

The AIM Act: Managing HFCs & Substitutes

Stakeholder Meeting

November 9, 2022

Agenda

- Welcome
- Opening Remarks
- Overview of the AIM Act
- Subsection (h) Overview
- Reclamation Background
- Discussion

Welcome

Cindy Newberg

Director, Stratospheric Protection Division

Opening Remarks

Chris Grundler

Director, Office of Atmospheric Protection

Overview

Chenise Farquharson
Stratospheric Protection Division

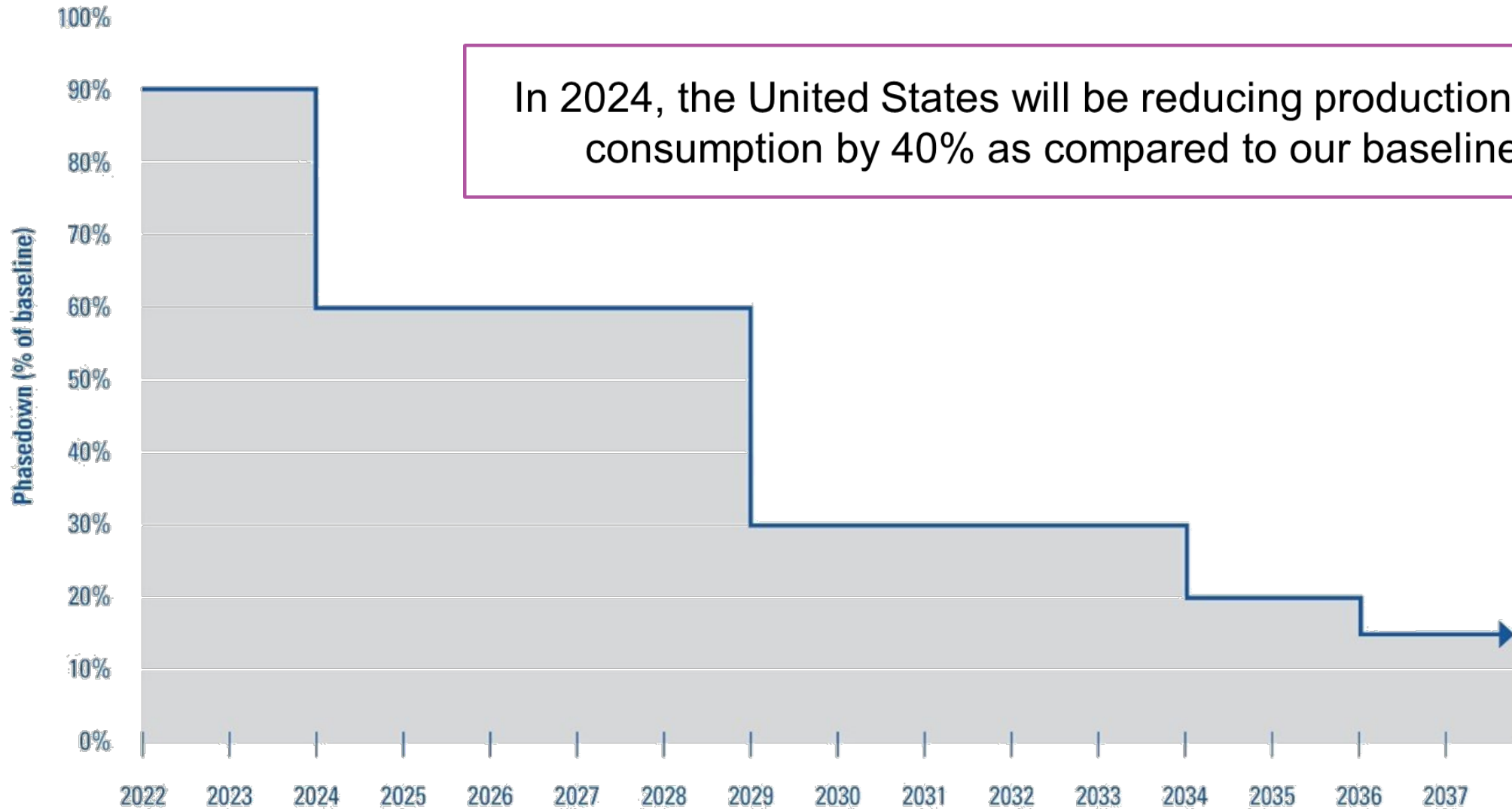
The American Innovation and Manufacturing (AIM) Act of 2020



The AIM Act authorizes EPA to establish three main types of regulatory programs

AUTHORITY	ACTION TAKEN
1. Phase down HFC production and consumption through an allowance allocation program	HFC allocation framework rule published October 2021; issued allowances for 2022 and 2023; proposal for 2024 and later years published November 3rd
2. Facilitate sector-based transitions to next-generation technologies	Proposal to address 15 granted/partially granted petitions at OMB
3. Management of HFCs and their substitutes	Draft Reclamation Report & NODA published October 17

HFC Phasedown Schedule



Subsection (h): Managing HFCs & Substitutes

- **General**

- Subsection (h) directs EPA to establish regulations to control, where appropriate, practices, processes, or activities regarding the servicing, repair, disposal, or installation of equipment for purposes of:
 - Maximizing the reclamation and minimizing the release of certain HFCs from equipment
 - Ensuring the safety of technicians and consumers

- **Reclaiming**

- Provides for the Agency to consider using authority to increase opportunities for the reclaiming of regulated substances used as refrigerants

- **Coordination**

- EPA may coordinate with any other similar EPA regulations (e.g., CAA 608 and 609 regulations)

- **Inapplicability**

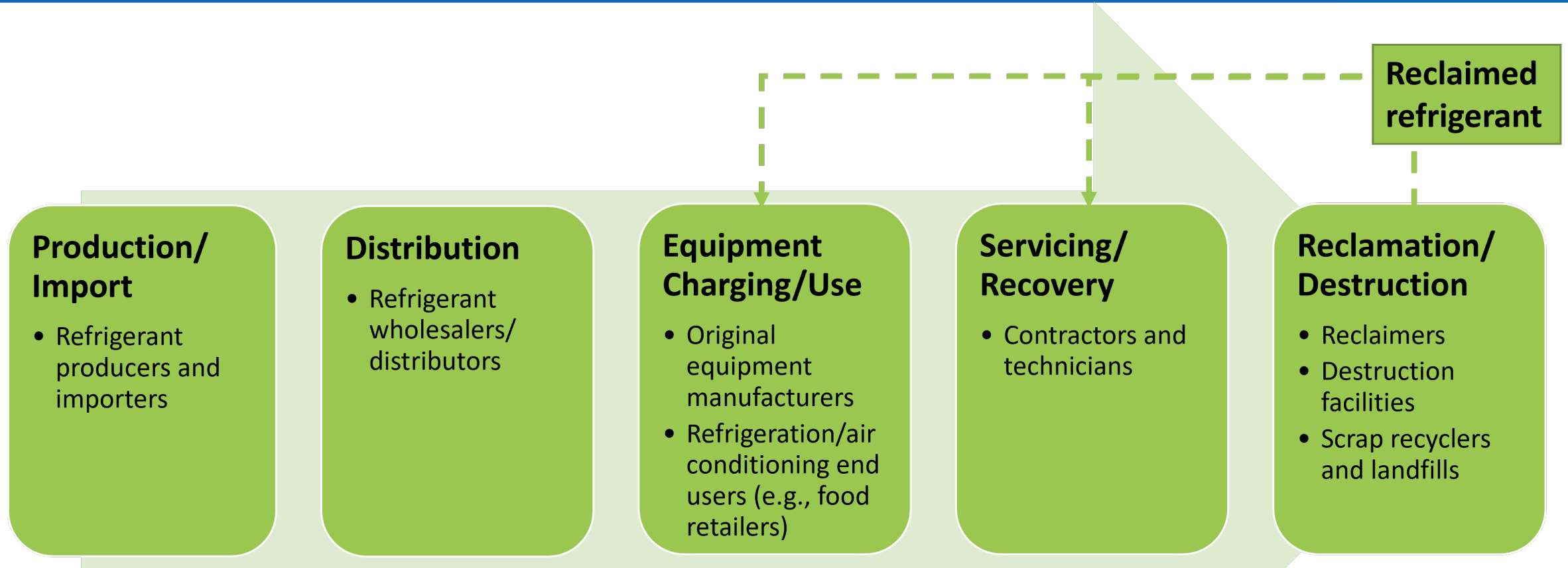
- Subsection (h) does not apply to HFCs or their substitutes contained in foams



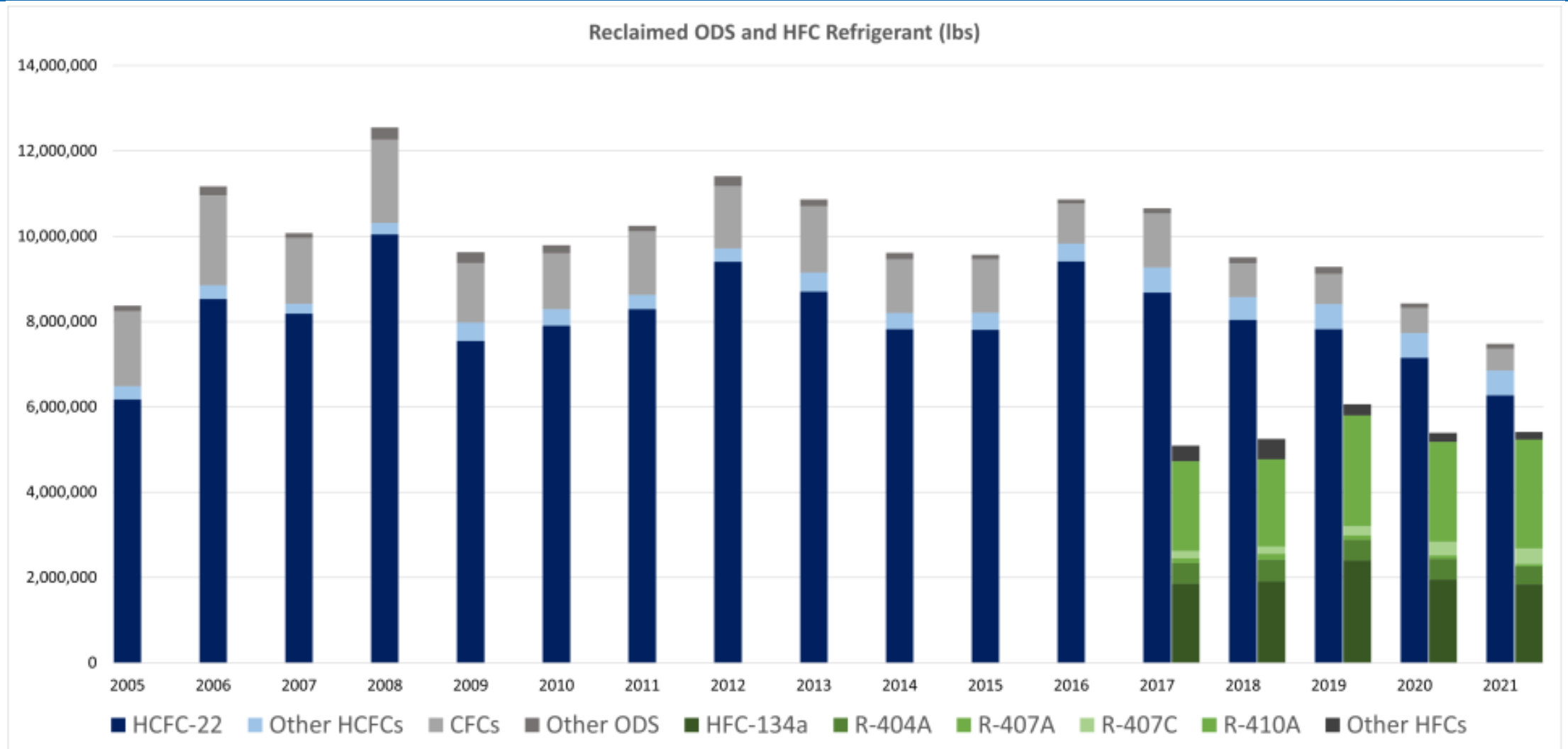
Current CAA Title VI Requirements for HFCs

- Existing requirements under CAA sections 608 and 609 apply to HFCs and other substitutes (e.g., HFOs), including:
 - Servicing practices
 - Recovery and recycling equipment
 - Venting prohibition
 - Safe disposal
 - Sales restriction
 - Technician training and certification
 - Recordkeeping
- Current 608 leak repair requirements only apply to owners/operators of appliances that contain an ozone-depleting refrigerant

General Flow Chart for HFCs Used as Refrigerants



Reclaimed ODS and HFC Refrigerant



Next Steps

- EPA requested comments on the NODA and draft report by 11/7 to ensure that comments can be accounted for in an upcoming proposal
 - If you were unable to access the docket, late comments may be emailed to Annie Kee, kee.annie@epa.gov, for uploading into the docket
- We plan to issue a revised report likely with the proposed rule
- Plan is to publish a proposed rule in summer 2023
- We will schedule additional stakeholder meetings as needed

Questions for Input

General

- What should EPA consider in this rule?
- How do you define equipment?
- What aspects of the CAA sections 608 and 609 programs could EPA consider or build on (e.g., leak repair)?
- For leak repair, is a threshold meaningful? For example, currently 50 lbs. under section 608 program.
- What are best practices for leak detection and prevention?
- Should EPA consider technician certification under the AIM Act?
- Are there relevant trainings available for technicians to help address safety/flammability concerns, such as handling of mildly flammable and flammable refrigerants?

Reclamation



- Should there be a limit on the amount of virgin refrigerant that can be used in reclaimed refrigerant?
- What challenges and opportunities do reclaimers anticipate as HFCs are phased down?
- What are barriers to increasing the amount of refrigerant recovered and reclaimed?
- What are barriers to using reclaimed HFCs and substitutes for initial charge or servicing existing equipment?
- Should reclamation equipment be certified to meet a certain performance level?
- How is virgin material used by reclaimers (e.g., rebalance blends, address impurities)?
- To what extent are refillable cylinders used?

Reminders

Unless called to speak,
please keep your
speaker on **MUTE**

- If joining by phone unmute by entering ***6**

During Q&A session

- Raise your **HAND** to ask to speak 
- Open **CHAT** to submit questions or ask to speak 
- Please indicate your **NAME** and **AFFILIATION**
- Please be mindful of time to allow others opportunity to ask questions or speak

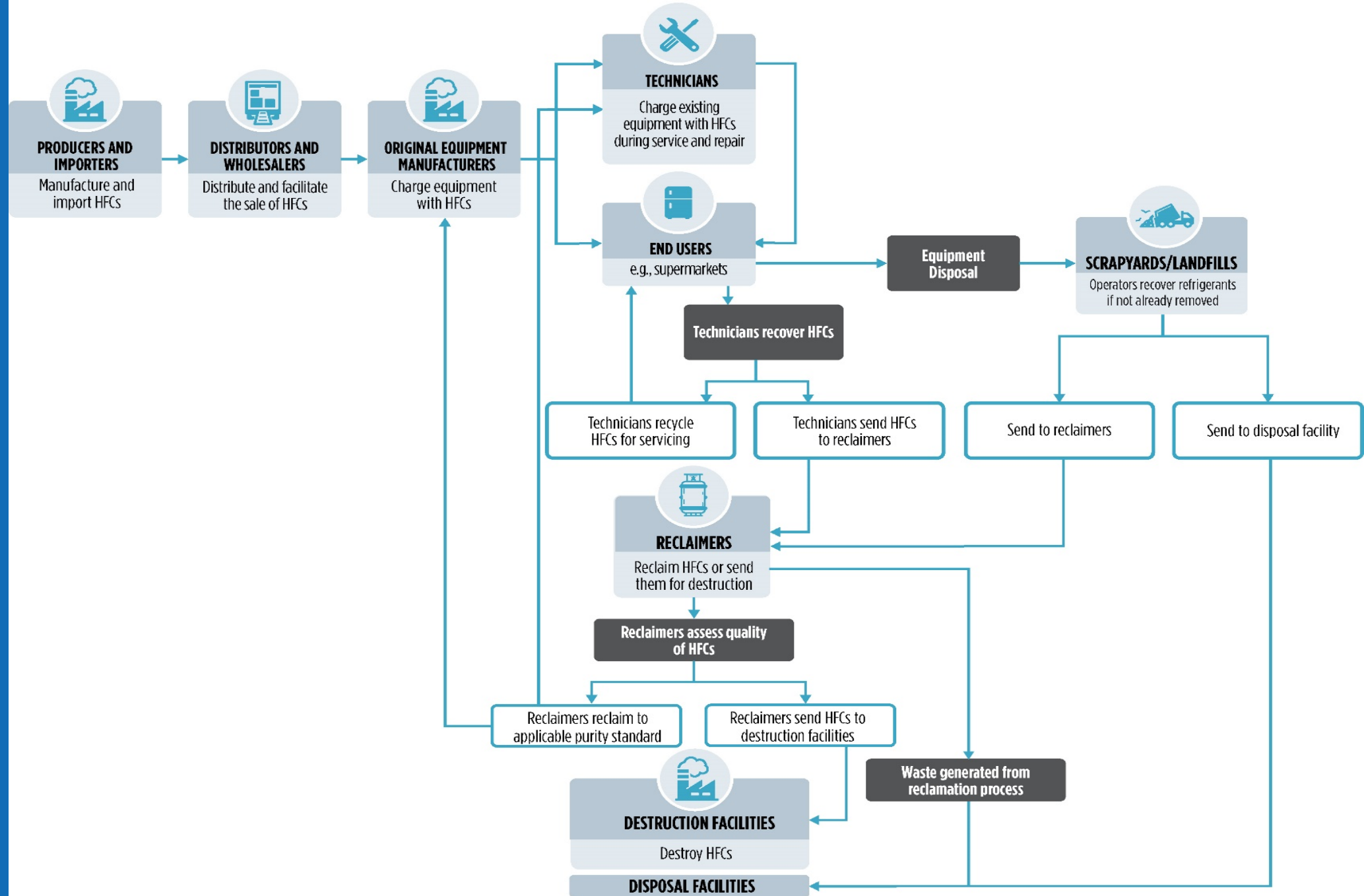
If your internet
connection is unstable

- Turning off your **VIDEO** might help

Additional Background Slides

- Protecting Our Climate by Reducing Use of HFCs
 - <https://www.epa.gov/climate-hfcs-reduction>
- Managing HFCs and Substitutes
 - <https://www.epa.gov/climate-hfcs-reduction/background-management-hfcs-and-substitutes-under-subsection-h-aim-act>
- Draft report, *Analysis of the U.S. Hydrofluorocarbon Reclamation Market: Stakeholders, Drivers, and Practices*
 - <https://www.epa.gov/climate-hfcs-reduction/regulatory-actions-and-notices-related-subsection-h-aim-act>
- Phasedown of HFCs: Issuing Allowance Allocations
 - <https://www.epa.gov/climate-hfcs-reduction/phasedown-hydrofluorocarbons-hfcs-issuing-allowance-allocations>
- Summary of Refrigerant Reclamation Trends
 - <https://www.epa.gov/section608/summary-refrigerant-reclamation-trends>

General Flow Chart of HFCs through Industry including Recovery and Reclamation



Subsection (h): Managing HFCs and Substitutes

(h) Management of regulated substances

(1) In general

For purposes of maximizing reclaiming and minimizing the release of a regulated substance from equipment and ensuring the safety of technicians and consumers, the Administrator shall promulgate regulations to control, where appropriate, any practice, process, or activity regarding the servicing, repair, disposal, or installation of equipment (including requiring, where appropriate, that any such servicing, repair, disposal, or installation be performed by a trained technician meeting minimum standards, as determined by the Administrator) that involves-

- (A) a regulated substance;
- (B) a substitute for a regulated substance;
- (C) the reclaiming of a regulated substance used as a refrigerant; or
- (D) the reclaiming of a substitute for a regulated substance used as a refrigerant.



Subsection (h): Managing HFCs and Substitutes (cont.)

(2) Reclaiming

(A) In general

In carrying out this section, the Administrator shall consider the use of authority available to the Administrator under this section to increase opportunities for the reclaiming of regulated substances used as refrigerants.

(B) Recovery

A regulated substance used as a refrigerant that is recovered shall be reclaimed before the regulated substance is sold or transferred to a new owner, except where the recovered regulated substance is sold or transferred to a new owner solely for the purposes of being reclaimed or destroyed.

(3) Coordination

In promulgating regulations to carry out this subsection, the Administrator may coordinate those regulations with any other regulations promulgated by the Administrator that involve-

- (A) the same or a similar practice, process, or activity regarding the servicing, repair, disposal, or installation of equipment; or
- (B) reclaiming.

(4) Inapplicability

No regulation promulgated pursuant to this subsection shall apply to a regulated substance or a substitute for a regulated substance that is contained in a foam.

Subsection (h): Managing HFCs and Substitutes (cont.)

(5) Small business grants

(A) Definition of small business concern

In this paragraph, the term "small business concern" has the same meaning as in section 632 of title 15.

(B) Establishment

Subject to the availability of appropriations, the Administrator shall establish a grant program to award grants to small business concerns for the purchase of new specialized equipment for the recycling, recovery, or reclamation of a substitute for a regulated substance, including the purchase of approved refrigerant recycling equipment (as defined in section 609(b) of the Clean Air Act (42 U.S.C. 7671h(b))) for recycling, recovery, or reclamation in the service or repair of motor vehicle air conditioning systems.

(C) Matching funds

The non-Federal share of a project carried out with a grant under this paragraph shall be not less than 25 percent.

(D) Authorization of appropriations

There is authorized to be appropriated to carry out this paragraph \$5,000,000 for each of fiscal years 2021 through 2023.