

Washington State Liquor Cannabis Board Meeting

Wednesday, August 23, 2017, 10:00 a.m.

LCB Headquarters - Boardroom

3000 Pacific Avenue SE, Olympia WA 98501

Meeting Minutes

1. CALL TO ORDER

Chair Jane Rushford called the regular meeting of the Washington State Liquor and Cannabis Board to order at 10:00 a.m. on Wednesday, August 23, 2017. Member Ollie Garrett and Member Russ Hauge were also present. Chair Rushford first acknowledged her fellow Board members and thanked the staff for their efforts in preparing for the Board meeting.

2. APPROVAL OF MEETING MINUTES

MOTION:

Member Garrett moved to approve the July 26, 2017, meeting minutes.

SECOND:

Member Rushford seconded.

ACTION:

Motion passed unanimously.

MOTION:

Member Hauge moved to approve the August 9, 2017, meeting minutes.

SECOND:

Member Rushford seconded.

ACTION:

Motion passed unanimously.

3. ACTION ITEMS (A-B)

ACTION ITEM 3A – Petition for Rulemaking to Amend WAC 314-55-104 to Include Propene as an Allowable Solvent

Joanna Eide, Rules and Policy Coordinator, began the briefing with materials (HANDOUTS 3A 1-5). She provided a brief background noting that this petition for rulemaking was submitted to the WSLCB by Michael Seibert of 374 Labs in Sparks, Nevada. Mr. Seibert's petition requests that WAC 314-55-104, Marijuana processor license extraction requirements, be amended to add propene to the list of solvents allowed for use in cannabis extraction in closed loop systems. Mr. Seibert has a customer who is looking to provide extraction solvents to cannabis product manufacturers in WA. He contends the solvents they are offering are more cost effective than and just as safe as the solvents currently allowed for use. Mr. Seibert believes that these solvents can help reduce product cost to consumers/patients so that they can afford to buy safer products from the regulated market (instead of the illicit market).

The WSLCB determined the list of allowable solvents by what was understood to be commonly used in cannabis extraction, through consulting with our partner agencies (DOH, Ecology, WSDA) and restricting allowable solvents to those in the category of solvents having the lowest risk overall, Class III solvents. Class III solvents are also recommended as the only class of solvents to be used for cannabis extraction under the American Herbal Pharmacopeia.

Since WAC 314-55-104 was first adopted and became effective in 2013, allowable solvents have remained fairly static. WLSCB rules have only allowed the hydrocarbons N-butane, isobutene, heptane, and propane to be used for cannabis extraction. Processors may also use food grade glycerin, ethanol, and propylene glycol solvents to create extracts. Processors may use a professional grade closed loop CO₂ gas extraction system where every vessel is rated to a minimum of six hundred pounds per square inch. The CO₂ must be of at least ninety-nine percent purity. Closed loop systems for hydrocarbon or CO₂ extraction systems must be commercially manufactured and bear a permanently affixed and visible serial number.

As a comparison, Colorado's rules allow the use of butane, propane, CO₂, ethanol, isopropanol, acetone and heptane for cannabis extraction. The use of any other solvent is expressly prohibited unless and until it is approved, similar to the WSLCB rule. Colorado's rule also states that, beginning on July 1, 2014, Colorado licensees may submit a request to the Colorado Marijuana Enforcement Division to consider the approval of solvents not permitted for use under their rules during the next formal rulemaking. To date, no new solvents have been added to the rule and in our discussions with Colorado, Colorado stated that they had not received any requests for new solvents to be added for extraction purposes.

Oregon, on the other hand, is more expansive and simply prohibits the use of Class I solvents, restricts the use of hydrocarbon solvents to those that are of 99% purity and only use a non-hydrocarbon-based solvent that is food-grade. See OAR 845-025-3260, Cannabinoid Concentrate and Extract Processor Requirements.

Propene is a colorless, flammable, gaseous hydrocarbon, C₃H₆, obtained from petroleum. At room temperature, propene is a gas and is slightly more volatile than propane since it has a lower boiling point. The United States and some European countries have set an occupational exposure limit to propene at 500 ppm, and even though it is designated as a volatile organic compound (VOC), it has not been designated as a hazardous air pollutant by the EPA in the Clean Air Act.

WSLCB staff sought input from the Department of Health (DOH) and the State Building Code Council (SBCC) on the use of propene in cannabis extraction. Experts from DOH do not believe that there would be a risk to a consumer as far as the chemical in question is concerned if a consumer were to inhale a product made with this extraction method. The reason being that propene is a gas at room temperature and would readily escape into air from marijuana products. Initial responses indicate that there may not be a concern for the use of propene as far as risk of explosion in closed loop extraction systems. However, more research is needed into the safety of propene's use in closed loop extraction systems. The WSLCB believes that we will be able to look into this further as part of a rulemaking process.

Director's Office staff recommends the Board approve rulemaking to consider the recommendations of Mr. Seibert as part of the rulemaking already scheduled and required of the WSLCB as a result of changes to laws from the 2017 Legislative Session and other changes needed as identified by staff and stakeholders. More information and research is needed prior to making a determination that propene should be allowed for use in cannabis extraction, which can occur as part of the rulemaking process.

Member Hauge asked for clarification about the statement from the State Building Code Council. Ms. Eide stated that she had heard from one member of the SBCC, but not as a whole. She said she was going to gather more information from them on the use of these solvents in extraction systems. Ms. Eide reiterated that the member did not issue any concerns with the use of these solvents.

Chair Rushford asked if that was the official statement from the Council. Ms. Eide said it was not and that she would be pursuing further information and clarification from the Council as we consider the petition.

Member Hauge asked how this petition would be included into the rulemaking process. Ms. Eide explained that there was a broad rulemaking open already as a result of 2017 legislation and that this could be included in that process. She further stated that since the CR-102 has not been filed, we can still consider whether or not we want to continue to discuss adding these petitions to the rulemaking process. Member Hauge asked for further clarification on what was being asked of the Board in the stage. Ms. Eide clarified that she was asking for the Board to approve the petition, which would allow the LCB to research the topic. She compared this petition process to advertising and CBD petitions received earlier in the year.

Ms. Eide then requested approval from the Board to file proposed petition.

MOTION: Member Garrett moved to accept the Petition for Rulemaking to Amend WAC 314-55-104

to Include Propene as an Allowable Solvent

SECOND: Member Hauge seconded.

DISCUSSION: Chair Rushford clarified that this motion only allowed for further discussion and research by the LCB and did not amend or replace any current rules already in place.

ACTION: Motion passed unanimously.

ACTION ITEM 3B – Petition for Rulemaking to Amend WAC 314-55-104 to Include Tetrafluoroethane as an Allowable Solvent

Joanna Eide, Rules and Policy Coordinator, began the briefing with materials (HANDOUTS 3B 1-8). She provided a brief background noting that this petition for rulemaking was submitted to the WSLCB by Nathan Clark and Charles (Tony) Schneble. The petition requests that WAC 314-55-104, Marijuana processor license extraction requirements, be amended to add tetrafluoroethane (1,1,1,2-Tetrafluoroethane (HFC-134a)¹) to the list of solvents allowed for use in cannabis extraction in closed loop systems. Mr. Clark contends that tetrafluoroethane is safer than CO₂ and other highly flammable/explosive hydrocarbon solvents that appear on the approved list in the rule, such as butane. Mr. Clark maintains that changing the rule to allow the use of tetrafluoroethane will provide a safer, cheaper and more efficient extraction method for processors that produces a superior end product where the solvent is easier to purge than petroleum-derived hydrocarbon solvents.

Ms. Eide explained that the background for this petition was the same as presented earlier. She stated that tetrafluoroethane is used in refrigeration and air conditioning systems, as a blowing agent for polyurethane foams, in air horns and computer keyboard compressed air dusters, and as a propellant for medical aerosols. Tetrafluoroethane is a replacement chemical for Freon 12 and Freon 22 and used in air conditioning and refrigerant systems (closed loop systems). It is a colorless gas with a faint odor that may

go unnoticed by those exposed to it. It has a very low acute inhalation toxicity, and when inhaled it is mostly exhaled unchanged (meaning it is not absorbed long term into the body). It is important that this compound be kept away from fire and hot surfaces. It will emit irritating and toxic fumes upon combustion.

According to the National Center for Biotechnology Information Bookshelf, maintained by the National Library of Medicine, National Institutes of Health, there are many studies that have been done addressing repeated and chronic exposures, as well as considerable inhalation data with healthy human subjects and human subjects with respiratory diseases. It was found to be fairly benign as a propellant in inhalers. Animal studies showed lethal inhalation doses are in the neighborhood of 500,000 -750,000 ppm in rats. High exposure scenarios in humans (such as from intentional abuse from huffing computer dusting cans) can result in neurological and cardiac symptoms (CNS depression and cardiac arrhythmia for example).

Tetrafluoroethane contributes to greenhouse gases and global warming. Because of its persistence in the atmosphere and global warming potential, it was banned from use in the European Union, starting with cars in 2011 and phasing out completely by 2017.

WSLCB staff sought input from the Department of Health (DOH) and the State Building Code Council (SBCC) on the use of tetrafluoroethane in cannabis extraction. DOH was relied upon heavily for the information supplied in this issue paper. Experts from DOH do not believe that there would be a risk to a consumer as far as the chemical in question is concerned if a consumer were to inhale a product made with this extraction method. The reason being that tetrafluoroethane is a gas at room temperature and would readily escape into air from marijuana products.

Initial responses indicate that there may not be a concern for the use of tetrafluoroethane as far as risk of explosion or other dangers in closed loop extraction systems. However, more research is needed into the safety of tetrafluoroethane use in closed loop extraction systems, as well as potential occupational hazards that may exist. The WSLCB believes that we will be able to look into these issues further as part of a rulemaking process.

Director's Office staff recommends the Board approve rulemaking to consider the recommendations of Mr. Clark as part of the rulemaking already scheduled and required of the WSLCB as a result of changes to laws from the 2017 Legislative Session and other changes needed as identified by staff and stakeholders. More information and research is needed prior to making a determination that tetrafluoroethane should be allowed for use in cannabis extraction, which can occur as part of the rulemaking process.

Ms. Eide then requested approval from the Board to file proposed petition.

MOTION: Member Hauge moved to accept the Petition for Rulemaking to Amend WAC 314-55-104

to Include Tetrafluoroethane as an Allowable Solvent

SECOND: Member Garrett seconded.

ACTION: Motion passed unanimously.

4. GENERAL PUBLIC COMMENT

Chair Rushford then invited citizens to address the Board regarding any issues related to LCB business. There were no comments.

ADJOURN

Chair Rushford adjourned the meeting at 10:15 a.m.

Jane Rushford Board Chair

Ollie Garrett Board Member Board Member Russ Hauge

Minutes prepared by: Dustin Dickson, Executive Assistant to the Board

LCB Mission - Promote public safety and trust through fair administration and enforcement of liquor, tobacco and marijuana laws.

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