THE F-GAS REVIEW
INDUSTRY COMMENTS ON THE BAN ON PRE-CHARGING OF EQUIPMENT

EHI, EHPA, EPEE and EUROVENT, representing the heating, ventilation, air-conditioning, refrigeration, and heat pump industries fully share the Commission’s objective to ensure that the integrity of the phase-down mechanism is protected. Indeed there should be no loophole that could negatively impact the main aim of the F-Gas Regulation which is to reduce the climate impact of F-Gases.

I- COMMISSION PROPOSAL FOR A BAN ON PRE-CHARGING OF EQUIPMENT (Article 12)

1. From [dd/mm/yyyy] [insert date 3 years after entry into force of this regulation], refrigeration, air-conditioning and heat pump equipment shall not be charged with hydrofluorocarbons before it is placed on the market or before it is made available to the end-user for its first installation. The equipment shall be charged where it is intended to be used, by persons certified in accordance with Article 8.
2. Paragraph 1 shall not apply to hermetically sealed equipment or to equipment that contains a quantity of hydrofluorocarbons corresponding to less than 2 % of the equipment’s foreseen maximum capacity.

To avoid jeopardizing the principle of a phase-down, refrigerant quantities contained in imported equipment need to be considered. Otherwise a situation would arise where equipment would be filled without restrictions outside the EU and then imported into the EU thus not falling under the phase-down. The phase-down as such needs to apply to all types of equipment imported into the EU, whether it is refrigeration and air-conditioning equipment for stationary and transport use, heat pumps, foams, medical inhalers, etc.

However, a ban on pre-charging of certain equipment is disproportionate, counter-productive and does not ensure the integrity of a phase-down in the most effective way. Our industry associations therefore call for deleting Article 12 and replacing it by the following solution.

II- PROPOSED SOLUTION: Open up the HFC quota system to importers of pre-charged equipment

1. Revise the “de minimis” threshold for reporting (Article 17.3.)
   ⇒ Reducing the threshold for reporting provides a full understanding of the market and a reliable basis for subsequent quota setting.
   • Set the threshold generally at 1,000 tonnes of CO2-equivalent instead of 10,000 tonnes.
   • Start with reporting duties on 1st January 2015.

2. Open up the quota system to importers of products containing HFCs (Article 13 and 14)
   ⇒ By applying for a quota, importers of pre-charged equipment will automatically become part of the phase-down scheme. Otherwise “hermetically sealed equipment” could be used to avoid regulation and thereby damage the phase-down mechanism.
   • Introduce the “de minimis” threshold of 1,000 tonnes of CO2-equivalent for importers to apply for quota allocation, in line with the “de minimis” threshold for bulk HFCs.
   • Open up quota allocation for importers of pre-charged equipment from 2018 based on reported data. The time lag of three years between the start of reporting and the quota system will provide time to raise awareness and to allow the Commission to adapt to the new system, check the reported data against the baseline and make amendments if required.
3. Allow imports of equipment that is not pre-charged
   Importers who do not want to become part of the quota allocation system will still have the option to import equipment that is not pre-charged into the EU. This will ensure the integrity of the phase-down, as the refrigerant they will use to fill their equipment will be part of the EU phase-down.
   • Equipment with a refrigerant holding charge of 5% or less is to be considered as non-pre-charged equipment as such holding charge is technically required to keep moisture and pollution out of the system.

4. Discount exported HFCs contained in pre-charged equipment in the quota system
   Manufacturers who will export their pre-charged products should receive a credit for the non-used quota which they can either use against their import quota or trade with other undertakings. This will ensure the competitiveness of EU manufacturers on non-EU markets.
   • Excluding exported pre-charged products is a logical consequence as they are not in the scope of the EU’s low carbon roadmap.
   • This is also in line with the principle for export of bulk HFCs (listed in Annex V of the Commission proposal).

5. Ensure that the baseline of the phase-down is correct
   A reserve will be required for the quota to be allocated to importers of pre-charged equipment. This can only be ensured if HFCs imported in pre-charged equipment are included in the baseline.
   • The baseline needs to include imports of HFCs in pre-charged equipment which typically account for 15% of the market at present (*add SKM footnote)
   • The reporting of pre-charged equipment starting in 2015 will provide a reliable basis for the subsequent setting of the quota three years later. It will allow the Commission to check the reported data against the baseline and make amendments if required.

6. Prohibit the promotion and placing on the market of “do-it-yourself” equipment
   Although the existing F-Gas Regulation already requires installation by certified personnel only, certain types of equipment are sometimes sold as “do-it-yourself” installations. Such situation needs to be avoided as it would lead to an increase of emissions.
   • Introduce a prohibition under Annex III for promoting or placing on the market of equipment as “do-it-yourself installation”.

To read the initial comments explaining why industry associations are concerned by the ban on pre-charging of equipment, please click here.

Should you wish to discuss this proposal in more detail, please contact the EPEE Secretariat on secretariat@epeeglobal.org, who would be happy to organise a joint meeting with the signing associations EHI, EHPA, EPEE and EUROVENT.
• About EHI: The Association of the European Heating Industry, represents and promotes the common interests of 35 market leading company members in the European heating sector, which produce advanced technologies for heating in buildings, including: space heaters (boilers, electric and fuel driven heat pumps, micro-cogeneration), heating controls and components, heat storage and heat emitters (radiators, surface heating and cooling systems), renewable energy systems (solar thermal, geothermal, biomass). In addition, members comprise 13 national industry associations from the EU Member States, Liechtenstein and Switzerland. The industry invests massively in research and development in order to create technically advanced, safe and energy efficient heating systems.

• About EHPA: The European Heat Pump Association (EHPA) was established in the year 2000 to promote awareness and proper deployment of heat pump technology in the European market place for residential, commercial and industrial applications. EHPA today has 91 members representing the majority of actors in the European Heat Pump Industry. The association aims to provide technical and economic input to European, national and local authorities in legislative, regulatory and energy efficiency matters. All activities are aimed at overcoming market barriers and dissemination of information in order to speed up market development of heat pumps for heating, cooling and hot water production. It is the declared aim of the association to make heat pumps a core technology in the development towards a more energy efficient, RES based, sustainable energy system. www.ehpa.org.

• 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 40 member companies and national associations across Europe realising a turnover of over 30 billion Euros and employing more than 200,000 people in Europe. As an expert association, EPEE is supporting safe, environmentally and economically viable technologies with the objective of promoting a better understanding of the sector in the EU and contributing to the development of effective European policies. For more information please visit: www.epeeglobal.org.

• About EUROVENT: The European Committee of Air Handling and Refrigeration (Eurovent) is the representative of the European refrigeration, air conditioning, air handling, heating and ventilation industry and represents trade associations from European and non-European countries. Eurovent represents over 1,000 companies in 14 European countries, employing 150,000 employees who jointly generate more than € 25 billion of annual output. Eurovent was initially founded in 1958 and has been functioning under its current name since 1964. Eurovent has become over the years a well-known and respected stakeholder in all industry related matters and, in particular, in climate change and energy efficiency. For more information please visit: www.eurovent-association.eu.