

Brussels, Wednesday, 23 December 2020

EPEE comments on the Public Consultation about the evaluation and impact assessment of the F- gas Regulation

EPEE, representing the refrigeration, air-conditioning and heat pump industry, would like to thank the European Commission (EC) for the opportunity to provide feedback to the public consultation on the F-Gas Regulation. This paper, including its annex, provides additional comments on the EC's proposed policy options, complementing EPEE's answers to the public consultation.

1. The context of the EU F-Gas Regulation's review

The review of the F-Gas Regulation takes place in the wider context of the European Green Deal and Climate law which sets out to achieve carbon neutrality by 2050 and a 55% reduction of greenhouse gas emissions (GHG) by 2030.

More specifically, Article 21.2 of the F-Gas Regulation stipulates that the following aspects need to be assessed:

- the demand for HFCs up to and beyond 2030
- the need for further action in light of international commitments related to F-Gas emissions
- European and international standards, safety and building codes
- the availability of technically feasible, cost-effective and energy efficient alternatives to products and equipment not listed in Annex III

In light of the above, it seems useful to start off by assessing the effectiveness of the existing F-Gas Regulation and how it is expected to contribute to the EU's GHG emission reduction target, before looking more in detail into the aspects mentioned under Article 21.2 and the policy options as laid out in Part 3 of the EC's public consultation.

2. The contribution of the EU F-Gas Regulation to achieving the EU's GHG emission reduction targets in line with the European Green Deal and Climate Law

According to the latest report of the EEA¹, F-Gas emissions in the EU have started to decline since peaking in 2014, achieving an emission reduction of 11% in 2018 compared to 2014. This is the highest relative emission reduction of all non-CO₂ greenhouse gases in Europe, such as N₂O, CH₄. By 2030, it is expected that the EU Regulation on F-Gases will cut emissions by two thirds compared with 2014 levels. From a broader perspective, F-Gases contributed to less than 2.5% to the total greenhouse gas emissions in Europe in 2018, whereas the highest share is related to CO₂ emitted from energy production and consumption and agriculture/land use.²

¹ EEA Report 15/2020: [Fluorinated greenhouse gases 2020](#)

² National greenhouse gas inventories

EPEE therefore strongly supports the existing F-Gas Regulation as an important and meaningful contribution to the EU's Green Deal climate objectives and considers that the ambition level of the F-Gas Regulation is fully in line with the EU Green Deal objectives.

However, EPEE emphasizes that more needs to be done on energy production and consumption and other important sectors in order to further accelerate the reduction of CO₂ emissions. In this context, EPEE welcomes overarching initiatives such as the Energy System Integration Strategy and the Renovation Wave, as well as the review of relevant EU legislation such as the Energy Efficiency Directive, the Renewable Energies Directive and the Energy Performance of Buildings Directive. Furthermore, EPEE points out that the F-Gas Regulation's provisions should never be in contradiction to energy related policy measures but rather complement them with a view to contributing to the energy transition.

3. The review of the EU F-Gas Regulation based on Article 21.2

The aspects under article 21.2 need to be placed in the context of the EU's climate ambitions as the overall objective of the F-Gas Regulation is to reduce greenhouse gas emissions. As explained above, the ambition level of the EU F-Gas Regulation is in line with the EU's climate objectives in EPEE's view. However, the review provides an excellent opportunity to ensure that this ambition level is fully translated into reality. It is under this angle, that the different aspects of Article 21.2 need to be assessed.

a) The demand for HFCs up to and beyond 2030

The EEA report concludes that progress on the HFC consumption phase-down is fully in line with the F-Gas Regulation: "For HFCs, the reduction compared with the previous year was stronger than for total F-Gases: the 2019 HFC supply in tonnes was 20 % below 2018 (22 % below 2018 in CO₂e), caused by a reduction in HFC demand from EU industries moving to alternatives with low global warming potential (GWP)".

- ⇒ The F-Gas Regulation is fully on track
- ⇒ Vigilance about illegal imports as well as harmonised implementation and enforcement activities, including at customs level and via more stringent penalty schemes, remain a top priority to ensure ongoing success
- ⇒ Further assessment is needed related to expectations beyond 2030 to remain in line with the Kigali Amendment

b) The need for further action in light of international commitments related to F-Gas emissions

According to the EEA report, "for 2019, the first compliance year of the HFC phase-down under the Montreal Protocol, the HFC consumption of the EU-28 amounts to only 45 % of the permitted amount." Given this significant advance by the EU, it is realistic to expect that commitments under the Montreal Protocol will be respected at least until 2030.

- ⇒ More analysis will be required to reflect the differences between the EU F-Gas Regulation and the Kigali Amendment, e.g. related to the scope, baseline and pre-charged equipment
- ⇒ No further action is necessary until 2030

⇒ Further assessment is needed beyond 2030

c) European and international standards, safety and building codes

It is important to distinguish between standards and building codes.

Safety standards are important references and are often used as practical guidance, a code of good practice or, if it is a harmonized standard, as a method to facilitate and demonstrate compliance with legislation. Even if they are not binding, an understanding of safety standards is highly recommended. Relevant standards have been updated recently and can facilitate the uptake of flammable/toxic gases. On the other hand, building codes are mandatory and enshrined in national, regional and sometimes even local rules, often related to fire safety but also to other issues such as access to buildings, health, etc.

⇒ Work on standards is already well underway

⇒ On building codes, the situation is more problematic. For example, CH35 and GH37 in France still restrict the use of flammable refrigerants more than in other Member States. More harmonisation and adaptation is still required at EU level.

⇒ Besides the safety during the use phase, there are many other safety requirements that need to be taken into account, e.g. during manufacturing, transport, warehousing, installation, servicing, end of life treatment. Such circumstances may still lead to requirements for less flammable or toxic refrigerant solutions.

In any case, even when standards and legislations are updated, there will always be local circumstances where safety requirements lead to a limitation on the choice of refrigerants.

d) Availability of technically feasible, cost-effective and energy efficient alternatives to products and equipment not listed in Annex III

This point requires more in-depth analysis by the consultants and the EC in order to produce scientific evidence on the question of performance of alternative products, considering the whole life cycle aspects and the specific market conditions in Europe. EPEE would like to take this opportunity to refer to the [EPEE / JBCE position paper](#) that was submitted earlier this year and addresses the question of alternatives for split air-conditioning systems.

⇒ EPEE stands ready to cooperate with the EC and the consultants to provide information based on EPEE's modelling work.

4. Specialised views on policy options

The policy options proposed by the EC under Part 3 of the public consultation need to be seen in context of the previously mentioned points and answers have already been given in that respect.

All of the proposed options under Part 3 would have a significant effect, and in all cases, the impact will depend on harmonised implementation and stringent enforcement. More in-depth analysis will be required particularly for all expectations beyond 2030 and for all considerations concerning Annex III.

Any proposals must be based on thorough assessment and scientific evidence. They must be driven by the “better regulation principle” and by increasing the EU's competitiveness and trade. There is, however, no need to further raise the regulatory ambition based on the European Green Deal, since

the F-Gas Regulation is already well in line and probably already one of the most successful measures in that respect.

ANNEX:

[EPEE feedback on EU F-Gas Regulation Inception Impact Assessment](#)

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 and www.countoncooling.eu for information about our sustainable cooling campaign.