

June 4, 2021

Questions for Consideration for potential NACAA comment letter on EPA HFC phase-down proposal

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NACAA seeks input on drafting a comment letter in response to a new rule proposed by EPA governing hydrofluorocarbons (HFCs).

[EPA has proposed a new rule](#) responsive to the American Innovation and Manufacturing Act, or AIM Act, passed in 2021 that enacts a phase-down of hydrofluorocarbons (HFCs). HFCs are potent climate pollutants commonly used as coolants in air conditioners and refrigerators.

EPA's proposal would regulate HFCs an allowance system reducing the permitted amount of HFCs that can be consumed (i.e. produced or imported) in the U.S. by 85% at the end of 2035. It sets the HFC production and consumption baseline levels from which reductions will be made, establishes an initial methodology for allocating and trading HFC allowances for 2022 and 2023, and creates compliance and enforcement systems.

1. Overall, do you think NACAA should draft a letter generally in support of the proposal?
2. Does your state have existing or developing laws, programs, or regulations on HFCs that would need to be taken into consideration by EPA as it develops a regulation?
3. Are there multijurisdictional coordination or consistency issues that should be considered by EPA, such as labelling, recordkeeping, tracking, reporting, verification, and enforcement?
4. Are there issues regarding market design or allocation in the proposal that NACAA should raise in a comment letter? Are the reductions (as laid out in the AIM Act) ambitious enough? Should the proposal do more to increase recovery, reclamation, and reuse of HFCs to displace new production?
5. The proposal creates exemptions that pre-empt state and local regulations - inhalers for asthma, aerosol propellants for defense sprays, pre-formed foams for marine and trailer use, and military and aerospace fire suppression. Refrigeration and air conditioning applications are not exempted. EPA could in the future designate other "essential uses" for which there are no alternatives.  
  
Are there significant exempted sources in your state or local jurisdiction? Are there concerns about the proposal's exempted uses/sources? Are pre-emption concerns about the proposal significant enough to warrant NACAA comment? Should NACAA recommend consultation with states in the event of any changes to this pre-emption?
6. The proposal articulates production and consumption baselines – are there any concerns raised either by the levels or the methodology?
7. If finalized, will your organization need resources (funding, technical assistance, training, etc.) to successfully play its part in implementing the rule?
8. Are there other issues, concerns, questions, or comments that you recommend NACAA consider in developing a comment letter?