

# ***EPEE*** ***NEWS***

*A Newsletter from  
The European Partnership for Energy and the Environment  
(EPEE)*

**Vol. 1 No. 6**

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## **EPEE News Headlines:**

- COP6 CLIMATE CHANGE SUMMIT FAILURE
- EUROPEAN CLIMATE CHANGE PROGRAMME (ECCP)
- DANISH TAX ACT ADOPTED, PLAN FOR PHASE-OUT OF HFCs STILL DELAYED
- UK PUBLISHES CLIMATE PROTECTION STRATEGY
- UP-DATE ON SWEDEN
- TBD SUPPORTS HFCs USE
- MCDONALDS/COCA-COLA ALTERNATIVE REFRIGERATION FORUM
- UPCOMING EVENTS CALENDAR

### **\*\*\* Stop Press\*\*\***

**Hairspray can explodes in Belgium due to HCs: great damages, but fortunately no personal injuries**

**EPEE is a business partnership committed to responsible global energy**

## FOLLOW-UP TO THE COP 6 SUMMIT ON CLIMATE CHANGE FAILURE

There will be no special ministerial meeting on climate change in Oslo before the end of the year, to make progress with the COP 6 negotiations. The EU Ministers had proposed this to the Umbrella Group (United States, Canada, Japan, Australia, New Zealand and Norway). Mr. Frank E. Loy, head of the US delegation rejected this proposal, however, because the positions between the US and the EU were too divergent to make an agreement possible at this stage. Mr Loy indicated that the US would insist on:

- **Supplementarity**: use of the Flexible Mechanisms without any limits;
- **Carbon sinks**: in the context of Clean Development Mechanisms;
- **Accountability**: to ensure the smooth functioning of the systems for swapping emission rights and to provide suitable liquid assets;
- **Observance**: a monitoring system should be stringent but not punitive;
- Interests of countries linked to the Umbrella Group and developing countries, but not represented at the meetings, should be protected.

The EU Environment Council had indicated that it would defend the following EU position:

- Willingness to **open up a list of activities** under the carbon sinks heading but limited for the first period covered by the Protocol (2008-2012) on the understanding that the second period rules would be based on scientific criteria;
- It would be very **difficult to include carbon sinks** under the Clean Development Mechanisms during the initial period;
- The EU sees a vital need to adopt proposals for a **strict observance system**;
- Proposals need to be adopted to avoid **excessive trading of carbon sinks**;
- The need should be stressed that **domestic schemes** represent the primary part of activities seeking to achieve the Kyoto objectives (at least 50%).

Negotiations will continue at the COP 6 part 2 meeting, which is likely to take place in Bonn, at the occasion of a Climate Convention meeting on 21 May. Between now and then the EU will be talking with all its partners, including G-77+China (developing countries), the G-11 (countries in line for EU membership) and the AOSO (island communities). Informal talks are due to be held during the UN Environment Programme (UNEP) meeting in Nairobi, Kenya, next February.

Sweden which will take over the EU Presidency as of January 2001, indicated, via Kjell Larsson, the Environment Minister, that it favours a united European position and the EU to speak with one voice.

The next meeting of the Conference of the Parties (COP 7) is planned for the fall of 2001 in Marrakesh, Morocco.

## EUROPEAN CLIMATE CHANGE PROGRAMME (ECCP)

### ECCP WG5 Fluorinated Gases sub-group meeting, December 6<sup>th</sup>, 2000

The meeting discussed the ECCP interim report, objectives for the second phase of Work Item “Fluorinated Gases”, and the state of work on the European Climate Change Programme and objectives for the second phase.

On behalf of the refrigeration and air conditioning industry, EUCRAR and EPEE presented a statement in which they welcomed the Interim Report on the European Climate Change Programme – Working Group Industry – Work Item fluorinated gases. The two organisations appraised this document as a good summary of the background position and options to be considered which:

- Acknowledges the use of HFCs as key replacements for ozone depleting substances as well as the complex nature of the refrigeration and air conditioning sector.
- Recognizes the importance of safety and cost effectiveness.
- Stresses the importance of energy efficiency as a major, relevant issue if climate change impacts are to be minimised.
- Recognizes the importance of EU versus National action.

The statement draws attention to some of the factual data which did not always take into account the Industry inputs and requested that the position papers were attached as a single document.

EUCRAR and EPEE also welcomed the Member State Perspective (see next article), in particular the proposal for an EC Directive on Refrigerant Losses, presumably based on the Dutch STEK approach. They regretted, however, that no consensus was achieved concerning energy efficiency, which industry considers to the key to minimising overall climate change impact of refrigeration and air conditioning systems.

EUCRAR and EPEE expressed the wish to continue to contribute to the development of policies and measures, with experiences and research results, and requested to be involved and consulted when initiatives are to be launched. The industry indicated that it looked forward to continuing the constructive dialogue in the framework of the ECCP meetings.

### Member State Perspective on Refrigeration, Stationary and Mobile Air Conditioning

During the WG 5 meeting, a paper representing Member States’ views was tabled which recognizes that:

- Policies and measures should be kept flexible to encourage technological developments and to take different national circumstances into account.
- HFCs are needed in some applications if commitments to phase out ozone depleting substances are to be met. Investments made in the transition out of ozone depleting substances must not be undermined.
- Restrictions on HFC use do not appear to be justified in most applications at present, because it is difficult to establish where alternative refrigeration systems are superior in terms of environmental performance at comparable costs and health and safety levels,

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The paper summarizes a number of options on policies and measures in the area of:

- Refrigeration and stationary air conditioning: standards on equipment, Dutch STEK approach...
- Mobile air conditioning: leakage regulation, product labelling...
- Research: effectiveness of taxation and deposit systems, life-cycle climate performance of alternative refrigeration and air conditioning systems, innovative technologies...

The following European policies and measures were proposed to the Commission with the highest priority:

- Enforceable European Monitoring system;
- EC Directive on refrigerant losses, which should provide a flexible framework for existing and evolving national programmes but prescribing maximum allowed leakage rates, minimum recovery rates during servicing and at the end of life, maintenance intervals, training & certification requirements, minimum standards for effective enforcement, and could include a limited number of general design requirements (related to safety, sealing valves etc.);
- Mobile Air Conditioning: the EU should develop appropriate instruments to monitor and limit direct and indirect emissions associated with mobile air conditioning.

The paper also indicated that Member States remained divided on a number of issues linked to energy efficiency, use restrictions, guidance on good practice and list of substances and techniques.

## **SITUATION IN DENMARK**

### Danish Tax Act adopted

The Danish Parliament approved on 15<sup>th</sup> December 2000 the Act to tax industrial greenhouse gases, HFCs, PFCs and SF6. The tax was indeed notified by Denmark under the notification procedure on 18 October 2000. Normally, under this procedure, countries have to wait 3 months before adopting an act in order to give other Member States the chance to object and delay adoption further. However, apparently because the measure in question is a tax, the Danish tax act will not follow the rest of the procedure under the 98/34 notification Directive. There never was a deadline for Member States to raise objections: the 19 January date would have been applied for measures other than tax. Therefore the tax will be applied as of 1 March 2001.

The European Commission, if it feels that the Danish tax contradicts the EC Treaty in any way, can start infringement procedures against the country, which, after a long procedure, could end up before the European Court of Justice.

EPEE will shortly publish and circulate its position paper showing that the Danish tax is not compatible with a number of important articles of the EC Treaty, mainly because it does not pass the triple proportionality test and discriminates against products of other Member States and protects domestic products (prohibited under Article 90 of the EC Treaty). EPEE and its members will ensure that the Member States are made aware of these consequences with the urge to express concerns about the Tax Act to the European Commission.

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### Danish Phase-Out Draft Act delayed again

The Danish HFC phase-out measure and notification to the EU has been postponed until the first week of January. It appears that the phase-out date will be 1<sup>st</sup> January 2006, but there is political pressure to advance this for some applications. This means that the start of the EPEE lobbying activities against this measure will start in the New Year.

## **UK PUBLISHES CLIMATE CHANGE PROGRAMME**

On 17 November the UK Government launched its Climate Change Programme. A UK Government press release stated:

“The UK is one of the few developed countries to have published a clear strategy for delivering its 12.5 per cent target under the Kyoto Protocol. The UK Climate Change Programme includes policies that could cut the UK's greenhouse gas emissions by 23 per cent below 1990 levels in 2010 - almost double our legally-binding target - while acknowledging that cuts of up to 60-70 per cent globally maybe necessary in the long term. Cuts of 19 per cent in carbon dioxide emissions could be achieved, with further action delivering the domestic 20 per cent goal.” Environment minister Mr. Meacher said about greenhouse gases: *Measures to reduce greenhouse gas emissions can be good for the economy, for business and for our communities. Wasting less energy, better insulated homes, more fuel efficient vehicles and a modernised transport system all help to reduce emissions and improve our standard of living.*”

The Air Conditioning and Refrigeration Industry Board (ACRIB), a potential future member of EPEE, cautiously welcomed the Government's revised policy statement on the use of HFC refrigerants in which it recognizes that these are the main plank of refrigeration and air conditioning activity; and as such, there will continue to be a significant growth in their use as replacements for ozone-depleting substances. Yet it has strong reservations on the Government's continuing belief that HFCs are not sustainable in the long term, a stance based on projections that the increasing use of HFCs will lead to unacceptable levels of emission.

Ted Clements, the new ACRIB chairman, said the position change followed unprecedented industry representations. *“The Government itself has admitted that its earlier perceived stance on HFCs brought a far greater reaction than any other single issue within the Climate change Action plan. ACRIB and other bodies, companies and individuals all put forward their views. The result isn't perfect, but is much better than we feared. It is now clear that, thanks to a tremendous effort by the refrigeration and air conditioning industry, its problems are recognised, and that we are not going to be subjected to unreasonable pressures. HFC refrigerants are the primary way forward in the foreseeable future for replacement of CFCs and HCFCs, although as the Government requires, we are obviously looking at, and indeed, using alternatives where possible, as we have been for many years.”*

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*“The fact is that, while other refrigerants have very desirable properties in terms of the environment, we have also to consider other problems some pose, such as toxicity, physical safety, financial investment and in some cases energy efficiency – which itself is a main Government and Kyoto consideration. While we recognise that the use of HFCs gives rise to some environment concerns, the fact is that these are countered by our own operational efficiency.”*

EPEE endorses ACRIB’s position and will communicate its views to Mr. Meacher.

## **SWEDEN – FOLLOW UP TO EPEE’S FORUM**

Following the Refrigerants’ Forum EPEE organised on 5 and 6 October 2000 (see last EPEE News) in Sweden, a number of important developments have taken place:

- EPEE Sweden was given the opportunity to present the current situation regarding refrigerants and EPEE’s strategy for responsible use of HFCs, to some leading politicians in the Swedish Parliament’s Working Group on the Environment;
- The Swedish Environmental Protection Agency has invited the Royal Technical High school (KTH) to present his opinions regarding "new refrigerants", which constituted a positive first step to build up communication between the decision makers and the science. The result might be that the concept of TEWI will be accepted in Sweden.
- KTH has started a project using reversible air-conditioning for energy savings at a hotel and conference centre on the island Gotland. This project will reduce up to 800 000 kWh generated by mainly oil.

It has been suggested that EPEE could take new initiatives to discuss ways how HFCs can support the reduction of greenhouse gases resulting from energy in existing buildings. Experiences in countries like France and Sweden in using heat pumps for this purpose should be spread and closer cooperation between top level scientists from universities in Europe and USA should be encouraged.

The expected Climate Change proposals by the Swedish Government have been delayed. They will be divided into two parts. The first part, the “Environmental Goal Proposition”, will probably be sent to Parliament in January/ February 2001.

## **TRANSATLANTIC BUSINESS DIALOGUE SUPPORTS HFCs USE**

Industry members gathered recently in Cincinnati for the TransAtlantic Business Dialogue (TABD) CEO conference, for continued industry-led discussion on the benefits of HFCs. During the TABD Refrigerants Sector break-out session, ARI Chairman Gary Tapella, joined by Refrigerants co-chair Alan Duttine, CEO of Airdale in the UK, conducted the meeting. For nearly two hours, the Refrigerants Group held discussions with Peter Horrocks, the EU's Environment Head of Unit, and Gerhard Lohan, the EU's Enterprise Head of Unit, on long-term HFC use. Additional industry members from the US and the EU also participated. US government representation was strong, with officials attending from the Department of Commerce, Department of State, U.S. Trade Representative's Office, EPA and the House International Relations Committee. A copy of the TABD CEO Conference final conclusions can be obtained by visiting <http://www.tabd.org>

## **MCDONALDS/COCA-COLA ALTERNATIVE REFRIGERATION FORUM**

In late November, McDonalds and Coca-Cola, along with United Nations Environment Program (UNEP) and the U.S. Environmental Protection Agency (EPA) held an "Alternative Refrigerant Forum". While Coca-Cola has indicated that their consideration of HFC alternatives is limited to their beverage dispensing and cooling products (i.e. reach-ins), McDonalds indicated that they are reviewing all of their product lines including their HVAC applications. Prior to the forum, several members of ARI's Board of Directors wrote to the McDonalds CEO questioning why HFCs were not included in the list of alternatives being addressed at the meeting as being "part of the solution". They also announced that ARI would partner with the Alliance for a Responsible Atmospheric Policy in sponsoring a more inclusive refrigerant discussion in March or April of 2001. ARI's Steve Szymurski participated in the "safety" panel, the first of three panels on the first day of the forum. It was his premise that acceptable safety levels of alternative refrigerants should be "as safe as or better than those in existing systems". Mr. Szymurski also reported that ARI was in the initial stages of developing a program to measure the relative performance and efficiencies of HFC and HC refrigerants in similar HVAC applications. Other panel discussions covered the environment and innovations in the refrigerant sector. Participation on the second day was limited to Coke and McDonalds suppliers.

**\*\*\* STOP PRESS \*\*\*****Belgium: Hairpsray can blows up bathroom**

The following summarizes an article which appeared in the daily Belgian newspaper, "Het Nieuwsblad". A leaking hairspray exploded last Sunday, causing large material damage, but fortunately no personal injuries. The explosion followed after the mother switched on the electric heater with fan (installed on the floor). Then she left the bathroom. The explosion blew out the bathroom window and ceiling, leaving a big hole in the roof. As the house had no gas-heating, it looked a strange phenomena. An expert identified the cause. Propane and butane, replacing CFC's leaked from the can. As the gas is heavier than air, it was ignited by the electric fan heater.

**UPCOMING EVENTS CALENDAR**

**EPEE Steering Committee Meeting:** (closed) 19 January 2001 (10.30 – 16.30 hours) in Brussels

**EPEE Strategy Development Working Group Meeting:** (closed) 21 February 2001 in Brussels

**EPEE Associations Working Group Meeting:** (closed) 23 February 2001, Brussels

**EPEE Company Working Group Meeting:** (closed) 8 March 2001 in Brussels

**ECCP WG 5 Fluorinated Gases sub-group meeting:** 25<sup>th</sup> January 2001, Brussels  
Topic: Cross-sectoral options

**ECCP WG 5 Fluorinated Gases sub-group meeting:** 22<sup>nd</sup> February 2001, Brussels  
Topics: refrigeration and stationary air conditioning; mobile air conditioning

**ECCP WG 5 Fluorinated Gases sub-group meeting:** 21<sup>st</sup> March 2001, Brussels  
Topics: foams, semi-conductors, technical aerosols

**ECCP WG 5 Fluorinated Gases sub-group meeting:** 26 April 2001, Brussels  
Topic: Confirmation of final report



*Please submit items for EPEE NEWS and the UPCOMING EVENTS CALENDAR to: [secretariat@epeeglobal.org](mailto:secretariat@epeeglobal.org)*

**EPEE WISHES YOU A MERRY CHRISTMAS AND A  
HAPPY & HEALTHY 2001!**