NATIONAL LIME ASSOCIATION

NLA Rely on Lime Tested by Time www.lime.org

Sustainability Committee Update

Sheraton Inn & Suites, Alexandria, VA

November 13, 2024

NLA Staff

Agenda

1. Group discussion on the effect the new administration will have on climate policy and the work NLA should focus on moving forward
2. Update on NLA PCR Project
3. New EPA Label Program for Low Embodied Carbon Construction Materials
4. Status update on NLA GHG Protocol data gathering
5. Revisions to EPA Reporting Rule for 2025
6. Additional Federal/State Climate Policies
7. Roundtable discussion – CO_2 reduction projects and/or sustainability projects underway or planned at your lime plant

Group Discussion

A new administration and the impact on climate policy and the work NLA should focus on moving forward

EPA Administrator

- Former Rep. Lee Zeldin (R-NY)
- Ran for NY Governor in 2022 (lost)
- Opposes the Paris Treaty on Climate
- Strong Trump Ally in Congress, defended Trump in 1st Impeachment
- Limited information on environmental positions but seems very conservative

NLA PCR Project Update

- NLA contracted with Smart EPD & Trinity, October 2024
- Call for participation on PCR Committee sent out October 29 via email
  - Simultaneously across NLA social media accounts

SMART EPD

Product Category Rules: Call for Participation

Smart EPD is inviting stakeholders to apply to participate in the development of North American Product Category Rules (PCR) for the following category:

Lime Products

This development initiative is sponsored by the National Lime Association and will encompass products such as dolomitic and high-calcium quicklime, as well as dolomitic and high-calcium hydrated lime. Concurrently with the PCR development effort, the National Lime Association will also be creating an industry average reference LCA with Trinity Consultants.

If you are interested in being considered to serve on this PCR committee, please complete and submit an application found at: https://smartepd.com/pcr-library

Applications will be accepted until November 29, 2024.

PCR Update (cont.)

- Applications accepted for 30 days
- Sent to government (EPA, DOT-FHWA) consulting, academia, NGOs, and industry
- Committee expected to include ~15 – 20 voluntary participants

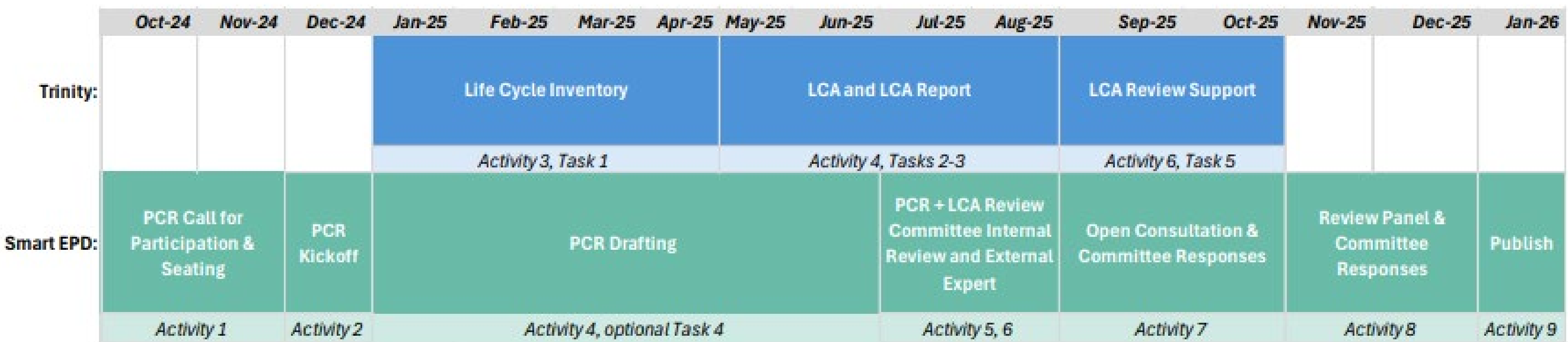
PCR Timeline

- Lime PCR Call for Participation: Closes November 29
- Smart EPD & NLA Meeting: Week of December 2
  - Review applications and seat the committee
- Kickoff Scheduling: Week of December 9
  - Send congratulations emails and Doodle poll for January kickoff

PCR Timeline (cont.)

- Project Plan Delivery: By December 13
  - Smart EPD and Trinity to finalize detailed project plan
- Joint LCA and PCR Kickoff: January 2024
  - Member LCA data will be based on 2024
- Target: Publish industry average LCA and PCR by January 2026

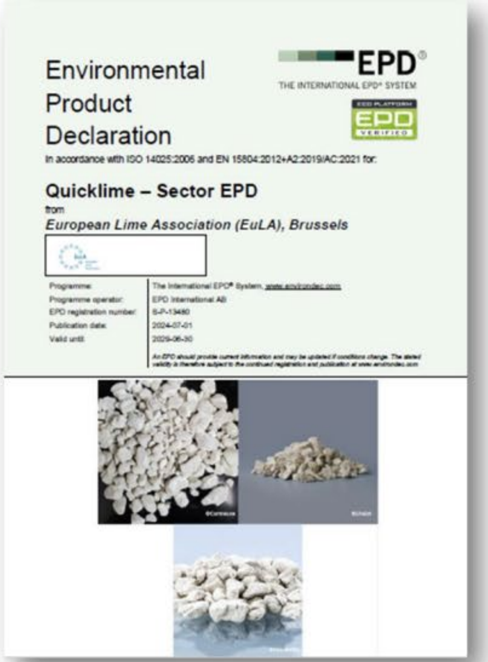
Proposed Project Timeline

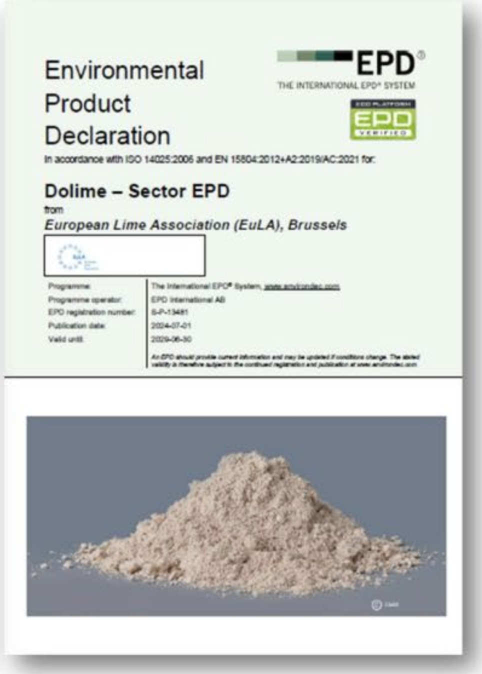


EuLA
European
Lime
Association

2.10 Updated LCA/LCI

July 2024: EuLA Environment Product Declarations (EPD's) are final





Detailed information

Registration number:	EPD-IES-0013450:001 (S-P-13450)
Status:	Valid
PCR:	2019:14-c-PCR-001
En15804 Compliant:	Yes
Registration date:	July 1, 2024
Valid until:	June 30, 2029
Geographical scopes:	Europe, United Kingdom, Norway
LCA practitioner:	THOMAS SCHLEGEL

EPD Owner

Company Name:	European Lime Association (EuLA)
Country:	Belgium
Contact:	info@eula.eu
Website:	https://eula.eu/

EPD documents

EPD document EPD-IES-0013450:001 (S-P-13450) en.pdf

Other documents

Included products in this EPD

Hydrated lime

Use this QR code to link directly to this page

THE INTERNATIONAL EPD® SYSTEM

EPA's Label Program (August 2024)

Background

- U.S. federal government - The world’s largest buyer of goods and services
  - More than **$694 billion** spent on procurement in fiscal year 2022 (GAO, 2023)
- U.S. industrial sector - Linked to nearly a third of annual GHG (U.S. EPA, 2024); and,
- More than 30% of construction related embodied GHG emissions in the US are estimated to result from government-funded projects (GSA, 2021)

Inflation Reduction Act (IRA)

IRA Section 60116 provided EPA **$100 million dollars** "to develop and carry out a program…to identify and label construction materials that have *substantially lower levels of embodied GHG emissions* associated with all relevant stages of production, use, disposal, as compared to **estimated industry averages of similar materials or products**."

IRA (Cont.)

- The label program will initially focus on asphalt, concrete, glass, & steel, from the production stage (raw material extraction, transportation, manufacturing, i.e., "cradle-to-gate.")
- EPA will label products that have environmental product declarations (EPDs) built under North American product category rules (PCRs)
- <u>Additional materials will be added over time</u>
- EPA will implement the program using a phased approach

Guiding Federal Policy

Sec #	Agency	Funding	Purpose	Funds expiration
60116	**EPA**	**$100M**	**To develop (*with GSA and DOT-FHWA*) a program to identify and label construction materials/products that have substantially lower embodied carbon based on EPDs**	**9/30/26**
60112	**EPA**	**$250M**	**To develop a program to support reporting and measurement of embodied carbon of construction materials/products (grants, technical assistance, etc.) via EPDs**	**9/30/31**
60503	GSA Federal Buildings Fund	$2.15B	To acquire and install materials/products for use in the construction or alteration of buildings that have substantially lower embodied carbon (***as determined by EPA***)	9/30/26
60506	DOT FHWA	$2B	To reimburse/incentivize eligible recipients for use of construction materials/ products that have substantially lower embodied carbon (***as determined by EPA***)	9/30/26
30002	HUD	$837.5M	For direct loans and grants to improve climate resilience of affordable housing, including low emission building materials/processes	
70006	FEMA		May provide financial assistance for costs associated with low carbon materials	

What is an Environmental Product Declaration (EPD)? What are Product Category Rules (PCRs)?

(quick reminder….)

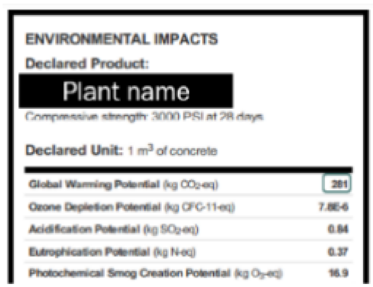
Environmental Product Declaration (EPD)

- An environmental report providing quantified environmental data using predetermined parameters and, where relevant, additional environmental information. An EPD also includes additional product and company information.

Product Category Rules (PCRs)

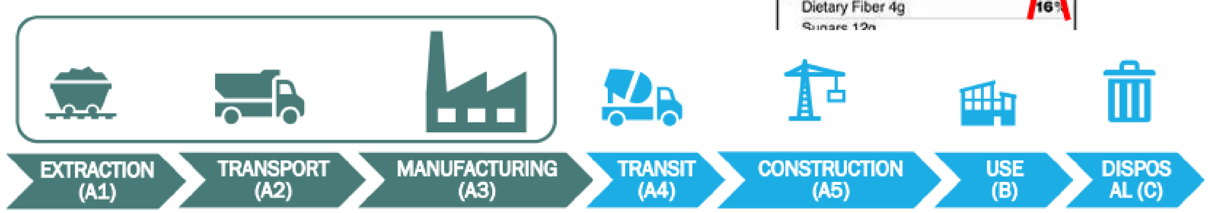
- A set of specific rules, requirements, and guidelines for developing EPDs for one or more product categories.

An EPD discloses the "lifecycle" environmental impacts of a product similar to a nutrition label



….but without a lab test for all impacts and without the "recommended values"

Up to "buyer" to specify thresholds



The Label Program Approach

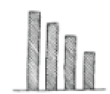
A phased approach to ensure data quality of labeled materials

ADVANCE ROBUST ENVIRONMENTAL PRODUCT DECLARATIONS (EPDs)

Phase I: Data Quality Improvement

- Determine PCRs meeting EPA's PCR Criteria
- Draw on ongoing data improvements to LCA Data Commons & fill existing data gaps
- Collect third party verified EPDs developed under approved PCRs

SET THRESHOLDS FOR LOW EMBODIED CARBON MATERIALS



Phase II: Threshold Setting

- Develop thresholds for each material/product type considering performance requirements, regionality and viable industry averages
- Finalize thresholds informed by stakeholder input via NOI

LAUNCH LOW EMBODIED CARBON LABEL

Phase III: Labeling

- Certify materials/products meeting thresholds using EPDs
- Launch publicly accessible registry of certified materials/products
- Highlight certified materials in other platforms, federal programs, and procurement policies

Tiered Label System

Under IRA Section 60116(a), EPA is charged with identifying and labelling materials and products with substantially lower levels of embodied carbon when compared with "estimated industry averages or similar materials and products."

Tier	Eligibility Criteria
Best	Product GWP must be under a value, as determined in Phase II, the represents the cutting edge of low embodied carbon products available in the market.
Better	Product GWP must be under a value, as determined in Phase II, that is lower than industry/regional average product GWP, but higher than "best" GWP.
Good	Product GWP must be under a value, as determined in Phase II, that is lower than industry/regional average product GWP, but higher than "better" GWP.

PCR & Standards Engagement where Government is Involved

Product Category Rules Committees

- Asphalt Additives Guidance*
- Asphalt Binders*
- Asphalt Emulsions*
- Concrete (Ready-Mix)*
- Steel Construction Products*
- Architectural Coatings*
- Gypsum Panel Products*
- Agricultural Products*
- Thermal Insulation*
- Cements that Require Carbonation Curing*
- Asphalt Mixtures+
- SCMs*
- Fenestrations Assemblies+

Standards Committees

- ACLCA PCR Guidance and Addendum
- IDDI PCR Harmonization Guidance
- ASHRAE 189.1
- LEEDv5 MR TAG
- ISO TC 207

Other Engagements

- Plans to convene PCR committees and program operators to facilitate alignment on key issues (e.g., emissions allocation, standards process)

**PCR Committee Member*
+Submitted Comments Only

Questions?

Revisions and Confidentiality Determinations for Data Elements Under the Greenhouse Gas Reporting Rule

Revisions and Confidentiality Determinations for Data Elements Under the Greenhouse Gas Reporting Rule

Final Rule published April 25, 2024

Subpart S

- At captive lime plants, record monthly CO_2 captured for use
  - Changed not implemented by EPA
- For CEMS reporters
  - Report average annual chemical composition of lime products & byproducts/waste
- For Mass Balance Methodology
  - Chemical composition and annual quantity of byproducts & waste not sold

Revisions and Confidentiality Determinations for Data Elements Under the Greenhouse Gas Reporting Rule

Subpart C

- Tier 3 calculation corrections
- New reporting requirements for aggregation of units or common pipe configuration
  - Not implemented by EPA
- New Subpart B – Energy Consumption
  - Develop a plan, report quantity of purchased electricity
  - No further action by EPA (at this time)

Additional Federal/State Climate Policies

Voluntary Carbon Market Joint Policy Statement and Principles Established

- In Q2 2024, the Biden Administration released a statement providing new principles for high-integrity voluntary carbon markets
- The principles are non-binding guidelines, but should be seen as broad guard rails for companies operating in US VCMs

California Passed Two Mandatory Climate Disclosure Bills

1. Requires private and public businesses with gross revenue >$1 billion in revenue that "do business" in California to disclose annual Scope 1 & Scope 2 GHG emissions beginning in 2026 for 2025
    a. Scope 3 GHG disclosures will commence in 2027 for 2026
2. Requires businesses with gross annual revenue > $500 million to report on their climate risk

Roundtable Discussion

- CO_2 reduction projects and/or sustainability projects underway or planned at your lime plant