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April 12, 2016

Air Resources Board

P.O. Box 2815

Sacramento, CA 95812

**RE: Comments on the Proposed SLCP Reduction Strategy**

I am the owner and builder of Skatetown Ice Arena in Roseville.

If we are forced to replace our R22 refrigeration plants, we and other ice arenas in the State of California will likely be forced out of business.

I understand the need to ban the use of R22. Just realize that if you do so, and you don’t take appropriate steps, that you will be essentially wiping out ice related sports in California by putting Ice Arenas out of business.

I am writing to urge you:

* Not to approve the proposed ban on the sale of R22 in the State of California
* Not to force us to replace our refrigeration plants
* If you do force us to replace our refrigeration plants through approval of the SLCP Reduction Strategy, please provide us with significant financial assistance in the form of grants and low interest loans so we can stay in business.

Previous to building Skatetown, I was a commercial/industrial mechanical contractor for 20 years. My contractor’s license (currently inactive) includes C4, C10, C20, C36 and C38 refrigeration classifications.

I have worked with California Air Resources Board staff on the refrigerant management program over the past several years. I can be seen on the ARB’s website video about the Refrigerant Management Program. <https://www.youtube.com/watch?v=5P_0K3CCsic&feature=youtu.be>

Due to my mechanical contracting and energy management background, I have been a consultant to our industry on energy management strategies, new facility construction design, and new ice arena feasibility.

We are considered one of the top operators in our industry.

I built our facility new in 1997 and selected an R22 plant as it was our only option. An ammonia plant was not allowed by our Fire Marshall due to our proximity to high density housing.

We selected an industrial grade plant that had an expected life of 30-50 years and we paid a significant premium for this type of plant compared to the “commercial grade” plants. Our business model did not anticipate replacing our plant after 18 years of operation nor do we have the financial ability to replace the plant. I believe that the Draft Environmental Analysis inaccurately indicates that plants like ours only have a life of 20 years, especially since there are numerous ice arena plants in operation that are 40 years old or older.

When I built Skatetown, I knew R22 was being phased out but I felt that if we bought a high quality plant and maintained it properly that we would be able to operate it for its expected life. I never anticipated that we would not be able to buy new R22.

There are no viable options for us at this time to replace our R22 plant.

We cannot retrofit our plant to use a different refrigerant. The Draft Environmental Analysis seems to imply that we can put in a different refrigerant and that is not the case with our plant.

If we can get our Fire Marshal to approve a low charge ammonia plant, we can’t fit a currently available low charge ammonia plant into our mechanical room. We have been waiting a year for a low charge ammonia plant to be custom designed to fit in our mechanical room, but it appears that they are not able to come up with a design that will work.

A new CO2 plant is too new and experimental and it won’t fit in our mechanical room. If I were able to get a new CO2 plant to fit into our mechanical room, I am unwilling to take a chance on investing in a new C02 plant as I am not confident that it will work long term.

A new plant, if we were able to get one designed that will fit in our mechanical room, will cost approximately $1,000,000 installed.

If we were able to retrofit our facility so that a larger plant could fit, the cost of the retrofit could increase by 50%. This cost does not include the additional lost income that we would incur from being closed down for the added time it would take to retrofit our facility.

Our plant is in very good condition and does not have significant leaks. It will leak a small amount of R22 each year as these plants were not designed to be leak free.

We have enough spare R22 on site to replace a full charge if we have a catastrophic leak.

If we have a catastrophic leak in our current plant; which can happen to anyone even if their plant is well maintained, we use our inventory of R22 and if we can’t buy R22 at a viable price to replace the normal leaks our plant has, we would be out of business. Limiting us to buying only recycled R22 will likely drive the price of R22 to extreme levels.

Given the proposed ban of R22, I plan to buy a lot more R22 now, so I’m not sure that banning the sale of R22 will accomplish much.

Our industry is facing very difficult times with many ice arenas across the nation closing at an alarming rate.

Our business future is in question due to the new minimum wage law, as payroll is our single largest expense and labor costs will be increasing 50%. We project that our labor costs will increase by approximately $750,000 annually once minimum wage reaches $15 per hour. We cannot absorb this massive increase in labor costs without changing our business model and increasing our prices.

Recently we have incurred other significant operational cost increases; which when added to the increase in minimum wage, makes our future in question. Other cost increases include:

* Our industry has had to change the status of our hockey and skating instructors from Independent Contractors to employees; which has radically increased out costs.
* The new Sick Pay laws have significantly increased our costs.
* We have had to change our salaried employees to hourly due to recent changes in who qualifies as “exempt”.
* We are on the verge of being considered a “large employer” according to the Affordable Care Act; which will add significant costs for covering more employees with Health Care or paying the penalty for not providing Health Care coverage.

We plan to raise our prices to offset the increasing labor costs starting next year but we don’t believe that our customers will be willing to pay what we have to charge for our services and that as a result, sales will decline to the point that we cannot pay our bills.

Again, I urge you to:

* Not to approve the proposed ban on the sale of R22 in the State of California
* Not to force us to replace our refrigeration plants
* If you do force us to replace our refrigeration plants through approval of the EA, please provide us with significant financial assistance in the form of grants and low interest loans so we can stay in business.

I am happy to answer any questions that you may have,

Sincerely,

Scott Slavensky

President/General Manager

Skatetown Ice Arena

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