



Frequently Asked Questions About Assembly Bill 262, the Buy Clean California Act

1. What does the Buy Clean California Act (AB 262) do?

Buy Clean:

- Requires contractors bidding on state infrastructure and construction projects to disclose the greenhouse gas emissions for certain materials, such as concrete and steel, used in those projects;
- Instructs the Department of General Services to develop a method for agencies to include this emissions data in their review processes for bid selection; and
- Tells state agencies to apply that method in their bid review.

2. How will contractors disclose the emissions data?

AB 262 requires contractors to gather emissions data from their suppliers during the bid process, and then disclose this data in their project bids. The emissions data is compiled using existing methods and standards to produce an *Environmental Product Declaration*, or EPD. EPDs are used across many industries to ensure compliance with environmental regulations (*see below*).

3. How will this affect greenhouse gas emissions?

AB 262 will deploy California's substantial purchasing power to buy low-carbon products, like concrete, glass, and steel, with lower carbon. Such purchases will directly reduce emissions by using lower-carbon products, and indirectly by sending a market signal to manufacturers to reduce their emissions in order to stay competitive in California. To compete in a "Buy Clean" marketplace, contractors will need to select clean manufacturers that generate with less climate pollution per unit of product to improve their prospects of winning bids with California agencies.

4. What is an Environmental Product Declaration (EPD)?

An EPD is an internationally recognized environmental impact label, similar to a nutrition label on food. EPDs are developed in accordance with a specific Product Category Rule (PCR) that establishes standardized methods for quantifying the environmental impacts of manufacturing a particular product, from cradle to factory gate. Each product's PCR must follow the principles and framework established by the International Organization for Standardization (ISO), which sets industrial standards worldwide.

EPDs integrate the full process of producing a product or material, from mining and raw materials development, through delivery of materials and manufacturing of finished product. Based on the type of product, EPDs are developed in accordance with a specific PCR, which accounts for the various production methods and establishes a methodology

for emissions reporting. The emissions associated with the production activities are then calculated and reported on the EPD.

5. How does a company get an EPD?

Once a PCR is set for a material, such as structural steel, a manufacturer can develop EPDs themselves or contract with an independent consultant. Either way the EPD must be verified by an independent, third-party program operator and publicly posted on the program operator's website. The information about the emissions are presented in an EPD.

6. How will contractors comply with Buy Clean California?

To comply with Buy Clean rules, contractors simply need to select materials from manufacturers who offer EPDs for their products and facilities. Emissions disclosure is becoming a standard practice in many industries, so a growing number of manufacturers offer EPDs. For instance, the LEED program for green buildings already uses EPDs in their "points" system.

7. How will EPDs be incorporated into bid review?

AB 262 requires the expert agency that oversees and writes the rules on bid review, the Department of General Services, to develop guidance for how the covered agencies should incorporate emissions disclosure into the bid review process. This helps make sure that, consistent with DGS practice, stakeholders are part of the effort to write bid review rules that support an efficient procurement process while using California's purchasing power to influence industrial pollution.

8. What products are covered by AB 262?

Certain materials that are typically bought in bulk for infrastructure projects such as roads, bridges or large buildings are covered by AB 262. These include steel, concrete, asphalt, flat glass, a type of insulation called "manufacture wool," aluminum, brass and iron.

9. Will this proposal increase the costs of infrastructure construction?

No. Having EPDs is a tiny investment and most material providers are developing or have EPDs for LEED green building projects in the commercial market. In addition, most of the materials covered by Buy Clean are commodities that are generally priced in a narrow band.

10. How does this proposal interact with the cap-and-trade regulation?

Many companies in California have already invested in new technologies and practices to reduce their emissions under cap and trade. A growing number of companies around the world are making similar investment to comply with their own rules and regulations, and to remain competitive. Buy Clean levels the playing field for those firms and creates powerful incentives for the entire market to reduce emissions.

11. Are there any other places or entities employing a Buy Clean policy in procurement?

EPDs are already taking off in the commercial green building market. Large projects in California such as San Francisco Airport extension are requiring EPDs and the USGBC green Building Standard called LEED v4 uses EPDs to “score” products used in construction. California needs to keep up with the national trend.

Longer term, the California High Speed Rail Authority adopted a sustainability policy in 2013 and recently updated its policy (March 2016), which provides for a wide-ranging set of directives including Sustainable Infrastructure. The policy requires the contractor to submit EPDs for steel and concrete products. EPDs will provide the Authority with the information necessary to select sustainable materials and monitor their collective environmental impact.

In March 2016, the Authority updated its policy to develop a means of scoring construction bids that demonstrate compliance with the Authority's sustainability policy and to develop a baseline of the materials currently being installed for the project to determine their environmental characteristics.

The U.S. Green Building Council’s LEED program to recognize sustainable construction requires applicants to submit EPDs to achieve certain points in the LEED scoring. The European equivalent of the LEED program also requires EPDs. And France has a national law requiring products to carry labels on life-cycle analysis for environmental impacts.

Many companies, including Apple, require life cycle analysis of products they procure. The U.S. Navy is among those entities that includes life cycle analysis in procurement.

12. To get an EPD, a manufacturer needs to follow protocol established by the International Organization for Standardization and get an independent third-party verification. How can the integrity of third-party verification be ensured?

Verification is a highly transparent process developed over the last 20 years. All EPDs are developed under ISO standards 14001, 14044, 14025 and the PCR for the product. Like auditors in accounting, verifiers are trained professionals and externally verify work against these standards and must post the verified results publicly for 5 years. In addition, this is a highly transparent process. For example if a manufacturer saw a competitor's EPD seemed out of range, it would be publicly questioned.

13. Are EPDs a complex and costly process?

No. There is an upfront investment and after that, a subscription technology is available that will allow a manufacturer to go online and instantly generate an EPD. This is proven technology in production around the US for concrete manufacturers and can be adopted for steel, cement, doors, windows, walls and other building elements.

For products that change slowly like cement, an EPD can be developed for a one time investment and used for 5 years

14. How will this bill impact the California concrete and steel industries?

Some of the largest concrete and steel manufacturers in California support AB262 because they've already invested in cleaning up their operations and know that low-emissions products are good for business and good for the environment.

15. How will this bill impact the California cement industry?

According to the [Coalition for Sustainable Cement Manufacturing and Environment](#) (CSCME), California's cement has a lower greenhouse gas footprint than cement produced outside of California, especially when transportation-related emissions are considered. The industry says that, all else being equal, cement imports from some places out of state result in 25% more emissions than cement produced and consumed in California.

In addition, the cement and concrete industries already reduce emissions in two ways: One, by improving the efficiency of existing clinker production; and two, by substituting other cementitious products with lower embedded greenhouse gas emissions.

16. How do I get more information about Buy Clean?

You can learn more at buycleanca.org. You can also contact Jerome Parra in Asm. Bonta's office. Jerome is staffing the bill. His email address is jerome.parra@asm.ca.gov.