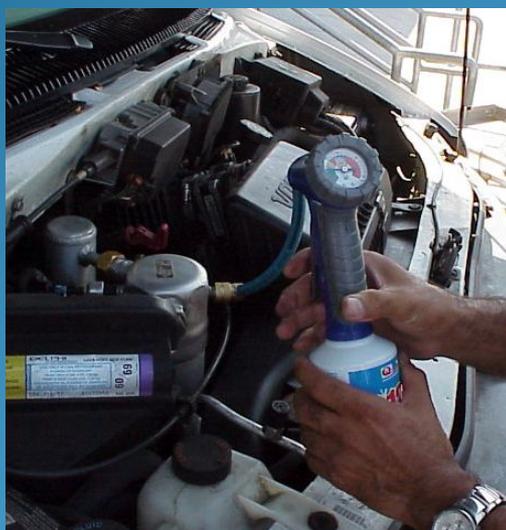


# Proposed Amendments to the Small Containers of Automotive Refrigerants Regulation



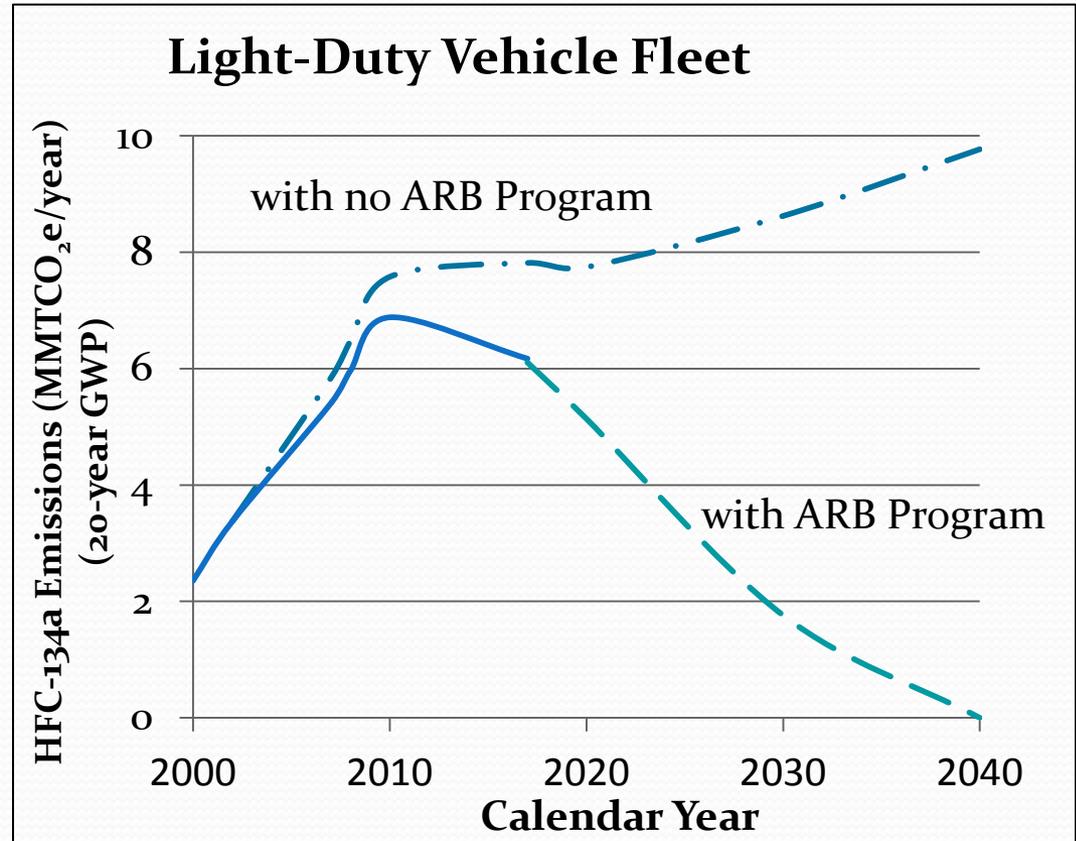
ARB Board Hearing, Sacramento, CA  
April 22, 2016

California Environmental Protection Agency  
 **Air Resources Board**

# Overall ARB Program for Automotive Refrigerants

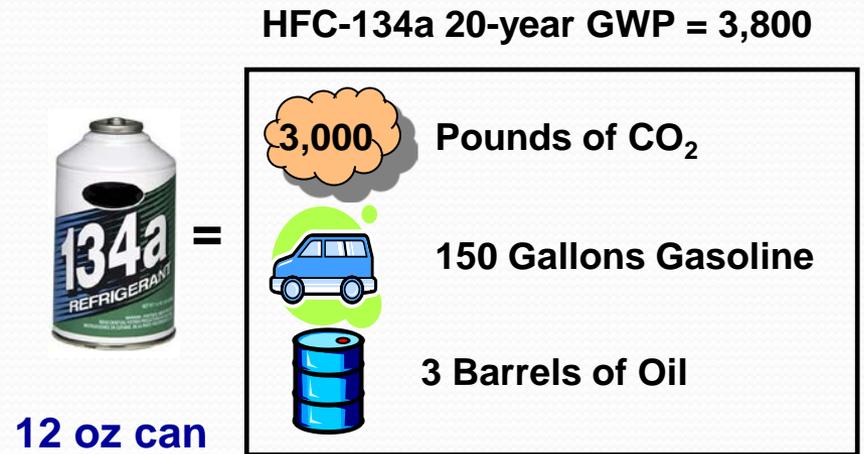
## Program elements:

- Low-leak, low-GWP, and more fuel-efficient AC systems for new vehicles
- Improved servicing requirements
- End-of-life recovery of refrigerants



Program elements are being adopted nationwide

# Small Containers of Automotive Refrigerant Used for Repairs



Containers used by do-it-yourself (DIY) mechanics to recharge motor vehicle air conditioning systems as a cheaper alternative to service by a professional

# Regulation Overview

- Successful program that has achieved greater emission reductions than projected
- U.S. EPA proposing nationwide program using same small container technology
- Amendments needed to add details to regulation's deposit and recycling provisions and refine other provisions

# AB 32 Discrete Early Action

- Adopted by the Board in 2009 to reduce HFC-134a emissions from DIY motor vehicle air conditioning servicing
- Goal of the measure is to reduce venting of unused refrigerant and recover remaining refrigerant
- Works in concert with tighter vehicle air conditioning systems

# Existing Regulatory Requirements



Self-sealing valve on all containers



Recycling program with a refundable deposit for used containers



Consumer education program



Container certification and labeling requirements



Annual reporting of container sales and returns

# Success at Reducing GHG Emissions

- Self-sealing valve allows multiple recharges
- Container sales dropped from 1.9 million in 2006 to 1.0-1.3 million after 2010
- Fewer containers needed means savings for consumers
- Reductions of 1.02 MMTCO<sub>2</sub>e/year (20-year GWP)
  - A 34<sup>0</sup>% greater reduction than estimated at the time of regulation adoption

# Effects of Container Improvements on Deposit and Recycling Program

- Deposit Program
  - 70% container return rate for \$10 deposit: target 95%
  - Retailers accruing unclaimed deposits of \$3.5M/year
  - Monies intended for the manufacturers to support enhanced consumer awareness efforts
- Recycling Program
  - 2-4% refrigerant recovery: expected 20%
  - Multiple ARB studies found proper handling by retailers and manufacturers
  - Keeps containers and refrigerant out of landfills

# Goals of the Proposed Amendments

- Preserve GHG reductions
- Maximize the refundable deposit return rate to the consumer
- Ensure unclaimed deposits are being used to the benefit of the consumer and the environment
- Divert more containers from household waste stream

# The Proposed Amendments

- Add details to the requirement for retailers to transfer future unclaimed consumer deposits to the manufacturers
- Expand the scope for spending the funds
  - Programs to reduce greenhouse gas emissions
  - Improve consumer awareness to increase return rate
  - Executive Officer approval required for expending funds
- Eliminate the deposit adjustment provision
- Add “Do Not Vent” on the label (English and Spanish)

# Economic Impacts

- One-time cost to the additional labeling requirement is estimated to be \$204,000 for the manufacturers
  - Each container sold in California would increase by \$0.04

# Regulatory Development Process

- Public workshop
- Numerous meetings with stakeholders individually and collectively
- Outreach
  - Government agencies (CalRecycle, DTSC, BAR, U.S. EPA)
  - Small container manufacturers
  - Retailers
  - Associations
    - Auto Care Association
    - Automotive Refrigerant Products Institute
    - California Product Stewardship Council

# Proposed 15-Day Changes

- Simplify the changes to the label
- Eliminate the one-year retailer sell-through period
  - Require new labeling on any containers shipped by manufacturers after December 31, 2017
- Modify the unclaimed deposit transfer requirements from quarterly to semiannual

# Moving Forward

- Establish working group for the management and spending of the unclaimed deposits
  - Improve container and deposit return rates
  - Focus benefits on low-income communities and consumers that purchase small containers
- Consider improvements and/or alternatives to deposit and recycling program

# Summary and Recommendation

- The proposed amendments will:
  - Preserve GHG reductions
  - Ensure unclaimed deposits are being used to the benefit of the consumers and the environment
  - Maximize the return rate
- Staff recommends adoption with the 15-day changes