

Tuesday, 24 August 2021

## **EPEE Discussion Paper on the UK F-Gas Regulation review**

EPEE, representing the Refrigeration, Air-Conditioning and Heat Pump (RACHP) Industry in Europe, would like to thank the Department for Environment, Food and Rural Affairs (DEFRA) for the invitation to contribute to the review of the F-Gas Regulation as a member of the sector-specific stakeholder group on RACHPs. This paper provides EPEE's initial comments on the 6 **"Policy options to discuss"** which DEFRA presented during the Stakeholder Workshop on 4 August 2021.

### **1) Increased ambition of the HFC phase-down - is faster action to the phasedown of HFCs possible and/or needed?**

EPEE fully supports the need to reduce F-Gas emissions. HFC emissions in the RACHP sector represent 2.1% of the total greenhouse gas emissions in Europe according to figures from the European Environmental Agency, which also indicate the success of the current ambitious HFC phase-down: since the entry into force of the current F-Gas Regulation in 2014, emissions have started to decline considerably despite a growing RACHP market.<sup>1</sup>

EPEE re-iterates its strong support for the current HFC phase-down of the existing F-Gas Regulation. An HFC phase-down remains the strongest and most successful instrument to achieve the highest total greenhouse gas emission reductions.

EPEE is currently conducting a modelling exercise for the EU plus UK on HFC demand projections for 2030 and beyond. Crucially, these projections will include the needed uptake of RACHP equipment in order to fulfil the ambitious objectives of the EU and the UK to decarbonise the energy system. Taking into account preliminary results of these modelling projections, EPEE recommends not to increase the ambition level for the HFC phase down of the current F-Gas Regulation. EPEE will be happy to share and discuss the projections with DEFRA, which should be available in the coming months.

### **2) Bans – have current bans worked? Are any new bans needed?**

EPEE considers that the HFC phase-down system, in which producers and importers are allocated gradually decreasing quotas of HFCs, provides the flexibility and predictability needed for industry to deliver the most energy efficient, safe, and affordable solutions to achieve carbon neutrality by 2050.

In contrast, bans of specific HFCs in specific applications risk pre-imposing technologies and therefore paralyzing innovation and market forces.

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<sup>1</sup> Source : [Annual European Union greenhouse gas inventory 1990–2019 and inventory report 2021 — European Environment Agency \(europa.eu\)](https://www.eea.europa.eu/en/press-releases/2021/08/08)

### **3) Containment – what could be done to strengthen leakage prevention? What more could be done to strengthen and encourage end-of-life containment?**

Leakage control and record keeping have rightly been key pillars of the F-Gas Regulation since 2006. If properly used, refrigerants will remain in the equipment and not leak into the atmosphere. The F-Gas Regulation has helped to effectively contain such leakage, but more can be done.

Despite the mandatory keeping of logbooks, there is still a lack of availability of fact-based data regarding leakage rates and recovery rates. Considering that leakage control has the triple benefit of reducing emissions, ensuring safety and maintaining energy efficiency, it is of key importance to better understand this important pillar of the F-Gas. EPEE fully supports the use of the electronic logbooks, which have already shown a positive impact in some EU Member States. EPEE believes that a Europe-wide overview using electronic databases will be essential to support science-based policymaking. Including the UK in this overview would further improve the value of this exercise.

### **4) Training and Certification**

With the introduction of the HFC phase-down and the need to transition to lower GWP refrigerants, it has become increasingly important for installers and service technicians to be able to safely and efficiently handle flammable, high-pressure and toxic refrigerants, whether they are fluorinated or non-fluorinated gases. A uniform level of competence at EU level, as well as sufficient training opportunities and information at national level are essential to achieve this goal. To this end, EPEE calls for the establishment of a minimum level of competence and to provide for a certification of technicians which are extended to all refrigerants.

### **5) Loopholes – What Loopholes have you experienced in the current regulations? Could provisions on illegal trade be strengthened?**

Penalties for infringements of the Regulation must be effective, proportionate and dissuasive. To ensure proper enforcement of the F-Gas Regulation, stringent and dissuasive penalty schemes are a key factor for success.

EPEE calls for introducing minimum penalties for non-compliance with the F-Gas Regulation provisions.

### **6) Trade with EU27 and NI - has IPR provided a solution to trade with the EU27 and NI?**

While a partial exemption of exports is currently possible by using the Inward Processing Relief (IPR) procedure, IPR presents certain limitations concerning its application.



The EU and the UK should mutually exempt respective exports of pre-charged equipment from the HFC phase-down quota.

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## About EPEE

The European Partnership for Energy and the Environment (EPEE) represents the Refrigeration, Air-Conditioning and Heat Pump Industry in Europe. Founded in the year 2000, EPEE's membership is composed of over 50 member companies as well as national and international associations from three continents (Europe, North America, Asia). With manufacturing sites and research and development facilities across the EU, which innovate for the global market, EPEE member companies realize a turnover of over 30 billion Euros, employ more than 200,000 people in Europe and also create indirect employment through a vast network of small and medium-sized enterprises such as contractors who install, service and maintain equipment. Please visit our website [www.epeeglobal.org](http://www.epeeglobal.org) and [www.countoncooling.eu](http://www.countoncooling.eu) for information about our sustainable cooling campaign.