Key Revisions in Response to Themes Emerging from EPA's PCR Criteria Public Comment Period

On March 5, 2024, EPA published a Notice of Availability to seek public input on draft <u>Criteria for</u> <u>Product Category Rules (PCRs) to Support the Label Program for Low Embodied Carbon Construction</u> <u>Materials</u> (EPA's PCR Criteria) through a 30-day comment period. In addition, EPA hosted a webinar on March 21, 2024, to educate stakeholders on the PCR Criteria and how they are expected to improve environmental product declarations. The public comment period closed April 4, 2024.

PCRs are guidelines for developing EPDs, which communicate climate and other environmental impacts of products, and will be used to determine a product's eligibility for the new label. EPA's PCR Criteria will improve PCRs by establishing consistent requirements for data quality and transparency in EPDs.

Key Revisions in Response to Themes in Public Comments

EPA received comments on the draft PCR Criteria from nearly 50 organizations and individuals; these comments provided critical feedback and valuable perspectives that informed EPA's revisions. EPA coordinated with federal partners, including the Department of Defense, the Department of Energy, the Department of Transportation, and the General Services Administration, to revise the PCR Criteria based on the public comments. Key revisions to the draft PCR Criteria are summarized below, based on comment theme.¹

Comment: How can the new requirements of EPA's PCR Criteria be balanced with the reality of the current state of PCRs today and resources required to update them?

- The criteria have been divided into baseline and leadership requirements, similar to EPA's *Framework for the Assessment of Environmental Performance Standards and Ecolabels for Federal Purchasing*. The baseline criteria are the requirements that PCRs must comply with for the material category to be eligible for EPA's label program. They are necessary to ensure consistency within the material category and enable EPA to use the resulting EPDs to develop product type thresholds for the label program. The leadership criteria are considered best practices and strategies to further improve standardization, data transparency and quality. While PCRs do not need to comply with leadership criteria at this time, EPA may consider requiring them as part of the baseline criteria in the future. Some baseline criteria were also given January 2026 effective dates to allow time for implementation.
- EPA is currently prioritizing PCRs covering concrete, asphalt, steel and glass. EPA expects to complete the first round of PCR assessments in fall 2024 and will continue to perform assessments in additional categories, depending on PCR program operator requests, program priorities and resources. Program operators and PCR committees are encouraged to reach out to EPA with any questions.

¹ The comment themes are not exact comment excerpts; rather, they are summaries of common comments received.

- While not directly serving EPA, the grant program will provide additional resources to industry to support activities including PCR updates and development.
- EPA and federal partners are also engaged on <u>several active PCR committees</u> to help align PCR development with EPA's PCR Criteria.

Comment: How will EPA address data availability and data quality with the desire to move to requiring free-to-use and publicly accessible secondary datasets by 2026?

- The PCR Criteria clarify that "publicly accessible" means both free-to-use and publicly accessible. Appendix F provides EPA's reasoning for the preference for free-to-use and publicly accessible datasets.
- EPA has published the companion document <u>A Vision and Plan to Improve Secondary Life Cycle</u> <u>Assessment Data Used in Environmental Product Declarations</u> to provide more information on the federal government's plan to accelerate the quantity and quality of free-to-use and publicly accessible data.
- EPA has published the companion document *Life Cycle Inventory Data Gap Assessment* to identify secondary data development investment needs. To create this document, EPA reviewed existing PCRs and engaged different PCR committee stakeholders to better understand the current need for higher-quality secondary life cycle inventory data. The findings from this analysis will help to prioritize secondary data development activities. This is the first version of this companion document; EPA may periodically update it as more data become available and more stakeholders are engaged.
- EPA has published the companion document <u>Data Quality Assessment Method to Support the</u> <u>Label Program for Low Embodied Carbon Construction Materials</u> to provide a systematic approach for assessing the data quality of secondary datasets used for EPDs for EPA's label program. Application of EPA's data quality assessment method is a leadership criterion. To aid its stakeholders, EPA can conduct data quality assessments upon request for any PCR that covers the United States and uses ISO 21930:2017 as its core PCR, subject to available resources. EPA has added instructions for how PCR committees can request EPA support for data quality assessment of secondary datasets. EPA has also developed a companion <u>Excel data quality</u> <u>assessment template</u> that PCR committees can use to complete their own data quality assessments for secondary data.
- EPA has also added Appendix G to the PCR Criteria to more clearly identify the recommended charts for PCRs to include for secondary data disclosure.

Comment: Lack of clarity in current ISO and other standards sometimes results in inconsistent implementation by life cycle assessment practitioners. To better achieve its desired outcomes, EPA should provide more clarity and definitions.

• Terminology and requirements have been clarified to increase the reliability of PCRs, and EPDs based upon them, through more detailed alignment with established ISO standards and industry guidance documents. As well, EPA's PCR Criteria provide a detailed "Terminology" section.

Comment: PCR reviewers and EPD verifiers need more specificity on accreditation requirements or credentials.

• Appendix E now outlines EPA's recommended qualifications for PCR reviewer and EPD verifiers. These qualifications include independence and relevant competencies, such as industry- and product-specific knowledge and knowledge of relevant standards related to LCA and EPDs. Program operators responsible for developing PCRs and/or EPDs are encouraged to adopt the recommended qualifications within their General Program Instructions. Further requirements for EPD verification may be addressed in the conformity assessment system for the label program.

Comment: How can confidential business information best be managed, given the desire for transparency and creation of more EPDs?

• EPA's PCR Criteria (2.1.B) now clarify that life cycle inventory data within the LCAs used for PCRs may be aggregated to protect the confidentiality of manufacturer-specific details and that publicly posted LCAs shall include the required minimum nonconfidential information outlined in Clause 5 of ISO 14040:2006.

Comment: The "Additional Environmental Information" section of an EPD can contain a wide variety of information. Any required information should be specified.

- EPA's PCR Criteria (1.1.I and 3.3.C) now provide a minimum list of items for an EPD's "Additional Environmental Information" section:
 - Impacts on GHGs from biogenic carbon
 - Impacts on GHGs without energy attribute certificates (with more guidance on handling these and renewable energy certificates provided in Appendix D)
 - o Impacts on GHGs from Module D
 - Additional ENERGY STAR Energy Performance Score information (with more guidance provided in Appendix C)

Reporting of this additional environmental information is now a leadership criterion.

Comment: Cutoff criteria are an important part of the standards cited by EPA that pertain to LCA and PCRs.

• EPA's PCR Criteria (2.1.E) now allow cutoff criteria to be determined by the PCR committee and communicated in PCRs; they also provide guidance on how to do so.

Comment: Cross-PCR harmonization can be a time-consuming, iterative process and may not always be achieved.

- EPA's PCR Criteria have been updated (1.2.C) to require PCRs to specify where there is no cross-PCR harmonization in areas such as allocation, cutoff criteria, secondary datasets, carbon capture utilization and storage accounting, biogenic carbon accounting, and other aspects as determined by the PCR committee. This is a baseline criterion with an effective date of January 1, 2026.
- Introductory text has been added to EPA's PCR Criteria to provide more context on their use. While EPA is primarily pulling from existing practices used in the global LCA community and ISO standards, the Agency acknowledges that this version of the PCR Criteria does not address many

cross-sector harmonization challenges (e.g., consistency in allocation methods across product categories). It is EPA's position that true cross-sector harmonization cannot occur without a voluntary consensus standard that incorporates stakeholders from various construction material sectors, governments, LCA practitioners and other relevant parties. EPA's PCR Criteria are intended to fill this gap until such a voluntary consensus standard and associated conformity assessment program is developed. EPA would welcome the use of the PCR Criteria as a starting point for such an effort. EPA is also committed to engaging with relevant ISO Technical Advisory Groups to update foundational standards, such as ISO 21930:2017, to improve PCRs and EPDs as a whole.

Comment: Provide more context and clarify terminology for the criteria addressing LCAs used to build PCRs.

- Inclusion of LCAs produced for PCRs (LCAs generated in conjunction with PCR development) remains a baseline criterion. There is significant interagency support for this criterion to ensure EPDs are a reliable, legally defensible source for procurement decisions. Reference LCAs (LCAs that precede the development of a PCR) are allowable under criterion 2.2.
- Section 2 of EPA's PCR Criteria has been refined for more clarity on "LCAs produced for the PCR" (to reduce confusion with LCAs produced for EPDs) and reference LCAs.
- More alignment between this criterion and requirements from ISO 14025:2006 has been added.

Comment: EPA should provide a list of minimally required core life cycle impact assessment methods and update <u>TRACI 2.1</u>.

- EPA has developed a LCIA indicator list (available on EPA's website <u>here</u>). This corresponds with LCIA categories required in ISO 21930:2017.
- EPA's companion document <u>A Vision and Plan to Improve Secondary Life Cycle Assessment Data</u> <u>Used in Environmental Product Declarations</u> provides information on EPA's plan to develop TRACI 3.0.
- Use of EPA's LCIA indicator list and TRACI 3.0 (when available) is a leadership criterion (2.1.0).

Comment: More clarity is needed on the life cycle stages that correspond to information modules for construction works assessment.

• Clarity has been added throughout EPA's PCR Criteria to align life cycle stages and information modules from ISO 21930:2017. Figure 1 of the PCR Criteria also displays the alignment of life cycle stages and information modules.

Comment: Creating data collection sheets may be a burden to PCR committees and may not be necessary or feasible.

• Criterion 3.1.C no longer requires the PCR committee to provide data collection sheets.

Learn more about EPA's Label Program for Low Embodied Carbon Construction Materials.