the Applicability Conditions (1.2) and the project proponent provides the monitoring and recordkeeping as required by this Methodology.

5.1 DESCRIPTION OF THE MONITORING PLAN

The project proponent must prepare a monitoring plan describing the following:

- The location and recordkeeping/retention for all stored data.
- The methods used to generate data.
- Transfer points and methods of non-automated transfer of data.
- If applicable, describe any calibration procedures and the frequency with which calibration and other maintenance requirements are performed.
- Describe the internal audit and other quality assurance/quality control procedures.
- Sampling methods utilized and performed during the reporting period, if applicable.

The rationale for monitoring project implementation is to document all project activities implemented by the project proponent.

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5.2 DATA COLLECTION AND PARAMETERS TO BE MONITORED

5.2.1 Monitoring Requirements for all Project Types

For all projects, the process for monitoring the project's emission reduction parameters includes:

- Records documenting the foam application used in the baseline and project.
- For all foam applications, other than projects which will use the Default BA, records documenting the Baseline BA used in the project showing a minimum of 2 years of usage prior to the Project Activity.
- Records documenting the amount of the Eligible BA consumed in the Project Activity. Acceptable documentation may include any of the following, but is not limited to:
 - ◆ Weight records (in pounds) of Eligible BA material used^{15, 16};
 - ◆ Flow meter records of Eligible BA material used;
 - ◆ Number of products produced using the Eligible BA and the quantity (in pounds) of material in each unit manufactured;
- Records documenting the calibration of any weigh scales, flow meters, or similar measurement devices used to document the amount of Eligible BA consumed in the Project Activity.
 - ◆ Calibration must be conducted on intervals recommended by the manufacturer and documentation of calibration events shall be recorded and maintained.
- Records used in support of the BA ratio for the project including all calculations to derive the BA ratio.
- Equipment log for all equipment used in the project.

¹⁵ For spray foam projects that only provide documentation on the amount of Eligible BA delivered (to a construction site, for example) and/or purchased for a project, a discount factor of 3.0% shall be applied in the quantification of emission reductions (see equation 5).

¹⁶ For project types other than spray foam that supply pre-shipment weight information for the Eligible BA delivered via tanks, drums, totes, or containers, the return weight of the tanks, drums, totes, or containers shall also be provided to ensure that any "heel" remaining has been accurately deducted. Alternatively, a project (project types other than spray foam) supplying pre-shipment weight information that does not also supply the return weight may validate the pre-shipment weight of Eligible BA by providing additional evidence to the verifier to corroborate the amount of Eligible BA consumed in the project. Non-spray foam project types supplying pre-shipment weight information for the Eligible BA are not eligible to apply a discount factor in the quantification of emission reductions in lieu of sufficient evidence to confirm the amount of Eligible BA consumed in the project.

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- Identification and log of any equipment modified, replaced, or decommissioned as a result of the Project Activity and any equipment moved for use outside of the project boundaries (leakage).
- For project proponents applying a Default BA: financial, market and/or technical analyses to justify the use of the Default BA.

5.2.2 Additional Monitoring Requirements for Formulators and/or Systems Supply Houses

For projects where a Formulator or a Systems Supply House is the Project Proponent (e.g. provides the A side and B side materials as a foam system in tanks, totes, drums or other containers) the following requirements must also be met in addition to those requirements in Section 5.2.1:

- Records documenting that the foam system supplied to the foam manufacturer by the Formulator/Systems Supply House was shipped to and received by the foam manufacturer. Acceptable documentation may include, but is not limited to:
 - ◆ Bills of lading or other business records provided by the transport company as receipt of shipped material.
- Records documenting that the foam system supplied to the foam manufacturer by the Formulator/Systems Supply House was used in the application identified by the Project. Acceptable documentation may include any of the following:
 - ◆ Documentation from the Formulator/Systems Supply House;
 - ◆ Documentation from the foam manufacturer;
 - ◆ Signed attestation from the foam manufacturer.

5.2.3 Additional Monitoring Requirements for Spray Foam Projects

For projects where a Formulator/Systems Supply House that is supplying spray foam is the Project Proponent (e.g. the A-side and B-side materials are supplied in tanks, totes, drums or other containers for use in Spray Foam applications) the following requirements must also be met in addition to those requirements in Sections 5.2.1 and 5.2.2:

- Attestations must be obtained from distributors and contractors representing a minimum of 10 percent of the volume of Eligible BA included in the Project Activity¹⁷.

¹⁷ Attestations must be collected from a minimum of one distributor and two foam insulation contractors, per project.

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- ◆ Attestations must document the following:
 - ◆ Approximate date(s) of foam production;
 - ◆ Confirmation that all A side and B side materials sent to the construction site were consumed on the date(s) specified.
- ◆ For consecutive annual or sub-annual projects, attestations may only be provided from the same distributors and contractors once every third project validation/verification.

Alternatively, when the Formulator/Systems Supply House that is supplying spray foam is the project proponent (e.g. the A side and B side materials are supplied in tanks, totes, drums or other containers for use in spray foam applications), if attestations are not obtained from distributors and contractors, an attestation from the Formulator/Supply House is required instead and must state:

4. the names, addresses and websites for all distributors/contractors that purchased eligible BA during the reporting period;
5. that the Formulator/ Supply House is not aware, to their knowledge, of the distributor's plans to destroy eligible BA or product made with eligible BA;
6. that the Formulator/ Supply House does not share revenue or other incentives related to the sale of carbon offsets with the distributor/contractor.

This attestation is in addition to attestations related to ownership and title of carbon offsets.

5.2.4 Parameters Monitored

PARAMETER	BAR
Units	%
Description	(BA ratio) The quantity of Eligible BA, as compared to the Baseline BA, that is required to replace the Baseline BA to produce a foam with equivalent thermal performance
Relevant Section	4.1
Relevant Equation(s)	2
Source of Data	MSDS sheets, foam production records, meter readings, product or design specifications, engineering calculations
Measurement Frequency	Once, at the beginning of each project

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PARAMETER	Q_{EBA}
Units	Pounds
Description	Quantity of Eligible BA used in project
Relevant Section	4.1 and 4.2
Relevant Equation(s)	2 and 3
Source of Data	Operating records, purchase records, usage records, meter readings
Measurement Frequency	Throughout the project

PARAMETER	Q_{LBA}
Units	Pounds
Description	Quantity of BA that is shifted to the new location that results in activity shifting leakage
Relevant Section	4.3
Relevant Equation(s)	4
Source of Data	Records associated with moving the equipment to a new location, operating records, purchase records, meter readings, attestations
Measurement Frequency	Throughout the project

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APPENDIX A: DEVELOPMENT OF PERFORMANCE STANDARD

In developing the Methodology, information about BA use in the foam industry was gathered and reviewed. This included several studies, reports, and conversations with industry experts, regulatory personnel, and foam manufacturers. Additionally, a market research report was commissioned on the “Global Foam Blowing Agents Market Size, Share, Development, Growth, and Demand Forecast”. The ACR peer review process was also relied upon to identify the market penetration of all BAs and then to identify the Eligible Foam Applications, which are shown in Methodology Table 1 and repeated below.

Table 7: Eligible Foam Applications

FOAM APPLICATION	DESCRIPTION
XPS boardstock	Boardstock, block, and billet that is used for insulation in the following applications: roofing, walls, flooring, and pipes. Does not include XPS sheet foam applications.
Two-component rigid PU spray foam	Spray foam is a two-part polyurethane application that when combined forms a solid foam insulation; involves a gun, nozzle or straw and forms foam as the ingredient chemicals are blended together.
Rigid PU injected foam	<p>A manufacturing process for producing component parts by injecting two or more liquid streams into a mold or part. Materials for the component are fed into a mix-head, mixed, and forced into the mold cavity, where they react, foam, cool and harden to the configuration of the cavity. Only Rigid PU injected foam used in the following sub-applications are eligible:</p> <ul style="list-style-type: none"> ● Marine flotation or buoyancy ● Heating, Ventilation, Air Conditioning and Air Handling Systems ● Refrigerated Transport – Foam used in refrigerated logistics services such as refrigerated cargo boxes and coolers

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FOAM APPLICATION	DESCRIPTION
	<ul style="list-style-type: none"> ● Small Retail Food Refrigeration – Includes Stand Alone Equipment and Refrigerated Food Processing and Dispensing Equipment ● Large Retail Food Refrigeration – Includes large, “engineered” systems used in supermarkets and walk-in freezers ● Industrial Refrigeration – Includes industrial process refrigeration and cold storage applications that employ cold storage panel insulation ● Garage and entry doors
<p>Rigid PUF residential refrigerators and freezers</p>	<p>Appliances used to preserve food and beverages in residential applications.</p>

To construct the performance standard, it was important to determine which sectors had high penetration rates for low GWP BA. Based on market research, it was determined that the following sectors already had high penetration rates for certain low GWP BA (primarily HC BA which are commonly considered to be lower GWP BA):

- PU Spray, other than two-component PU Spray
- Rigid PUF discontinuous panel
- Rigid PUF continuous laminate/boardstock
- Rigid PUF block for pipe sections
- Rigid PUF discontinuous block for panels
- Rigid PUF pipe-in-pipe
- Rigid PUF discontinuous block for pipe sections
- Rigid PUF continuous block
- XPS sheet

The primary outcome that the Methodology is meant to incentivize (reduced GHG emissions from foam BA consumption) is already being achieved in the above applications at rates that are higher than acceptable for crediting under this Methodology. Further, it was also clear that the use of HC BA should be considered business as usual for foam production. There are many additional concerns with HC BA such as high flammability risks, cost associated with flame proofing and safety measures, status as volatile organic compounds, and the generally lower thermal efficiency of foams produced by HC BA as compared to many alternatives. For these reasons, the Methodology credits only advanced formulation BAs and HC are ineligible for crediting.

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Table 8 shows the market penetration rates of Eligible BAs. Table 9 shows the market penetration rates of Eligible BAs with the addition of the percentage of HC BAs consumed in these applications. As is shown, the eligible foam applications have extremely low adoption rates for Eligible BA and are also not achieving high rates of low GWP BA adoption, in general.

Table 8 Market Penetration Rate of Eligible BAs¹⁸

APPLICATION	2013	2014	2015	2016	2017
Rigid PUF injected foam – Marine flotation and buoyancy	1.29%	1.61%	2.04%	2.51%	2.89%
Rigid PUF injected foam – Heating, Ventilation, Air Conditioning and Air Handling Systems	2.06%	2.52%	3.21%	3.84%	4.41%
Rigid PUF injected foam – Refrigerated Transport	1.46%	1.80%	2.30%	2.77%	3.21%
Rigid PUF injected foam – Industrial Refrigeration Systems	1-2%	1-2%	1-2%	1-2%	1-2%
Rigid PUF injected foam – Retail Food Refrigeration	1.56%	1.91%	2.45%	2.88%	3.32%
Rigid PUF injected foam – Garage and Entry Doors	1.61%	2.14%	3.03%	3.88%	4.65%
Rigid PUF residential refrigerators and freezers	1.18%	1.48%	1.92%	2.34%	2.75%
XPS (Board, Billet, and Block only)	7-8%	7-8%	7-8%	7-8%	7-8%
Two-component Rigid PU Spray Foam	5%	5%	5%	5%	5%

¹⁸ Eligible BAs assessed in the market analysis included all known HFOs, Methyl Formate, and inert gases.

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Table 9: Market Penetration Rate Including HC BAs

APPLICATION	2013	2014	2015	2016	2017
Rigid PUF injected foam – Marine flotation and buoyancy	8.21%	8.89%	9.69%	10.68%	11.89%
Rigid PUF injected foam – Heating, Ventilation, Air Conditioning and Air Handling Systems	10.54%	11.36%	12.41%	13.50%	14.84%
Rigid PUF injected foam – Refrigerated Transport	6.86%	7.41%	8.12%	8.86%	9.76%
Rigid PUF injected foam – Industrial Refrigeration Systems	7-8%	6-7%	7-8%	7-8%	7-8%
Rigid PUF injected foam – Retail Food Refrigeration	7.12%	7.72%	8.53%	9.25%	10.11%
Rigid PUF injected foam – Garage and Entry Doors	5.45%	6.90%	8.61%	10.41%	12.43%
Rigid PUF residential refrigerators and freezers	9.26%	9.63%	10.00%	10.73%	12.00%
XPS (Board, Billet, and Block only)	8-9%	8-9%	8-9%	8-9%	8-9%
Two-component Rigid PU Spray Foam	5%	5%	5%	5%	5%

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APPENDIX B: ELIGIBLE BA GWP

The following is a table of Eligible BAs that are listed as acceptable substitutes under the SNAP program. This list is not exhaustive, it is only the list of substitutes under SNAP that are applicable to this Methodology.

Table 10: GWPs for Selected Eligible BAs

ELIGIBLE BA	GWP
Methyl formate	5 ¹⁹
HFO-1336mzz(Z)	2 ²⁰
HCFO-1233zd(E)	3.7 ²¹
CO ₂	1 ²²
Methylal	1 ²³
HFO-1234ze	1 ²⁴

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¹⁹ Per U.S. EPA, methyl formate’s GWP is expected to be low, based on similarity to other compounds with GWPs that have been published in the peer-reviewed literature (see IPCC 4th Assessment Report, Table 2.15). Per the Federal Register, the GWP is stated to be “very low or zero” in all Federal Register listings (for methyl formate and Ecomate). For purposes of this Methodology, the GWP shall be set equal to 5 in Project emission reduction calculations.

²⁰ AR5

²¹ <https://www.regulations.gov/document/EPA-HQ-OAR-2003-0118-1710>

²² AR5

²³ <https://www.regulations.gov/document/EPA-HQ-OAR-2003-0118-1710>

²⁴ Per AR5, the GWP is less than 1. For purposes of this Methodology, the GWP shall be set equal to 1 in Project emission reduction calculations.

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