



February 22, 2021

Mr. Gavin McCabe,
Chair Subgroup E, Compliance Offset Protocol Task Force
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Liane Randolph
Chair
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Subj: Including Halons as Eligible ODS

Ref: COMPLIANCE OFFSETS PROTOCOL TASK FORCE
INITIAL DRAFT RECOMMENDATIONS (October 7, 2020)

Dear Chairman McCabe,

The Iron Mountain Corporation and Wesco appreciate the opportunity to provide comments on the proposed Compliance Offset Protocol Task Force's (Task Force) October 7, 2020 Initial Draft Recommendations (Ref: Section III: subsection C, page 174) which excluded halon 1211 and 1301 as eligible Ozone Depleting Substances (ODS) for destruction and carbon trading under the California Compliance Offset Protocol. Including halons as eligible ODS can help prevent over 120 million tons CO₂e of climate pollution here in the US¹ and set a precedent that could lead to the prevention of over 300 million tons CO₂e globally. We believe this action has no material negative impact on the supply of halon to critical applications and has the benefit of incentivizing the responsible disposal of this potent greenhouse gas ("GHG") when supply eventually exceeds the quickly disappearing demand. This action would ensure continued responsible stewardship as the industry looks to enter the natural final chapter of the widespread use of halons. Iron Mountain and Wesco respectfully request the Task Force reconsider its Initial Draft Recommendations and include halons as eligible ODS for destruction and carbon trading under the California Offset Protocol.

Iron Mountain (NYSE: IRM) is a global leader for storage and information management services, with a real estate network of more than 91 million square feet across nearly 1,450

¹ Calculations based on the worldwide inventory assessment from the [Report of the Halons Technical Options Committee Volume 1 December 2018 ASSESSMENT REPORT](#)

facilities in approximately 50 countries where we protect billions of valued assets, including critical business information, highly sensitive data, and cultural and historical artifacts. Like many companies, we have relied on halon 1301 in fire suppression systems for over 30 years and still have more than 100 tons protecting over 90 U.S. facilities with mission critical customer assets. In light of our effort to achieve ambitious science-based GHG reduction targets we have used clean fire protection agents for new facilities for years, but when we began the process of transitioning legacy systems we discovered that there was no economically viable, environmentally responsible end-of-life plan for halon.

Wesco HMB, Inc. (Wesco) was incorporated in 1982 as a distributor of fire suppression equipment and is a leading global provider of recycled halon and clean agent fire suppression gases. Wesco began recycling halon in 1994 and is now one of the largest recyclers of halons and other clean fire protection gases in the world with facilities in Metuchen, New Jersey (headquarters), Toronto, Poland and Dubai. Our business is worldwide in scope and is counted on by the largest and most demanding companies and organizations in the aerospace, defense, petrochemical, marine and fire protection industries. Our products and services cover the full range of halon recovery, reclamation and recycling activities, including recycling to international quality standards (NFPA, ISO, and ASTM), system recharging and servicing and long term halon bank management. Finally, Wesco has purchased and sold halons and other clean fire protection gases in over 25 countries.

Iron Mountain and Wesco, as a large scale halon user and leading recycler respectively, have a vested interest in ensuring an environmentally responsible future for halon gases. With an ozone impact up to 16 times that of freon, halons were banned for new production under the Montreal Protocol in 1994. Additionally, with a Global Warming Potential (GWP) of up to 7200, they are among the most potent GHG threats. As such, in 2017, after a peer reviewed process, the American Carbon Registry (ACR) included halon in its ODS destruction methodology.

As part of our investment and effort to demonstrate a responsible end of life plan, Iron Mountain, Wesco, and Tradewater, a leading ODS carbon credit project developer, are completing the first halon destruction and carbon credit project in accordance with the ACR ODS methodology version 1.1. The gas has been safely destroyed and we are in the offset verification and assurance process scheduled for completion in March. This represents a major industry milestone with the successful destruction of over 3,000 pounds of halon 1211 and non-recyclable 1301; registering the credits and successful transacting for the resulting offsets proves both the technical feasibility and the commercial potential of using the carbon market to create a responsible end-of-life plan for halon. Unfortunately, the pilot also shows that at today's average voluntary offset price, halon destruction is not economical. However, if the offsets become eligible for the California compliance market, there will be a viable "customer of last resort" when future oversupply in the fire suppression market leads to lower halon market prices.

The Task Force's Draft Recommendations suggest industry concern about critical commercial needs for the gas in the near-to-medium term. We agree with the need to protect halon 1301, however, we do not believe there is evidence that making halon eligible for the California Compliance Offsets Protocol would materially reduce supply for critical applications. Currently the fire suppression market is willing to pay much more for halon than the value of the

destruction offsets and therefore no rational actor would destroy recyclable halon and forgo the much higher price. However, it is important to note that the industry has an active effort to stop using halon and it is being replaced in different ways and at varying pace in multiple applications. Although some gas will likely be needed for hard to retrofit or replace applications for decades into the future, the key turning point arrives much sooner. The critical risk for the environment is when the supply exceeds the constantly decreasing demand. That will lead to an inevitable price collapse and pose an uncertain future for stranded gas in dispersed applications and small quantities all over the country. It is very difficult to predict that date particularly in light of the massive disruption to aviation and other users caused by the Covid pandemic. However, with no further OEM use of halon 1211, supply for that variant may already exceed demand. Having an economically viable end-of-life plan using access to the carbon offset market will ensure that market players and recycling companies continue to find, consolidate and responsibly manage all remaining halon because when the fire suppression market price falls, the gas will have a residual commercial value rather than suddenly becoming a financial liability.

If the task force recommends eligibility for the compliance offset market, there would always be an economic incentive to steward the resource all the way to the end. Economics would work in the climate's favor. In fact, it is possible that having an industry supported responsible end-of-life solution could even accelerate the transition.

In conclusion, we respectfully urge CARB to support the industry-led effort to create a responsible end-of-life solution by accepting the ACR methodology and making halons eligible ODS for the California compliance market. This important step constitutes the next chapter and a significant evolution of the industry's continued ethical stewardship of this harmful gas. Thank you for your consideration of this vital issue.

Sincerely,

Kevin Hagen

Kevin Hagen
VP, Environment, Social & Governance (ESG) Strategy
Iron Mountain Corporation

John E. Demeter

John E. Demeter
President
Wesco HMB, Inc.