

EPEE feedback on EU F-Gas Regulation Inception Impact Assessment

Friday, 04 September 2020

Executive Summary

As a supporter of the F-Gas Regulation and the European Green Deal, EPEE, representing the refrigeration, air-conditioning and heat pump industry, emphasizes that the heating and cooling sector can make an important contribution to achieving climate neutrality in Europe by 2050.

Thanks to existing EU legislation on F-Gases, F-Gas emissions have been falling since 2014 and by 2030 it is expected that they will be reduced by two-thirds compared to 2014 levels. In terms of emissions related to energy production and consumption, which represent nearly 80% of the EU's total greenhouse gas emissions, the sector has a key role to play in contributing to the reduction of energy demand, enabling the transition to renewable energies and facilitating sector integration.

Top priorities to be taken into account therefore include further harmonisation, implementation and enforcement of the F-Gas Regulation across Europe whilst ensuring that the efficient and affordable use of energy and resources take centre stage.

Introduction

EPEE, representing the refrigeration, air-conditioning and heat pump industry in Europe, welcomes the evaluation and inception impact assessment of the EU F-Gas Regulation to assess whether the Regulation needs to be revised in light of the European Green Deal and the Kigali Amendment to the Montreal Protocol. EPEE has supported the EU F-Gas Regulation and the Kigali Amendment from the start with dedicated initiatives such as the [EU HFC Gapometer](#), the [EU Lessons Learned about the EU F-Gas Regulation](#), a [series of leaflets](#) addressed to installers, two pledges at the United Nations Climate Summits in [2014](#) and in [2019](#) and the recently launched [#CountOnCooling campaign](#) promoting sustainable cooling. Furthermore, EPEE has been partnering the United Nations Environment Programme (UNEP) with the [development of the HFC Outlook modelling tool](#) which helps governments assessing pathways towards achieving the Kigali Amendment. Currently, an extension of this tool is being developed which will analyse the energy consumption aspect of heating and cooling equipment.

CFCs, HCFCs, HFCs and other fluorinated gases (F-Gases) have been in the political focus for many years already. The “journey” started with the UN’s Montreal Protocol Treaty in 1987. The focus back then was on ozone depletion (i.e. CFCs and HCFCs, so-called ozone depleting substances – ODS). To replace ODS, new substances – HFCs – were introduced which were not in use prior to the entry into force of the Montreal Protocol. As a result, the use of HFCs and related emissions started to increase. In 2016, this led, at global level, to the agreement on the Kigali Amendment to the Montreal Protocol which has, to date, been [ratified by 100 countries](#).

In the EU, F-Gas emissions almost doubled from 1990 to 2014. However, thanks to EU legislation on F-Gases (first F-Gas Regulation and MAC Directive in 2006, second F-Gas Regulation in 2014), F-Gas emissions have been falling since 2014. By 2030, it is expected that they will be reduced by two-thirds compared to 2014 levels. **The expected cumulative emission savings are 1.5 Gigatonnes of CO₂-equivalent by 2030 and 5 Gigatonnes by 2050.** The latter number is more than the sum of all greenhouse gases emitted in the EU during one year.¹

EPEE supports the objectives of the European Green Deal and agrees that the heating and cooling sector has an important role to play: not only by mitigating the climate impact of refrigerants, but also, and even more importantly, by contributing to the efficient use of energy and resources, enabling the transition to renewable energies and facilitating sector integration such as heating and cooling.

EPEE members are strongly committed to turn these expectations into reality by providing their expertise and experience as leading manufacturers to this process in order to achieve **safe, energy efficient, climate friendly and affordable** heating and cooling solutions for the generations to come.

This paper is structured along the objectives and policy options laid out in the inception impact assessment, highlighting EPEE's top priorities from a general perspective and raising some guiding questions.

1. Evaluation Process

EPEE recommends to take the time needed for a solid, scientifically based evaluation process

EPEE welcomes the European Commission's intention to consider maintaining the current F-Gas Regulation as the baseline for the review process and recommends to take the time for a thorough evaluation process, which allows to collect sufficient information on available technologies and market developments.

2. Implementation and enforcement

EPEE calls for further harmonisation, implementation and enforcement at EU level to fully tap into the potential of the existing F-Gas Regulation.

In a scenario without any measures to address F-Gases, emissions would have grown dramatically over the next decades. The 2006 F-Gas Regulation and MAC Directive were expected to achieve emission reductions of roughly 40% by 2030, compared to a scenario without measures². This would have meant to roughly stabilise emissions at the level of 2014 – which is when F-Gas emissions peaked in the EU³.

¹ EU DG CLIMA, fluorinated greenhouse gases

² Reducing the consumption of fluorinated gases in the EU: The European Commission's proposal, Arno Kaschl, DG CLIMA, 13 June 2016, Paris

³ European Environmental Agency (EEA), Greenhouse Gas Data Viewer

Recognising that stabilising F-Gas emissions at 2014 level is not enough, the 2014 F-Gas Regulation introduced additional measures to further and even more substantially increase emission reductions. Results are encouraging and demonstrate that EU Legislation on F-Gases is well in line with the European Green Deal's climate ambition:

- Since 2014, F-Gas emissions have been falling
- By 2030, DG CLIMA expects additional emission reductions of two thirds compared to 2014⁴

However, whilst these estimates promise a very encouraging trajectory based on maintaining the provisions of the 2014 F-Gas Regulation, this can only be achieved with better harmonisation, implementation and enforcement across Europe. EPEE therefore welcomes the European Commission's intention to assess various avenues to address these priorities and stands ready to actively support this process – keeping in mind the importance of ensuring safety throughout the lifecycle of equipment. In that sense, and in addition to the points already raised by the European Commission, EPEE would like to highlight the necessity to assess ways to improve and facilitate information sharing and alignment between Member States, for example in terms of common tools (e.g. the F-Gas registry) and of supporting the harmonisation of building codes, laws, standards and codes of conducts enforced by market surveillance authorities.

More specifically, EPEE would like to raise some guiding questions:

a. How to get better data on leakage rates and control?

Leakage control and record keeping were already key pillars of the first, 2006 F-Gas Regulation and they still are an important part of the 2014 F-Gas Regulation. Nevertheless, and 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 Regulation so that potential additional measures can be fact rather than merely assumption based.

b. How to optimise recovery, recycling and reclaim rates for F-Gases?

Requirements on recovery, recycling, reclamation (RRR) of F-Gases have already been introduced in the 2006 F-Gas Regulation, these play a key role in reducing emissions and are fully in line with the objectives of circular economy. With the 2014 F-Gas Regulation, RRR schemes have become increasingly important as the HFC phase-down exerts increasing pressure on the availability of HFCs. However, currently there are no or only very little data available related to RRR of HFCs. A better understanding of RRR would be a first and essential step to assess avenues to boost RRR.

c. How to ensure the safe handling of all refrigerants?

As is the case for leakage control and for RRR obligations, training and certification of installers have been part of the F-Gas Regulation since 2006 and represent a crucial element for its success in reducing emissions. 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 handle flammable, high-pressure and toxic refrigerants, whether they are

⁴ EU DG CLIMA, fluorinated greenhouse gases

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.

d. How to ensure stringent and dissuasive penalty schemes throughout the EU?

According to the 2014 F-Gas Regulation, Member States are required to lay down the rules on penalties applicable to infringements of this Regulation. The penalties provided for must be effective, proportionate and dissuasive. However, experience has shown that several Member States took a long time – too long – to notify their penalty schemes to the European Commission. Moreover, penalty schemes differ widely between Member States. To ensure proper enforcement of the F-Gas Regulation, stringent and dissuasive penalty schemes remain a key factor for success.

3. Raising ambition in line with the European Green Deal

Energy efficiency must become a top priority of the review of the F-Gas Regulation

Roughly 80% of the EU’s greenhouse gas emissions are related to energy production and consumption. Heating and Cooling represent almost half of the total final energy consumption in Europe and 80% of that energy consumption is used by fossil fuels – mainly for heating purposes⁵. Clearly, if the EU is serious about reducing greenhouse gas emissions by at least 50% by 2030 and reaching carbon neutrality by 2050, addressing heating and cooling must be a top priority.

The broader political context in the EU prepares the ground with new initiatives such as the Renovation Wave and the Energy System Integration Strategy as well as with the existing framework such as National Energy and Climate Plans (NECPS), Long-term Renovation Strategies (LTRS) and the Clean Energy Package as such. EPEE recognises and fully supports the need to tackle F-Gases which represent roughly 2.5% of the total greenhouse gas emissions in Europe⁶ and would otherwise have grown very fast. It is, however, important that dedicated measures, such as the EU F-Gas Regulation, are complementary and never contradictory to the broader energy framework (in particular related to energy efficiency and the use of renewable energies, especially for Heating and Cooling).

For more information on EPEE’s approach to sustainable cooling and heating, please visit www.countoncooling.eu.

4. Seeking alignment with the Montreal Protocol

Ensure alignment with the Montreal Protocol without sacrificing EU achievements

With the 2014 F-Gas Regulation, the EU has been the first region in the world to enshrine the HFC phase-down in legislation. Since then, the Kigali Amendment has been adopted and several countries have put in place policy measures to comply with the schedule of the Kigali Amendment. The EU HFC phase-down has entered into force well ahead of the Kigali Amendment. Schedules cannot be

⁵ Eurostat, SHARES, 2018

⁶ Annual European Union greenhouse gas inventory 1990–2017 and inventory report 2019

compared on a 1:1 basis as not all criteria are identical. It is therefore essential to closely analyse the two schemes in order to make a correct and meaningful comparison.

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.