

Air Resources Board  
California Environmental Protection Agency  
1001 I Street, PO Box 2815  
Sacramento, CA 95812



November 13, 2018

## **EIA Comments on Discussion Item 18-9-7**

### **Priority Investments to Reduce GHG Emissions under the Third Three-Year Investment Plan: Low-GWP Refrigerant Incentive Program**

The Environmental investigation Agency (EIA) is an independent non-profit environmental organization dedicated to identifying and implementing solutions to the world's most pressing environmental problems.

EIA appreciates this opportunity to submit a comment in strong support of establishing an incentive program under the GGRF to reduce emissions of hydrofluorocarbons (HFCs), potent greenhouse gases predominantly used in refrigeration and air-conditioning. EIA, along with the North American Sustainable Refrigeration Council, and a number of stakeholders in the commercial refrigeration sector, including both major manufacturers and end users, has submitted a letter to ARB and Governor Brown supporting and calling for prioritization of funding to establish this program.

As the revised draft Third Investment Plan acknowledges, California recently passed SB 1013 to establish a fluorinated greenhouse gas emission reduction incentive program to be administered by the Air Resources Board (ARB).<sup>1</sup> Incentives for low-GWP refrigerants were also previously identified in the Second Three-Year Investment Plan as a key area for investment of funds needed to assist with achieving the 2030 emission reduction goals under California's Short-Lived Climate Pollutant (SLCP) Reduction Strategy approved in March 2017.<sup>2</sup>

An incentive program for low-GWP refrigerant technologies will help reduce HFC emissions by encouraging early adoption of energy efficient low-global warming potential (GWP) replacement technologies that are commercially available, but face market hurdles to widespread adoption. An incentive program can help overcome the challenge posed by higher upfront costs of new low-GWP systems and encourage end users, such as supermarkets, to replace aging less-energy efficient HFC systems that have high leak rates with more energy efficient low-GWP systems, rather than continuing to use them past the end of their intended lifecycles. This incentive program also has potential to enhance emission reductions by ensuring proper recovery,

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<sup>1</sup> SB 1013-Fluorinated Refrigerants, available at:

[https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill\\_id=201720180SB1013](https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201720180SB1013)

<sup>2</sup> See Page 17, Updated final Second Three-Year Investment Plan for Fiscal Years 2016-17 through 2018-19

<https://www.arb.ca.gov/cc/capandtrade/auctionproceeds/16-17-updated-final-second-investment-planii.pdf>

reclamation, and destruction of high-GWP HFCs removed from old refrigeration systems being replaced.

In addition to helping achieve the goals of SB 1383 for a 40% reduction in HFC emissions by 2030, low-GWP refrigerant incentives can support the state's energy efficiency goals under SB 350 by encouraging end users to purchase systems using low-GWP refrigerants that are designed to enhance energy efficiency. An incentive program can be structured to prioritize projects that provide significant energy efficiency co-benefits.

EIA urges the Air Resources Board to prioritize GGRF investment in the SB 1013 fluorinated greenhouse gas reduction incentive program to reduce HFC emissions by increasing early adoption of energy efficient low-GWP systems, and identifying opportunities to reduce end of life emissions through recovery, reclamation and destruction. We look forward to working with ARB staff and other stakeholders to provide additional feedback in designing the program to maximize both HFC emission reductions and energy efficiency benefits that can be achieved through this program. Thank you for consideration of these comments.

Sincerely,

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