

SETTLEMENT AGREEMENT

This Settlement Agreement is entered into between the California Air Resources Board (CARB), with its principal location at 1001 I Street, Sacramento, California 95814; and Albertsons Companies, Inc. (Albertsons), with its principal location at Boise Home Office 250 Parkcenter Blvd., Boise, Idaho 83706 (collectively, the "Parties," or individually, "Party").

LEGAL BACKGROUND

- (1) Purpose. The Global Warming Solutions Act of 2006 mandates CARB to adopt regulations to reduce greenhouse gas emissions and to enforce those regulations. (Health & Saf. Code §§ 38560, 38562, and 38580). CARB is also mandated to reduce hydrofluorocarbon emissions by 40% below 2013 levels by 2030. (Health & Saf. Code § 39730.5.)
- (2) Regulation. CARB adopted the regulation, *Management of High-Global Warming Potential Refrigerants for Stationary Sources* (RMP Regulation) to reduce hydrofluorocarbon emissions from stationary, non-residential refrigeration equipment and from the installation and servicing of stationary refrigeration and air-conditioning appliances using high global warming potential (high-GWP) refrigerants. (Cal. Code Regs., tit.17, §§ 95380-95398.)
- (3) Regulatory Provisions. Any person who owns or operates a stationary refrigeration system; or installs, repairs, maintains, services, replaces, recycles, or disposes of stationary refrigeration or air-conditioning appliances; or distributes or reclaims refrigerants with high-GWP, must comply with the applicable requirements of the RMP Regulation. (Cal. Code Regs., tit.17, § 95381.)
- (4) Penalty Provisions. Failure to comply with the regulatory requirements is a violation of state law that may result in penalties up to ten thousand three hundred dollars (\$10,300) for strict liability violations, respectively, for each day in which the violation occurs. (Cal. Code Regs., tit.17, § 95380 et seq.; Health & Saf. Code §§ 38580, 42400 et seq., 42402 et seq., and 42410.)

CASE BACKGROUND

- (5) Corporate Entity. At all relevant times, Albertsons was organized under the laws of Delaware as a corporation and conducted business in the State of California.
- (6) Allegations. CARB issued a Notice of Violation (NOV) # RMP-2018-1416 to Albertsons on April 15, 2020 alleging Albertsons violated the RMP Regulation by owning or operating a stationary refrigeration system, as defined by the RMP Regulation, with a full charge of greater than 50 pounds, and failing to comply with the requirements, including failing to annually audit and calibrate automatic leak

detection equipment (Cal. Code Regs., tit.17, § 95385(a)(5) and (a)(6)); failing to ensure that all detected refrigerant leaks are repaired within 14 days of its detection by a certified technician (Cal. Code Regs., tit.17, § 95386(a)); failing to accurately register and report (Cal. Code Regs., tit.17, § 95383 and 95388); and failing to maintain requisite records for at least 5 years (Cal. Code Regs., tit.17, § 95386(a) and 95389). CARB alleges that these violations occurred across all Albertsons stores in California between 2016-2018. CARB alleges that if the allegations described in paragraph 6 were proven, civil penalties could be imposed against Albertsons for each day for each violation.

- (7) Acknowledgment. Albertsons admits to the facts in paragraphs 1 through 6, but denies any liability resulting from said allegations.
- (8) Consideration. In consideration of the foregoing, and of the promises and facts set forth herein, the Parties desire to settle and resolve all claims, disputes, and obligations relating to the above-listed alleged violations and voluntarily agree to resolve this matter by means of this Settlement Agreement. In order to resolve the violations described herein, Albertsons has taken, or agrees to take, the actions enumerated below within the Terms and Conditions. Further, CARB accepts this Settlement Agreement in termination and full settlement of this matter.

TERMS AND CONDITIONS

In consideration of CARB not filing a legal action against Albertsons for the alleged violations referred to above in the Legal Background and Case Background, and Albertsons' agreement to complete all terms and conditions set forth below, CARB and Albertsons agree as follows:

- (9) Settlement Amount. Albertsons shall pay a civil penalty of two million five hundred fifty thousand dollars (\$2,550,000.00 USD) and agrees to fund two Supplemental Environmental Projects entitled "*Installation of Air Filtration Systems in Schools Phase 2*" in the amount of one million two hundred seventy five thousand dollars (\$1,275,000.00 USD), and "*Placer County Community Based SEP Phase 2*" in the amount of one million two hundred seventy five thousand dollars (\$1,275,000.00 USD) (collectively "SEPs"), consistent with CARB's SEP Policy, for a total settlement of five million one hundred thousand dollars (\$5,100,000.00 USD). Albertsons shall make all payments within 30 calendar days from the date CARB notifies Albertsons of the full execution of the Settlement Agreement.
- (10) Civil Penalty Payment Method. Albertsons shall pay the civil penalty by check, credit card, wire transfer, or portal, payable to CARB, using instructions provided separately by CARB in a Payment Transmittal Form. Albertsons is responsible for all payment processing fees. Payments shall be accompanied by the Payment Transmittal Form to ensure proper application. CARB shall deposit the civil penalty amount into the Air Pollution Control Fund for the purpose of carrying out CARB's

duties and functions to ensure the integrity of its air pollution control programs. Should payment instructions change, CARB will provide notice to Albertsons in accordance with Paragraph 17 (Notices).

- (11) SEP Payment Method(s). Albertsons shall fund the SEPs by wire transfer, credit card, or check, payable to the SEP implementers/recipients, using instructions provided separately by CARB in a Payment Transmittal Form. Albertsons is responsible for all payment processing fees. Payments shall be accompanied by the Payment Transmittal Form to ensure proper application. Should payment instructions change, CARB will provide notice to Albertsons in accordance with Paragraph 16 (Notices).
- (12) Compliance Plan. Albertsons shall implement "*The Albertsons Companies, Inc. California Refrigerant Compliance Plan*" (Compliance Plan), identified in Attachment A, the provisions of which are incorporated by reference herein, within 90 days from the date of full execution of the Settlement Agreement to ensure that Albertsons complies with all provisions of the laws and regulations outlined in the Legal Background and Compliance Plan.
- (13) Prohibition Against Financial Benefit. Albertsons has agreed that by funding the SEPs, Albertsons will not receive any direct or indirect financial benefit, and that whenever Albertsons publicizes or refers to the SEPs, the results of the SEPs, Albertsons will state that the SEPs are being undertaken as part of the settlement of a CARB enforcement action.
- (14) Assignment of Rights. In the event the SEP Recipients/Administrators do not fully implement or complete the SEPs in accordance with the terms of the SEP Agreements, CARB shall be entitled to recover the full amount of the SEPs from the SEP implementers, less any amount expended on the timely and successful completion of any previously agreed upon interim milestone(s). CARB will deposit any such recovery into the Air Pollution Control Fund. Accordingly, Albertsons assigns any and all rights against the SEP implementers to CARB.
- (15) Recovery of Costs. If the Attorney General files a civil action to enforce this Settlement Agreement, Albertsons shall pay all costs of investigating and prosecuting the action, including expert fees, reasonable attorneys' fees, and costs.
- (16) Documents. Albertsons shall promptly email or mail the signed and dated Settlement Agreement, with copy of proof of payment of the penalty and SEPs, copy of the Payment Transmittal Form(s), the signed and dated Compliance Plan to the address or email in Paragraph 17 (Notices).

Albertsons Companies, Inc. Settlement Agreement
Notice of Violation: RMC-2018-1416

(17) Notices. Unless otherwise specified in this Settlement Agreement, whenever notifications, submissions, or communications are required by this Settlement Agreement, they shall be submitted in writing to the address or email below:

As to CARB:
California Air Resources Board
Enforcement Division / Settlement Agreements
Short-Lived Climate Pollutants Enforcement Section
P.O. Box 2815
Sacramento, California 95812-2815
Settlement_Agreement@arb.ca.gov

As to Albertsons:
Dean Fredrickson
Director, Environmental Affairs
Boise Home Office
250 Parkcenter Blvd., Boise, Idaho 83706
dean.fredrickson@albertsons.com
(208) 571-1486

Any Party may, by written notice to the other Parties, change its designated notice recipient or notice address provided above. Notices submitted pursuant to this section shall be deemed submitted upon emailing or mailing.

- (18) Repeat Violations. Albertsons agrees to comply with all regulatory requirements and acknowledges that repeat violations could result in increased penalties in the future.
- (19) Entirety. This Settlement Agreement constitutes the entire agreement and understanding between the Parties concerning the Case Background, and supersedes and replaces any and all prior negotiations and agreements of any kind, whether written or oral, between the Parties concerning the Case Background hereof. This Settlement Agreement consists of 7 pages and 37 paragraphs.
- (20) Binding Effect. This Settlement Agreement binds Albertsons, and any principals, officers, receivers, trustees, successors and assignees, subsidiary and parent corporations and CARB and any successor agency that may have responsibility for and jurisdiction over the subject matter of this Settlement Agreement.
- (21) Effective Date. The effective date shall be the date upon which this Settlement Agreement is fully executed.
- (22) Modification and Termination. No agreement to modify, amend, extend, supersede, terminate, or discharge this Settlement Agreement, or any portion thereof, is valid or enforceable unless it is in writing and signed by all Parties to this Settlement Agreement.

- (23) Severability. Each provision of this Settlement Agreement is severable, and in the event that any provision of this Settlement Agreement is held to be illegal, invalid or unenforceable in any jurisdiction, the remainder of this Settlement Agreement remains in full force and effect.
- (24) Choice of Law. This Settlement Agreement shall be interpreted and enforced in accordance with the laws of the State of California, without regard to California's choice-of-law rules.
- (25) Non-Discharge. It is further agreed that the penalties described in this Settlement Agreement are non-dischargeable under United States Code, title 11, section 523(a)(7), which provides an exception from discharge for any debt to the extent such debt is for a fine, penalty, or forfeiture payable to and for the benefit of a governmental unit.
- (26) Not Tax Deductible. For purposes of this Settlement Agreement, Albertsons shall not deduct any monies spent to comply with any provision of this Settlement Agreement in calculating and submitting its federal, state, or local income tax.
- (27) Rules of Construction. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in interpreting this Settlement Agreement.
- (28) Non-Waiver. The failure to enforce any provision of this Settlement Agreement shall not be construed as a waiver of any such provision, nor prevent such Party thereafter from enforcing such provision or any other provision of this Settlement Agreement. The rights and remedies granted all Parties herein are cumulative and the election of one right or remedy by a Party shall not constitute a waiver of such Party's right to assert all other legal remedies available under this Settlement Agreement or otherwise provided by law.
- (29) Intent to be Bound. The Parties represent that: They have participated fully in the review and drafting of this Settlement Agreement; understand and accept all terms; enter into this Settlement Agreement freely and voluntarily; have had an opportunity to consult with legal counsel; are fully informed of the terms and effect of this Settlement Agreement; have agreed to this Settlement Agreement after independent investigation and agree it was not arrived at through fraud, duress, or undue influence; and knowingly and voluntarily intend to be legally bound by this Settlement Agreement.
- (30) Venue. The Superior Court of California, located in the County of Sacramento, shall hear any dispute between the Parties arising from this Settlement Agreement.

- (31) Counterparts and Electronic Signatures. This Settlement Agreement may be executed in counterparts. Electronic, facsimile or photocopied signatures shall be considered as valid signatures.
- (32) Release. In consideration of full payment of the civil penalty payment and SEP payments, and all other undertakings above, CARB hereby releases Albertsons and its principals, officers, receivers, trustees, successors and assignees, subsidiary and parent corporations, from any claims CARB may have based on the circumstances described in all paragraphs contained in the Case Background above.
- (33) Authority. The undersigned represents that he or she has full authority to enter into this Settlement Agreement.

PENALTY BASIS

- (34) Per Unit Penalty. The per unit penalty in this case is a maximum of ten thousand three hundred dollars (\$10,300.00) per day under Health and Safety Code section 38580 for violations of the RMP Regulation (Cal. Code Regs., tit.17, § 95380 et seq.). This case was not determined on a per unit basis.
- (35) Emissions. The provisions cited above do not prohibit emissions above a specified level. Without more information, it is not practicable to quantify the excess emissions.
- (36) Aggravating and Mitigating Factors. The penalties in this matter were determined in consideration of all relevant circumstances, including statutory factors as described in CARB's Enforcement Policy. CARB considered whether the violator came into compliance quickly and cooperated with the investigation; the extent of harm to public health, safety and welfare; nature and persistence of the violation, including the magnitude of the excess emissions; compliance history; preventative efforts taken; innovative nature and the magnitude of the effort required to comply, and the accuracy, reproducibility, and repeatability of the available test methods; efforts to attain, or provide for, compliance prior to violation; action taken to mitigate the violation; financial burden to the violator; and voluntary disclosure. Consideration was also given to Albertsons size and complexity; the cause of any errors and omissions; as well as the magnitude of the errors and deviation from the requirements. The penalties are set at levels sufficient to deter violations, to remove any economic benefit or unfair advantage from noncompliance, to obtain swift compliance, and the potential costs, risks, and uncertainty associated with litigation. Penalties in future cases might be smaller or larger depending on the unique circumstances of the case.
- (37) Confidential Business Information. CARB based this penalty in part on confidential business information provided by Albertsons and confidential settlement communications, neither of which are retained by CARB in the ordinary course of business.

ACKNOWLEDGED AND ACCEPTED BY:

California Air Resources Board

Signature: /S/

Name: Richard W. Corey

Title: Executive Officer

Date: 7/7/2021

Albertsons Companies, Inc.

Signature: /S/

Name: Suzanne Long

Title: GVP, Strategic Sourcing and ESG

Date: 6/17/2021 – 14:23 PDT

ATTACHMENT A

The Albertsons Companies, Inc. California Refrigerant Compliance Plan

- 1) Refrigerant Management Program (RMP) Regulation. All owners and operators of stationary refrigeration systems or air conditioners in California are required to comply with the California Air Resources Board ("CARB") Regulation for Management of High Global Warming Potential Refrigerants for Stationary Sources, Title 17, California Code of Regulations, Section 95380 et seq. ("RMP Regulation").
- 2) Albertsons. The Albertsons Companies, Inc. is incorporated in the State of Delaware. The Albertsons Companies, Inc. subsidiaries Albertsons LLC, Safeway Inc., and The Vons Companies, Inc. (hereinafter "Albertsons") own and operate stationary refrigeration equipment in California at retail grocery stores under several banners, including but not limited to Albertsons, LLC, Safeway Inc., The Vons Companies, Inc., Pavilions, Pak'n Save Foods, and Andronico's Community Markets. This California Compliance Plan applies to all California Albertsons banner retail grocery store facilities located in California.
- 3) Albertsons Principles. Albertsons is committed to maintaining compliance with federal, state, and local laws and regulations affecting stationary refrigeration equipment. The Company looks to environmentally responsible solutions, minimizing "risk" exposure through proactive management policies and programs. Albertsons is also committed to insuring all responsible employees and contractors are aware of and will comply with all applicable refrigerant management laws.
- 4) Purpose. The Albertsons California Refrigerant Compliance Plan sets forth procedures to ensure Albertsons complies with applicable federal, state, and local requirements related to stationary refrigeration systems or air conditioners, including: proper refrigerant recovery/recycling; periodic leak inspections to discover leaks; timely leak repair; documentation as required pursuant to the RMP Regulation and local regulations; safe handling and disposal of retail refrigerants; and verifying compliance.
- 5) Compliance Measures. Albertsons agrees to the following:
 - a. Corporate-Level Compliance Assistance. Albertsons Corporate shall:
 - i) Commit to ensuring compliance with the RMP Regulation as well as local refrigerant management regulations in each applicable local air district for each retail grocery store on an annual basis.
 - ii) Authorize reasonable and appropriate funding and staff to implement compliance with the RMP Regulation and Compliance Plan, including but not limited to providing input to budget planning processes for refrigerant

compliance and procuring equipment and services required to comply with the RMP Regulation and Compliance Plan.

- b. Corporate Refrigeration Compliance Team. Albertsons Corporate Refrigeration Compliance Team shall:
- i) Conduct ten (10) random compliance verification field inspections annually at ten (10) different retail grocery stores in ten (10) different locations throughout California to evaluate refrigerant tracking paperwork. Work with the Designated Division Employees to develop corrective actions to resolve identified issues, communicate corrective actions to the appropriate responsible party, and monitor for timely completion. Escalate concerns regarding (A) potential delays in implementing corrective actions or (B) potential deviations from this Compliance Plan or the RMP Regulation to the appropriate Corporate and Division Vice Presidents.
 - ii) Establish Standard Operating Procedures on proper recordkeeping and maintenance requirements for refrigeration systems, as specified in the RMP Regulation.
 - iii) Ensure use of approved leak detection methodologies. Approved leak testing methods include electronic leak detector, ultrasonic leak detector, pressurizing system to 10 PSIG with HCFC-11 then increasing pressure to same level with dry nitrogen, soap bubbles, halide torch detector, deep vacuum, or hydrostatic tube test kit.
 - iv) Conduct annual RMP Regulation compliance training for in-house refrigeration technicians and/or third-party service provider managers and maintain records of such trainings. Training shall include RMP Regulatory requirements, penalties associated with violations of the RMP Regulation, alternative refrigerants, servicing procedures, different certification requirements, recordkeeping and reporting requirements, and safety. Review the Albertsons Contractor's Compliance Certification forms each year to verify that the third-party service provider managers delivered the training to their refrigerant management employees.
 - v) For all retail grocery stores owned, operated, or acquired by Albertsons in California, designate employees who are charged with the responsibility of implementing and monitoring the Compliance Plan. Albertsons will notify CARB within 30 calendar days from the date of the signing of the Compliance Plan of the names, titles, and contact information for each Designated Division Employee and each member of the Corporate Refrigeration Compliance Team.

- vi) Ensure that when Albertsons acquires a new retail grocery store, the Designated Division Employee, as defined in Paragraph (5) c, inspects the retail grocery store to verify that it meets all requirements of the RMP and this Compliance Plan.
- vii) Be available during normal business hours (8:00 AM – 5:00 PM PST/PDT) to respond to the questions identified in Paragraph (6) below.
- viii) Conduct quarterly status checks of any outstanding corrective actions and escalate any concerns regarding delays in implementing corrective actions and potential deviations from this Compliance Plan or the RMP Regulation to the appropriate Corporate and Division Vice Presidents.
- ix) Conduct annual checks of the Maintenance Department Annual Refrigerant Compliance Inspection forms to determine if they are current, accurate, and complete. Escalate concerns regarding delinquent, inaccurate, or incomplete forms to the appropriate Corporate and Division Vice Presidents.
- x) Review and evaluate annual leak rate for retail grocery stores serviced by in-house technicians and/or third-party service providers.
- xi) Annually review progress on reducing the annual leak rate (ALR) for retail grocery stores serviced.
- xii) Annually review the Albertsons Contractors' Compliance Certification forms to ensure that employees of third-party refrigeration service provider are certified as required by the RMP Regulation.
- xiii) Verify that California in-house refrigeration technicians and managers of third-party refrigeration service providers sign a "Statement of Acknowledgement" each year stating they and/or their employees: (A) will not charge refrigerant to a system that they know or should know is leaking without repairing the system; and (B) will avoid venting or releasing refrigerants or non-exempt substitutes to the atmosphere while maintaining, servicing, repairing, or disposing of air conditioning or refrigeration equipment.
- xiv) Work with the Designated Division Employee(s) to ensure the addition, removal, transportation, and disposal of used refrigerant, used oil, and parts are managed consistent with the requirements of the RMP Regulation and other applicable laws and regulations.
- xv) Enter and remove information into CARB's R3 database as required and ensure information is complete and accurate. Promptly correct any

information that is determined to be inaccurate and/or add any information that is necessary to render the entries complete.

- xvi) Ensure compliance with applicable environmental regulations.
 - xvii) Ensure records identified in Section 95388 are maintained onsite or are available for immediate download to a computer onsite.
 - xviii) Require each service technician to notify in writing of any release of refrigerants.
- c. Designated Division Employee. The Designated Division Employee shall:
- i) Be trained on the RMP Regulation and this Compliance Plan within 30 calendar days of being hired or identified as the Designated Division Employee.
 - ii) Identify risks associated with non-compliant refrigerant use. Work with the Corporate Refrigeration Compliance Team to draft corrective actions to mitigate those risks, communicate corrective actions to the appropriate responsible party, and monitor for timely completion. Escalate concerns regarding (A) delays in implementing corrective actions or (B) potential deviations from this Compliance Plan or the RMP Regulation to the appropriate Corporate and Division Vice Presidents.
 - iii) Conduct annual refrigerant compliance inspections, as defined in Paragraph (7) below, and record this information for each location using the appropriate Albertsons forms and refrigerant management systems.
 - iv) Ensure that the Refrigerant Periodic Leak Inspection Reports, Refrigerant Leak Reports, Asset/Equipment Inventories, and Refrigerant Inventories are current, accurate, and complete. Ensure that they are available for each retail grocery store and that Form 2s (Refrigerant Leak Tracking Form 2) and reports are kept for a minimum of five (5) years.
 - v) Contact in-house refrigeration technicians and/or third-party service providers biannually to ensure the RMP Regulation and Compliance Plan is being followed.
 - vi) Work with the Corporate Refrigeration Compliance Team to ensure the addition, removal, transportation, and disposal of used refrigerant, used oil, and parts is managed consistent with the requirements of the RMP Regulation and other applicable laws and regulations.

- vii) When Albertsons acquires a new retail grocery store, conduct an initial inspection to ensure that it meets all requirements of the RMP and this Compliance Plan. Work with the Corporate Refrigeration Compliance Team to draft corrective actions to resolve identified issues as appropriate, communicate corrective actions to the appropriate responsible party, and monitor for timely completion. Escalate concerns regarding (A) delays, (B) implementation of corrective actions, or (C) potential deviations from this Compliance Plan or the RMP Regulation to the appropriate Corporate and Division Vice Presidents.
- d) In-House Refrigeration Technicians and/or Third-Party Refrigeration Service Providers. In-house refrigeration technicians and/or third-party service providers shall:
 - i) Conduct leak inspections pursuant to the requirements of the RMP Regulation using the appropriate Albertsons forms and refrigerant management systems. Maintain documentation as required by the RMP Regulation and this Compliance Plan.
 - ii) Be certified as required by the RMP Regulation and submit the Albertsons Contractor's Compliance Certification forms to the Corporate Refrigeration Compliance Team annually.
 - iii) Use only approved leak testing methods (e.g., electronic leak detector, ultrasonic leak detector, pressurizing system to 10 PSIG with HCFC-11 then increasing pressure to same level with dry nitrogen, soap bubbles, halide torch detector, deep vacuum, hydrostatic tube test kit).
 - iv) Repair leaks within fourteen (14) calendar days from the date the leak is detected and conduct initial and follow-up leak verification tests. Notify the Corporate Refrigeration Compliance Team as soon as possible if constraints exist that could potentially prevent leak repair within 14 days.
 - v) Document and report all refrigerant leaks, repairs, and results of initial and follow-up leak verification tests as required by the RMP Regulation using the appropriate Albertsons forms and refrigerant management systems. Maintain documentation as required by the RMP Regulation and this Compliance Plan.
 - vi) Conduct an annual audit and calibration of each Automatic Leak Detection (ALD) system as required by the RMP Regulation. Document and report results using the appropriate Albertsons forms and refrigerant management systems. Maintain the documentation as required by the RMP Regulation and this Compliance Plan.

- e) Retail Grocery Store Refrigeration Contacts. The Retail Grocery Store Director (or in his or her absence the designee) shall serve as the Retail Grocery Store Refrigeration Contact and shall:
 - i) Serve as the retail grocery store refrigeration contact for CARB or air district inspections during normal business hours (8:00 AM to 5:00 PM PST/PDT) and provide basic information on the location of the refrigeration systems and associated records.
 - ii) Contact the Corporate Refrigeration Compliance Team for refrigeration compliance support during CARB or air district inspections.
 - iii) Report any identified refrigeration compliance concerns at the retail grocery store to the Corporate Refrigeration Compliance Team.
 - iv) Review Form 2's filled out by in-house technicians and/or third-party service providers at the time of leak inspection and/or leak repair events to verify completion and proper placement of the completed forms in the on-site refrigeration records.

- 6) Assistance with Inquiries. Each retail grocery store will have a Retail Grocery Store Refrigeration Contact available during normal business hours (8:00 AM to 5:00 PM PST/PDT) who has the ability to contact the Corporate Refrigeration Compliance Team. The Corporate Refrigeration Compliance Team will assist in responding to and/or retrieving information requested by a CARB inspector or local air district inspector. Such information includes, but is not limited to:
 - i. Names of in-house refrigeration technicians and/or third-party refrigeration service provider companies (including recovered refrigerant reclaimers/disposers);
 - ii. A copy of the most recent Albertsons Contractor's Compliance Certification for each third party service provider;
 - iii. List of recovery units used by in-house refrigeration technicians and confirmation that third-party refrigeration service providers maintain a list of recovery units used at Albertsons retail grocery stores based on their most recent Albertsons Contractor's Compliance Certification form submittal;
 - iv. Type of equipment (comfort cooling, industrial process refrigeration, commercial, or other), including equipment ID and serial number, when present and accessible. If the serial number is not present or accessible, provide the physical location of the refrigeration equipment in enough detail to permit positive identification;

- v. Location of refrigeration equipment;
 - vi. Refrigeration equipment full charge size as defined by the RMP Regulation;
 - vii. Refrigerant type, including records of purchase and inventory;
 - viii. Location, type of automatic leak detection system (direct or indirect), and annual audit and calibration records for large refrigeration systems with a full charge of 2,000 pounds or greater;
 - ix. Leak inspection and repair records, including leaks discovered and repaired, initial and follow-up testing, and a detailed plan of action to be taken in the event the leak cannot be repaired within fourteen (14) calendar days;
 - x. Names, titles, and contact information of in-house refrigeration technicians and/or third-party service providers who participate in the leak inspections and/or repairs;
 - xi. Dates of service and dates of recovery of refrigerants;
 - xii. Quantity of any refrigerant added, removed, recovered, recycled, reclaimed, and/or disposed of, including a description of the type of refrigerant and information sufficient to identify the unit(s) or other part(s) of the system from which the refrigerant is added, removed, recovered, recycled, reclaimed, and/or disposed; and
 - xiii. Organization receiving refrigerants for reclamation or destruction, including their name and contact information and the dates of receipt.
- 7) Compliance Inspections. All compliance inspections shall include review of refrigerant periodic leak inspection reports, refrigerant leak reports, asset/equipment inventories, and refrigerant inventories to determine if they are current, accurate, and complete. The Designated Division Employee shall work with the Corporate Refrigeration Compliance Team to resolve outstanding issues and, if needed, update and/or correct delinquent, inaccurate, or incomplete forms to ensure that the accurate and complete information is timely reported on the annual report to CARB and that the accurate and complete forms are kept on site at each retail grocery store, either physically or electronically by immediate download to a computer onsite.
- 8) Records Retention. Maintain records necessary to demonstrate compliance with the Compliance Plan and RMP Regulation at each store location. This information shall include but not be limited to information relating to:
- i. The obligations in Paragraph (5) (a) through (e) above;

- ii. Records of annual RMP Regulation compliance training;
- iii. Leak inspections and repairs;
- iv. Leak detection system installation, annual calibration and annual audits;
- v. Repairs, maintenance, and refrigerant use;
- vi. Retrofit or retirement plans;
- vii. Accidental discharges of regulated refrigerants;
- viii. Equipment disposal records;
- ix. Documentation of recovery unit maintenance per manufacturer's recommendations (if performed in-house).
- x. Shipments of refrigerants for reclamation or destruction;
- xi. Calculations, data, and assumptions used to determine refrigerant capacity;
- xii. All required reports; and
- xiii. Any other information required pursuant to Section 95389 of the RMP Regulation.

Section 95389 of the RMP Regulation requires records to be maintained onsite in physical or electronic form for a minimum of five years.

- 9) Compliance Report. Report annually to CARB the status of the implementation of the Compliance Plan. This report shall be submitted by April 1st of each year for five years and shall address the previous calendar year. This report shall include:
 - i. A brief description of ongoing monitoring activities;
 - ii. A brief description of any compliance issues or concerns that were identified, and the resolution of those concerns or the status of any attempts to resolve and the process in place for achieving resolution and anticipated date of resolution; and
 - iii. A summary of Albertsons' status with respect to the requirements in Paragraph (5)(a)–(e) above.

- 10) Violation of Compliance Plan Obligations. Any violations of the terms and conditions in this Compliance Plan shall be subject to the stipulated penalties identified in the Settlement Agreement.
- 11) Notices. Unless otherwise specified in the Settlement Agreement, whenever notifications, submissions, or communications are required by this Compliance Plan, they shall be submitted in writing to the address or email below:

As to CARB:
California Air Resources Board
Enforcement Division / Settlement Agreements
P.O. Box 2815
Sacramento, California 95812-2815
Settlement_Agreement@arb.ca.gov

As to Albertsons Companies:
Dean Fredrickson
Director, Environmental Affairs
Boise Home Office
250 Parkcenter Blvd., Boise, Idaho 83706
dean.fredrickson@albertsons.com
(208) 571-1486

Any Party may, by written notice to the other Parties, change its designated notice recipient or notice address provided above. Notices submitted pursuant to this section shall be deemed submitted upon emailing or mailing.

- 12) Modification and Termination. No agreement to modify, amend, extend, supersede, terminate, or discharge this Compliance Plan, or any portion thereof, is valid or enforceable unless it is in writing and signed by all Parties to this Agreement.
- 13) Entirety. This Compliance Plan together with the Settlement Agreement constitutes the entire agreement and understanding between CARB and Albertsons concerning the facilities in California and supersedes and replaces any and all prior negotiations and agreements of any kind or nature, whether written or oral, between CARB and Albertsons concerning this subject.
- 14) Authority. Each of the undersigned represents and warrants that he or she has full authority to enter into this Agreement.

ACKNOWLEDGED AND ACCEPTED BY:

The Albertsons Companies, Inc.

Dated: 6/17/2021 14:23 PDT

By: /S/
(Signature)

Printed Name: Suzanne Long

Title: GVP, Strategic Sourcing and ESG

California Air Resources Board

Dated: 6/22/2021

By: /S/
(Signature)

Printed Name: Todd P. Sax, D.Env.

Title: Division Chief