



RUBY CANYON ENVIRONMENTAL

## Validation and Verification Report

### ACR646 A-Gas V5

September 24, 2021

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# 1 INTRODUCTION

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A-Gas contracted with Ruby Canyon Environmental, Inc. (RCE) to perform the validation and verification of the ACR646 A-Gas V5 project (Project) for the reporting period January 2, 2019 through December 27, 2019 and a crediting period of January 2, 2019 to January 1, 2029 under the American Carbon Registry (ACR) program. This report is documentation of validation and verification activities that RCE performed for the Project located in Rhome, Texas. For the validation, RCE reviewed the project information as described in the Project Plan “A-Gas V5” dated September 16, 2021. For the verification, RCE ensured that the GHG assertion was materially correct, that the data provided to RCE was well documented, and that if A-Gas made any material errors, that the errors were corrected.

## 1.1 OBJECTIVES

The objectives of the validation are to evaluate:

- Conformance to the ACR standard and the approved ACR Methodology for Certified Reclaimed HFC Refrigerants (Methodology);
- GHG emissions reduction project planning information and documentation in accordance with the applicable ACR-approved methodology, including the project description, baseline, eligibility criteria, monitoring and reporting procedures, and quality assurance/quality control (QA/QC) procedures;
- Reported GHG baseline, ex ante estimated project emissions and emissions reductions/removal enhancements, leakage assessment, and impermanence risk assessment and mitigation (if applicable).

The objectives of the verification are to evaluate:

- The emissions reductions and to ensure that the assertion is materially correct;
- The data provided to RCE can be documented and if errors or omissions are detected, they be corrected

RCE retains all data and documents for seven years after the end of the project reporting period or for the duration required by the GHG program, whichever is longer.

## 1.2 PROJECT BACKGROUND

The Project reclaims multiple HFCs: R-134a, R-404a, R-407a, R-407c, and R-410a. The Project obtained the HFCs from purchases or recovery jobs performed by A-Gas Rapid Recovery Network locations. The project uses the reclaimed HFCs to charge or recharge refrigeration or air conditioning equipment to avoid the future production and use of virgin HFCs.

## 1.3 RESPONSIBLE PARTY

### Project Proponent

A-Gas

1100 Haskins Road

Bowling Green, OH 43402

Sandra Hoffman, Manager Environmental Services

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[Sandy.hoffman@agas.com](mailto:Sandy.hoffman@agas.com)

## 1.4 VALIDATION AND VERIFICATION TEAM

Lead Validator and Verifier: Nina Pinette

Internal Reviewer: Phillip Cunningham

Team Member: Garrett Heidrick

## 1.5 VALIDATION AND VERIFICATION CRITERIA

### 1.5.1 Validation and Verification Standards, Guidelines, and Tools

- A-Gas V5 Project Plan (September 16, 2021)
- A-Gas V5 Monitoring Report v3
- ACR Standard, Version 7.0 (December 2020)
- ACR Validation and Verification Standard Version 1.1 (May 2018)
- Certified Reclaimed HFC Refrigerants, Version 1.1 (September 2018) (Methodology)
- ISO 14064-3:2006 “Greenhouse gases – Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions”

### 1.5.2 Level of Assurance

The verification was conducted to a reasonable level of assurance.

### 1.5.3 Materiality

The verification was conducted to ACR’s required materiality threshold of +/-5% of the GHG project’s emissions reductions or removal enhancements.

## 2 VALIDATION AND VERIFICATION PROCESS

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As the first step in validation/verification activities, the Lead Validator/Verifier developed a Validation/Verification Plan to be followed throughout the validation and verification. The plan included the following activities:

- RCE completed a COI form on July 13, 2021 to identify any potential conflict of interest with the Project or Project Developer. The COI assessment was approved by ACR on July 13, 2021.
- RCE and A-Gas held a validation/verification kick-off meeting on August 10, 2021. During the kick-off meeting RCE reviewed the validation/verification objectives and process, reviewed the schedule, and submitted an initial document request.
- RCE performed a strategic review and risk assessment of the received data and support documents to understand the scope and areas of potential risk in the GHG emissions reductions.
- RCE developed a risk-based sampling plan based upon the strategic review and risk assessment. The validation/verification plan and sampling plan were used throughout the process and were revised as needed based upon additional risk assessments.
- RCE conducted a site visit to A-Gas' facility in Rhome, Texas on August 12, 2021. During the site visit, RCE observed the HFC reclamation process and onsite GHG management systems and data gathering, monitoring, and handling practices and interviewed key personnel.  
RCE met with the following personnel during the site visit:
  - Sandy Hoffman – Manager of Environmental Services, A-Gas.
  - Zach Babb – Business Development, A-Gas.
- RCE performed a risk-based desktop review of the submitted validation/verification documents. The desktop review included an assessment of the GHG calculation methods and inputs, source data completeness, GHG management and monitoring systems and eligibility documentation.
- RCE submitted requests for corrective actions, additional documentation, and clarifications as necessary to A-Gas throughout the validation/verification.
- RCE's internal peer reviewer conducted a review of the validation/verification sampling, report, and statement.
- RCE issued a final validation/verification report, verification statement, and List of Findings.
- RCE held an exit meeting with A-Gas.

## 3 VALIDATION AND VERIFICATION FINDINGS

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### 3.1 PROJECT BOUNDARY AND ACTIVITIES

RCE reviewed the project boundary and activities and confirmed that both were appropriately identified and described in the Project Plan. The Project reclaims the HFCs R-134a, R-404a, R-407a, R-407c, and R-410a at A-Gas' Rhome, TX facility. A-Gas is a U.S. EPA-certified reclaimer.

Recovered refrigerants are sent through A-Gas' reclaimer, which pulls out impurities, dries the gas, and bulks the material into the proper storage tanks. If the recovered refrigerant is mixed or very dirty, it is sent through A-Gas' distillation towers, which heats up the refrigerant to a very specific temperature that allows the machine to separate it from the other materials. Once it is separated, it is cooled, condensed, and sent to the proper bulk storage tank. Both the reclaimer and distillation towers reclaim HFCs to industry specifications in order to be sold to HVAC customers for use in equipment operations and servicing/recharging to replace refrigerant that leaks, or to charge newly manufactured refrigeration or air conditioning equipment. The finished product meets AHRI 700-2015 Standard for Specification for Fluorocarbon Refrigerants and is sold for use in HVAC and refrigeration equipment.

The Project's temporal boundary is the crediting period from January 2, 2019 to January 1, 2029.

## 3.2 GHG SOURCES SINKS, AND RESERVOIRS

Table 1 shows the GHG emission sources included in the project boundary based on the Methodology. RCE confirmed that the Project Plan appropriately identifies the offset project boundary and includes all relevant SSRs.

**Table 1. GHG Emissions Sources**

Source	GHG	Description
Baseline	CO <sub>2</sub> e	Emissions from the use of virgin HFCs in refrigeration or air conditioning equipment
Project Emissions	N/A	Per the Methodology, Project Emissions are not considered.
Leakage	N/A	Per the Methodology, Leakage is not considered.

## 3.3 ELIGIBILITY

### 3.3.1 ACR Eligibility

RCE confirmed the following ACR eligibility criteria listed in the ACR Standard by reviewing the project proponent's Project Plan, Monitoring Report, and calculations as well as other supporting documentation described throughout this report (a full list of documents reviewed is included as Appendix A).

- **Start Date:** The project start date is January 2, 2019.
- **Crediting Period:** The crediting period is ten years as specified by the Methodology, January 2, 2019 – January 1, 2029.
- **Minimum Project Term:** Projects with no risk of reversal subsequent to crediting have no required minimum project term.
- **Offset Title:** RCE confirmed that the project proponent has undisputed title to all offsets. The project proponent purchases recovered HFCs, reclaims the HFCs, and sells them directly to end-use customers or through distributors. The reclaimed HFCs change possession once it is sold or transferred to a distributor, wholesaler, service technician, or end-user. All HFC transactions are described by A-Gas' invoices. A-Gas retains all legal claims to the environmental attributes and GHG benefits of its processes and the avoidance of the production of virgin HFC refrigerants. A-Gas also owns the facility where the HFCs are reclaimed.
- **Additional:** RCE confirmed that the project is additional as described in Section 3.4.
- **Permanent:** In the absence of the project, virgin HFCs would have been produced and used in HVAC or refrigeration equipment. The Project generates emissions reductions that are permanent and have no risk of reversal.
- **Net of Leakage:** The Methodology specifies that leakage does not need to be considered as it is unlikely that any emissions would occur outside the project boundary.

- Independently Validated and Verified: RCE is a third-party validation and verification body that the project proponent has contracted to validate the project.
- Community & Environmental Impacts: RCE reviewed project impacts as described in section 3.6 of this report.

### 3.3.2 Methodology Eligibility

RCE reviewed the Project against the ACR Methodology eligibility requirements and confirmed the following:

- The Project occurs in the United States. The reclamation facility is located at 11050 S Hwy 287 Rhome, Texas with GPS coordinates 33.03544, -97.45346.
- The Project is within a sector and segment which has a low adoption rate for the relevant project activity.
- The refrigerant meets the definition of a certified reclaimed HFC refrigerant, which is an “HFC that has been reclaimed by an EPA-certified reclaimer to meet the AHRI 700-2015 Standard for Specifications for Fluorocarbon Refrigerants by an EPA certified reclaimer and tested by an AHRI certified refrigerant testing laboratory to meet the AHRI Standard.”

## 3.4 ADDITIONALITY

The Project meets the requirements for the demonstration of additionality specified by the ACR Standard by exceeding the approved performance standard defined in the Methodology and demonstrating surplus to regulations.

### 3.4.1 Regulatory Additionality Test

No existing laws or regulations mandate the Project activity or reclamation of HFCs. During 2019, there were no requirements to reclaim HFCs. A-Gas is an EPA-certified reclaimer of HFCs. The EPA does not require certified reclaimers to reclaim used HFCs. Additionally, RCE reviewed federal and state requirements for facilities who manage used HFCs and found no evidence that HFCs are required to be reclaimed, therefore, the project passes the regulatory additionality test.

At the time of validation and verification, the American Innovation in Manufacturing Act (AIM) enacted in December 2020, which directs the U.S. EPA to address the environmental impact of 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, does not affect the Project because the rulemaking process directed by the act is still underway. ACR considers ERTs issued by the Project to be additional.

### 3.4.2 Practiced-Based Performance Standard Test

Per the Methodology, all relevant sectors and segments (Table 1 of Methodology) have a low market adoption rate for using certified reclaimed HFCs. Moreover, current industry information indicates that there are very small quantities of HFCs from MDIs that are being recovered in the United States. Therefore, the project passes the performance standard test.

### 3.5 PERMANENCE

The emissions reductions from the use of certified reclaimed HFC refrigerants can be deemed as permanent because they displace the production and use of virgin HFCs.

### 3.6 ENVIRONMENTAL AND COMMUNITY IMPACTS

The project plan includes a comprehensive summary of the project activity's net positive environmental impacts. Reclaiming HFCs avoids the production and use of virgin HFCs and their eventual leakage from HVAC or refrigerant equipment into the atmosphere. There are no negative community or environmental impacts for this project. A-Gas holds all required environmental permits to construct and operate the reclaimed HFC facility. The Project Plan also identifies contributions as aligned with relevant sustainable development goals (SDGs) including Industry, Innovation, and Infrastructure; Responsible Consumption and Production; and Climate Action.

The validation team confirmed that the project activity is not expected to promote significant negative environmental impacts.

### 3.7 LOCAL STAKEHOLDER CONSULTATION

Not applicable for this Project. The Methodology does not require public consultation from stakeholders.

### 3.8 BASELINE SCENARIO

The baseline determines the emissions that would occur in the absence of the project. The project activity is the use of reclaimed HFC refrigerants to displace the use of virgin HFC refrigerants. GHG emissions are avoided because in the baseline scenario, the virgin HFC refrigerants would have been used to charge or recharge refrigeration or air conditioning equipment causing CO<sub>2</sub>e emissions to be released. Instead, the reclaimed HFC refrigerants are being extracted, cleaned to virgin quality, and re-used, thus avoiding those emissions. The Methodology establishes the baseline scenario as the continued use of virgin HFC refrigerants. RCE confirmed that the Project Plan appropriately identifies the baseline scenario.

### 3.9 DATA MANAGEMENT SYSTEM AND MONITORING PLAN

RCE reviewed A-Gas' processes for data collection and management and determined that they were sufficient to meet all ACR and Methodology requirements. The validation/verification team gained an understanding of the controls put in place to account for the HFC received, reclaimed, and sold in the Project through interviews with key personnel, the site visit to A-Gas' reclamation facility, and the review of all documentation provided by A-Gas. A-Gas monitors the amount of HFCs that are reclaimed and sold back into the market. A-Gas' scales are calibrated quarterly. This activity is completed by Southwest Scale Company and North Texas Scales. The reclaimed HFCs are analyzed by either National Refrigerants, Inc. or A-Gas' AHRI 700-certified laboratory to ensure it meets all purity requirements.



A-Gas' Project Plan includes a Monitoring Plan that identifies all monitored data and parameters. RCE confirmed that the monitoring parameters and approaches conform to the methods required by the Methodology. The plan includes all relevant data parameters and appropriately identifies units of measurements, data sources, methodologies, uncertainty, monitoring frequency and procedures, and QA/QC procedures. After discussions with A-Gas and reviews of project documents, RCE determined that the Monitoring Plan accurately reflects how Project data is monitored and recorded and there are no deviations relevant to the Project activity against the requirements of the Methodology. A-Gas implemented the monitoring plan as stated in the Project Plan during Project activities.

### **3.10 PROJECT DATA AND GHG EMISSIONS REDUCTION ASSERTION**

RCE reviewed the Project Plan and Project data and calculations to ensure that appropriate equations were used in calculating baseline emissions, project emissions, and emissions reductions.

#### **3.10.1 Baseline Emissions**

Baseline emissions include the emissions that would occur without the use of certified reclaimed HFCs. They are equal to the total amount of reclaimed HFC refrigerant produced and the subsequent sale, title transfer, or return to a refrigerant distributor, refrigerant wholesaler, or an end-user for use in refrigeration or air conditioning equipment during the reporting period. In the absence of the project, most of the refrigerant used to recharge the system would have come from virgin HFC production, and some would come from the HFCs that would normally be reclaimed.

Baseline emissions are calculated by multiplying the amount of reclaimed HFC used to (re)charge equipment by a specified 10-year loss rate of displaced virgin HFC. Total weight of displaced HFC is then multiplied by the specified Global Warming Potential of the displaced virgin HFC.

#### **3.10.2 Project Emissions**

Per the Methodology, any project related emissions from the use of reclaimed refrigerant, for example, from transport of certified reclaimed HFCs, are considered negligible and outside the project boundary. Thus, project activity emissions are zero.

#### **3.10.3 Emissions Reductions**

RCE verified that A-Gas calculated emissions reductions according to relevant Methodology equations and that the methods are included in the Project Plan.

RCE calculated emissions reductions for the reporting period according to the equations defined in the Methodology and the Project Plan and found the assertion to be free of material misstatement. RCE's calculated ERTs are shown in Table 2.

**Table 2. RCE-calculated ERTs**

<b>Reporting Period</b>	<b>RCE ERTs (MTCO<sub>2</sub>e)</b>	<b>A-Gas ERTs (MTCO<sub>2</sub>e)</b>
January 2, 2019 – December 27, 2019	569,106	568,863

## 4 VALIDATION AND VERIFICATION RESULTS

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RCE developed one List of Findings for both the validation and verification notifying A-Gas of corrective action requests (CARs), additional documentation requests (ADRs), and clarification requests (CRs). A-Gas appropriately responded to all items in the List of Findings. The List of Findings is provided as Appendix B.

## 5 VALIDATION AND VERIFICATION CONCLUSION

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RCE conducted a risk-based validation and verification of the A-Gas V5 project that included a strategic review of the project data, documentation, and emission reduction calculations. The objective of the validation activities was to assess the project design, baseline scenario, and monitoring plan and to ensure compliance of the Project Plan to the assessment criteria defined in Section 1.5.1. The objective of the verification activities was to conduct an independent assessment of the project reporting period and ex-post GHG emission reductions resulting from the Project.

Based on the review and the historical evidence collected, RCE concludes to a reasonable level of assurance that the GHG assertion is free of material misstatement. The emission reductions resulting from HFC reclamation for the reporting period January 2, 2019 to December 27, 2019 can be considered in conformance with the:

- ACR Standard, Version 7.0 (December 2020)
- ACR Validation and Verification Standard Version 1.1 (May 2018)
- Certified Reclaimed HFC Refrigerants, Version 1.1 (September 2018)
- ISO 14064-3:2006 “Greenhouse gases – Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions”

Table 3 provides a summary of the emissions reductions.

**Table 3. A-Gas V5 Emissions Reductions**

<b>Vintage</b>	<b>Baseline Emissions (MTCO<sub>2</sub>e)</b>	<b>Project Emissions (MTCO<sub>2</sub>e)</b>	<b>Emissions Reductions (MTCO<sub>2</sub>e)</b>
2019	568,863	N/A	568,863

**Lead Validator and Verifier**



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Nina Pinette

**Internal Reviewer**



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Phillip Cunningham

## 6 APPENDIX A—DOCUMENTS REVIEWED

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1. Scale Calibrations
2. 2020 EPA equipment list
3. A-Gas regulatory compliance attestation
4. A-Gas V5 Project Plan
5. A-Gas V5 Monitoring Report v3
6. A-Gas V5 Listing Form
7. Sales documentation
8. Transfer documentation
9. Purchase documentation
10. AHRI 700 tests for all HFCs sold
11. Reclamation process overview

## 7 APPENDIX B—LIST OF FINDINGS

Corrective Action Request (CAR), Additional Documentation Request (ADR), or Clarification Request (CR) #	Finding	Section of Standard or Methodology	Material Misstatement (MM) or Non-Conformance (NC)	Project Proponent Response	RCE response
CAR 1	"Please correct the following in the Monitoring Report: -Section III.4: Project took place at Rhome, Texas."	Monitoring Report Instructions	NC	Updated and uploaded to the issue log folder and main folder	Corrected. Closed: 9/17/21.
CAR 2	Please correct the following in the Project Plan: -Section E1: The baseline calculation only includes the GWP of 134a and the total weight of the project. Please include all GWPs and individual weights for each HFC type.	Project Plan Instructions	NC	Updated and uploaded to the issue log folder and main folder	Corrected. Closed: 9/17/21.
ADR 1	Please provide the following documentation for origin of HFCs: -R-404a: RR-Chicago from 10/13/2011. -R-404a: NCA082111.	Methodology 5.2	ADR only	Uploaded to the dropbox Issue log folder. The Chicago Shipment Statement had arrived to Peoria 9/6/2011 and paid on 10/13/2011	Provided. Closed: 9/17/21.
ADR 2	Please provide the following documentation for sales of HFCs: -R-404a: Inco Distributing, Invoice 68418 -R-404a: Acme Refrigeration, Invoice 66501 and 69024 -R-407a: Acme Refrigeration, Invoice 66509 -R-407a: Oldach Trading LLC, Invoice 73137	Methodology 5.2	ADR only	Uploaded to the dropbox Issue log folder	Provided. Closed: 9/17/21.
ADR 3	Please provide 2019's final quarter scale calibrations for receiving HFCs in Peoria and Rhome. Please provide 2019's final quarter scale calibrations for sales of HFCs in Rhome.	Methodology B.2	ADR only	Scales information added to dropbox.	Provided. Closed: 9/17/21.
CR 1	In 'V5 HFC Calc Summary v2', tab 'V5 404a Sales Detail' there is a sale titled "Charles D. Jones Co.-Do not use dup" invoice 64983. Should this be included in the project since it says do not use duplicate?	Methodology 5.2	CR only	Duplicate refers to company code not refrigerant weight or use in another project.	Closed: 9/17/21.