



HEATING AIR-CONDITIONING REFRIGERATION DISTRIBUTORS INTERNATIONAL

445 Hutchinson Avenue
Suite 550
Columbus, OH 43235

March 19, 2018

Ms. Pamela Gupta
Manager
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Submitted electronically

RE: Heating, Air-conditioning, & Refrigeration Distributors International comments on the proposed regulation for the Prohibitions on Use of Certain Hydrofluorocarbons in Stationary Refrigeration and Foam End-Uses

Dear Ms. Gupta,

On behalf of Heating, Air-conditioning & Refrigeration Distributors International (HARDI) I write to offer comments on the Air Resources Board's (ARB) proposed regulation for the Prohibitions on Use of Certain Hydrofluorocarbons in Stationary Refrigeration and Foam End-Uses.

HARDI is a trade association comprised of nearly 1,000 member companies, nearly 500 of which are U.S.-based wholesale distribution companies. More than 80 percent of HARDI's distributor members are classified as small businesses that collectively employ over 35,000 U.S. workers, representing more than \$35 billion in annual sales and an estimated 80 percent of the U.S. wholesale distribution market of heating, ventilation, air-conditioning and refrigeration (HVACR) equipment, supplies, and controls.

HARDI supports a market based approach to phasing down the use of hydrofluorocarbons (HFC) and encourages our members and their customers to take a proactive approach in utilizing HFC replacement products that are currently available on the market. HARDI believes federal action

is the most effective way to reduce HFCs and currently supports movement by the federal government to regulate HFCs such as the American Innovation and Manufacturing Act (S. 2448). HARDI does not support a patchwork of state by state regulations on HFCs that would make it harder if not impossible for distributors to conduct business across state lines. The current proposed regulation being considered by ARB is not a market based phase-down, but rather a scheduled phase-out of HFCs using arbitrary timelines based on federal regulations that are no longer enforced. By approving this regulation, California consumers, contractors, wholesale distributors, and manufacturers will be required to follow a completely different set of rules than the rest of the country. HARDI does not oppose the proposed regulation because products exist to meet the requirements of the regulation, however we do suggest some modifications be made to improve the regulation to make the transition easier for consumers.

HARDI proposes three changes to the proposed rule:

- Switch from a timed phase-out to a market based phase-down
- Create a framework by which ARB can easily amend the regulation to match future federal regulations regarding an HFC phase-down
- Provide guidance on acceptable replacements for HFCs

Market based phase-down

The Kigali Amendment to the Montreal Protocol includes an internationally agreed upon market based phase-down of HFCs that can act as a guide for California to use. Phasing down the use of HFCs will solve several problems created by the current timed phase-out. Under the proposed regulation there is no guidance for the servicing of working equipment. If a refrigerated unit is currently using an HFC refrigerant and needs servicing, will that require the owner to replace all

of the refrigerant used in the unit and possibly the unit itself if not approved replacements can be used? If the unit has to be replaced instead of serviced it could cost the owner as much as \$254,000 according to ARB's own estimates. Even units installed just before the regulation goes into effect would no longer be able to be serviced even though the unit has a significant usable lifespan left. Moving to a market based phase-down would allow newer units to continue to operate, while it will become economically practical to replace older units with equipment designed to use HFC replacement refrigerants.

Match Federal Regulations

HARDI and other associations representing parts of the HVACR industry are urging Congress to pass the American Innovation and Manufacturing Act to give the Environmental Protection Agency (EPA) the authority to regulate the phase-down of HFCs using a market based approach. If the EPA is able to regulate HFCs at the federal level, HARDI encourages ARB to follow the federal phase-down to provide simplicity to the HVACR industry in complying with a single standard.

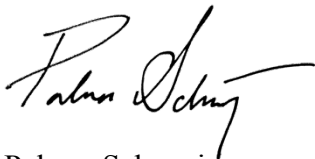
Acceptable HFC replacements

The proposed regulations do not contain guidance on acceptable HFC replacements. This creates uncertainty for distributors in California to know what replacement refrigerants are acceptable for sale in the state. The original SNAP-20 rule provided a list of acceptable alternatives, however those alternatives were left out of the ARB proposed regulation. ARB can easily allow alternatives approved by the EPA through SNAP to give guidance to distributors. Finalizing this regulation without clarifying what an acceptable replacement is will create uncertainty for distributors and customers.

Conclusion

HARDI appreciates the opportunity to comment on the proposed prohibition on the use of HFCs in California. HARDI encourages ARB to consider moving to a market based phase-down of HFCs, allow for the state to match future federal phase-down of HFCs, and to provide guidance on acceptable HFC replacements if the proposed regulation is finalized.

Best regards,

A handwritten signature in black ink, appearing to read "Palmer Schoening". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Palmer Schoening
Vice President of Government Affairs
Heating, Air-conditioning, & Refrigeration Distributors International