



May 2, 2016

Mr. Glenn Gallagher  
Air Pollution Specialist  
Research Division  
California Air Resources Board  
1001 "I" Street  
P.O. Box 2815  
Sacramento, California 95812

Dear Glenn:

May we offer the reality of the "life cycle" of equipment? The perspective we bring to the table is from the field, not a consultant, trade or environmental groups. We certainly respect the positions they advance. What typically happens in issues such as this is one link is left out.

There is no dispute that HCFC-22 air-conditioning units comprise the largest segment of residential, apartment and small commercial building markets. Many groups talk about a smooth transition but in reality the end result is anything but smooth, and to be frank there is so much going on now the word confusion takes on new meaning.

On the matter of the Low GWP Refrigerants and Naturals, it's great that they are being aggressively promoted. We would ask where is the equipment in the market today that these refrigerants run in? They certainly cannot be used in residential existing equipment.

There should not be planned obsolescence built into any action. While we all want a better environment this can happen with a well-structured program.

Our point is that after the 2009 Allowance Rule debacle, many contractors aggressively sought a HCFC Alternative if for no other reason than the run up in price on HCFC-22 until.

When the 2009 rule was promulgated the price of HCFC-22 was in the range of \$1.50 a pound or \$45.00 a cylinder. The industry saw the price of HCFC-22 rise to \$450.00 a cylinder by early 2013.

The DC Court of Appeals ruled that EPA had acted in an arbitrary and capricious manner in the rule, and thus remanded the 2009 rule to the Agency. The corrective action was not published in the Federal Register until April 3, 2013.



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It did not take long for the price of HCFC-22 to fall to 2009 levels. If you recall New Era attempted to make EPA take steps to give clarity to the stockpiles of HCFC-22.

The reason we ask you to consider these events is that during the build up in price the interested parties, from United States Producers, Refrigerant Wholesalers and HVAC Service Companies began the push for a lower cost substitute for the higher cost HCFC-22.

The current Anti-Dumping Case is moving through the Department of Commerce and supports this assertion. HFC Blends from the Peoples Republic of China sold in the United States for less than fair market value. (A-570-028)

We strongly suggest that ARB apply an effects test to this matter.

New Era suggests that the consideration for a sales restriction on High GWP Refrigerants should be eliminated from this current action. ARB should adopt a sales and use restriction on **new equipment** much like Europe and EPA.

Our justification for this is that there is more than 10 years that substitutes for Class II Ozone Depleting Substances have been used in the United States, in the large installed base of machines.

Within the context of this issue there appears to be two camps. Those that are attempting to provide service in a fair and equitable manner and those that simply would choose to condemn equipment for profits on the backs of vulnerable uninformed homeowners.

The concept of a sales restriction would effectively a) prey on a public that is totally uninformed on the issue of refrigerants and end of life equipment, b) open the door for service companies to make more wind-fall profits, and c) would further increase an already out of control practice of cross contaminating the refrigerants.

This is the first time that actions such as this have been considered where there is no Phase-out date agreed on either in the United States or the United Nations.

While it is certainly wise to encourage replacement of equipment, the train has left the station and the use of alternatives is a fact of life. Homeowners change out equipment out of necessity.



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ARB should not provide sales and marketing tools to sellers over the interest of the general public.

EPA, because and through their direct involvement with the Montreal Protocol, misses a critical fact that the composition and use of comfort cooling in Europe is vastly different than the United States.

In the recent Small Business Roundtable sponsored by SBA, there was discussion about a joint effort to set up a common website to better educate the public. There is nothing mentioned about this agreement in this proposed action. It might be helpful to advance that concept.

It seems that the California Legislature has appropriated \$20,000,000.00 to help defray the burden on residents associated with air-conditioning; here again we strongly suggest that these funds be used to increase monitoring of this issue.

ARB has the chance to lead in responsible logical steps to protect the customer base in California. Questions that can help the decision making are a) what refrigerants are being used? b) what alternatives are being used? c) where are they being used? Containment is paramount!

As the processes move forward and the language is set, consider the position the many residents of California are put in. This should not be an issue that opens the door to create an environment where uninformed and innocent residents are put into the hands of companies who are motivated by corporate greed.

Thank you in advance.

A handwritten signature in black ink, appearing to be "P. Williams".

Peter Williams

A handwritten signature in purple ink, appearing to be "Kenneth M. Ponder".

Kenneth M. Ponder