Procurement Division, Engineering Branch
AB 262 Implementation Team

Buy Clean California Act
External Outreach Event
October 31, 2019
Agenda

- Buy Clean California Act - Update
- Maximum Acceptable Global Warming Potential (GWP) Limit Methodology
- Environmental Product Declarations (EPDs) Allowed for Compliance
- Agency Compliance Model
- DGS Request to Industry
- Questions & Answers
Buy Clean California Act – Update (1 of 2)

- Assembly Bill 1817 modified Buy Clean California Act (AB 262):
  - Extended implementation date by two years, 7/1/2021.
  - Introduced a two year “phase-in” period to collect facility-specific EPDs.
    - Management Memo
  - Allowed DGS to exclude fabrication stage for GWP calculation.
  - Allowed Awarding Agencies to develop list of AB 262 exemptions.
Buy Clean California Act – Update (2 of 2)

- AB 262 Team responded to stakeholder comments and posted responses on the Buy Clean California Act webpage.
- Met with awarding agencies to discuss progress.
- DGS reached out to stakeholders to continue discussion on implementation.
- Flat Glass Update.
Maximum Acceptable GWP Limit Methodology (1 of 3)

- DGS has revised its approach to determine the maximum acceptable GWP limit after further discussions with stakeholders and subject matter experts.

- AB 1817 allows the exclusion of emissions that occur during the fabrication stages.

- Producer GWP impacts are typically much larger than a fabricator for the current materials.

- Flat glass and steel Product Category Rules (PCRs) expire on 3/31/20 and 5/5/20, respectively.

- DGS expects that the revised PCRs will align with ISO 21930:2017 which may affect GWP impact results.
Current legislation requires a maximum acceptable GWP to be set at the industry average of facility specific GWP for each material.

A producer facility-specific EPD identifies the GWP impact to manufacture a product at a particular facility.

The reported GWP impact from industry-wide production weighted* EPDs can be influenced by market share rather than technology improvements.

DGS believes that a GWP limit should be determined by calculating an average using producer facility-specific EPDs.

However, an industry-wide EPD may be a solution to set the limit due to the timing of the PCR revisions.

* Market share production weighting among different suppliers
Therefore, at this time DGS is considering two options to establish the GWP limit:

- Use an industry-wide EPD* for an eligible material.
- Calculate an average using producer facility-specific EPDs*.

* EPDs should be developed according to the latest mineral wool PCR and 2020 flat glass and steel PCRs.

A tolerance is still expected to be added accounting for uncertainty in the life cycle assessment process.

EPDs will be obtained from awarding agencies as well as those found on publically available databases.
Facility-specific EPDs

- **PCC §3503.(a)** “An awarding authority shall require the successful bidder… to submit a current facility-specific Environmental Product Declaration…”

- **Facility-specific Environmental Product Declaration** – Product-specific EPD: the environmental impacts are attributed to a single manufacturing facility.

- Evaluate the environmental performance of a product manufactured from a single facility.

- Averaging masks the environmental impacts between different facilities.
Differentiating Producers vs. Fabricators

**Producer**
- Facility that produces the base material before it is sent for fabrication
- Steel mill
- Rebar mill
- Mineral wool board insulation plant
- Flat glass plant

**Fabricator**
- Facility that conducts additional processing to base materials
- Bending, tempering, cutting, etc.
- May obtain base material from multiple manufacturers
EPDs Allowed for Compliance

Acceptable

- Facility-specific producer/manufacturer EPDs

Not-Acceptable

- Fabricator EPDs
- Industry-wide/industry-average EPDs
- Multiple facility, production-weighted EPDs from a single producer or fabricator
EPD System Boundaries for Materials

**Structural Steel and Carbon Steel Rebar**
- Evaluate A1-A3 (product stage)
- A1 will be evaluated for producer EPDs if A2 and A3 represent average fabrication data

**Mineral Wool Board Insulation** (light and heavy Density)
- Evaluate A1-A3 (product stage)

**Flat glass**
- Evaluate material acquisition & pre-processing, production, and packaging / storage (cradle-to-gate)
Agency Compliance Model

- DGS has been holding workshop meetings with agencies to develop a compliance framework.

- This framework consists of:
  - Determination which projects are subject to AB 262.
  - Communicate new policies to support AB 262.
  - Develop specific guidelines for staff to determine compliance.
Where can I find more information?

- Information can be found on both DGS’ and awarding agencies’ websites.
  - DGS will host answers to general Frequently Asked Questions (FAQs).
    - [https://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/Buy-Clean-California-Act](https://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/Buy-Clean-California-Act)
  - Awarding agencies will host FAQs specific to their department.
DGS Request to Industry

- Develop facility-specific producer EPDs during the 2019-2020 phase-in period to allow establishment of a maximum acceptable GWP limit for each eligible material, and prepare stakeholders for compliance.

- The required Product Category Rules can be found on the Buy Clean California Act webpage. However, it is recommended that the 2020 PCRs are used to develop EPDs for flat glass and steel.

- For those facility-specific EPDs not slated for California public works projects during the 2019-2020 phase-in period, publish them in recognized databases for EPDs or Program Operator’s websites.
Questions?