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May 28, 2021

Elizabeth Scheele  
Glenn Gallagher  
F-gas Reduction Strategy Section  
California Air Resources Board  
1001 I Street, Sacramento, California 95814

**Re: Proposed Amendments to California's HFC Regulation**

Dear Ms. Scheele and Mr. Gallagher:

Rheem Manufacturing Company (Rheem) appreciates the opportunity to provide feedback on the *Proposed Amendments to the Prohibitions on Use of Certain Hydrofluorocarbons (HFCs) in Stationary Refrigeration, Chillers, Aerosols-Propellants, and Foam End-Uses Regulation*, published on May 13, 2021 for 15-day comment.

Rheem is headquartered in Atlanta, Georgia and operates multiple facilities for the manufacture or support of one of the most comprehensive lines in the U.S. of residential and commercial air conditioners and heat pumps with nationwide distribution through various channels. Rheem manufactures heat pump water heaters and heat pump pool heaters, with many under the Raypak® brand, through its Water Heating Division. Rheem also designs, manufactures, and markets energy-efficient commercial and industrial refrigeration equipment and system solutions via its Heat Transfer Products Group (HTPG).

We appreciate the long journey of this rule development and the continued dialogue with CARB staff along the way, during which time there have been significant legislative developments at a federal level that will achieve many of the same climate objectives of the CARB HFC regulation. In the spirit of swift and sensible transition to a low-global warming potential future, we offer the following comments.

Rheem supports the following in the 15-day language relative to the Refrigerant Recovery, Reclaim, and Reuse Requirements (R4 Program):

- **Maintaining the 10% reclaim use requirement using 2018-2019 baseline years.** Rheem agrees that the scope of the 10% reclaim obligation should be no greater than actual use of refrigerant by the OEM and appreciates the certainty that a 2018-2019 baseline affords.
- **The permission to use reclaim sourced from outside of the state of California.** As there is not enough supply of reclaimed R-410A within the state of California now, nor projected to be available in 2023, to supply the demand from new AC equipment, the expanded sourcing is the only option for program viability.
- **Manufacturer use of reclaim for new equipment or service deemed acceptable.** While mandatory reclaim use is better directed toward the service and installer community for maximum environmental benefit, the concession to allow OEMs to use reclaim for service, in addition to use in new equipment, does provide greater flexibility than use in new equipment alone. Rheem assumes that providing



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reclaimed refrigerant to a wholesaler or distributor who then provides to an installer would satisfy the reclaim use requirement.

- **The use of reclaim is not limited to equipment destined for the state of California.** Rheem appreciates the elimination of restrictions on destination of equipment containing reclaimed refrigerant, as a California-only designation would add significant supply chain, transportation, and inventory costs.

Rheem suggests further refinement of the amendments as follows:

- **Rheem recommends requiring OEMs to simply purchase or take ownership of reclaimed refrigerant.** Requiring that manufacturers maintain records of reclaim use in new equipment or service is more complicated than necessary. CARB would achieve a straightforward compliance metric by simply tracking OEM acquisition of the reclaimed refrigerant.
- **The recordkeeping requirement of *number and type of units with reclaimed refrigerant sold reported by customer, in addition to receipts, purchase order, contracts, and agreements* is burdensome and presents confidentiality concerns.** As refrigerant is sourced by manufacturers in bulk, added to bulk storage tanks and used in large manufacturing lines, it is challenging to track individual units containing reclaim. Compliance can be easily ensured by tracking OEM acquisition of reclaimed refrigerant, and any further reporting of reclaim destination does little to verify program compliance or effectiveness. Furthermore, the contracts and customer sales information associated with reclaim use is considered confidential business information that would result in competitive risk if made public.
- **The requirement that manufacturers attest that *the certified reclaimed refrigerant is not being purchased, used, or counted to comply with any other government requirement(s), private or voluntary program(s), or any other credit(s) or incentive(s)* is overreaching and could be counter to long-term program objectives.** As local and federal programs evolve to promote responsible refrigerant handling and recovery, manufacturers should not be limited in participating where beneficial to market adoption.

Rheem recommends that CARB continue to consider the practical feedback of manufacturers in order to bring about a reasonable and enforceable program. We reiterate our appreciation of the collaboration to date and look forward to working together on the remaining steps of the rulemaking process. If you have any questions regarding this submission, please do not hesitate to contact me at [allison.skidd@rheem.com](mailto:allison.skidd@rheem.com).

Sincerely,

A handwritten signature in black ink that reads "Allison J. Skidd". The signature is fluid and cursive, written in a professional style.

Allison J. Skidd  
Sr. Manager, Global Regulatory Affairs – Air  
Rheem Manufacturing Company

CC: Karen Meyers

