



27 February 2023

TO: Members of the European Parliament Environment Committee

SUBJECT: In view of the Environment Committee Vote on March 1

The ENVI's Compromise Amendments to Ban All Fluorinated Gases Jeopardise the EU Climate and Energy Security Goals

We call on Parliament to adopt realistic and sustainable solutions to achieve carbon neutrality by 2050.

We, the undersigned, are fully committed to EU carbon neutrality by 2050 and represent the industries that will deliver on decarbonising buildings through innovative heating, cooling, refrigeration and foam insulation solutions.

We applaud the ambition of the F-gas regulation and fully support a revision to increase ambition and to further phase down higher global warming potential HFCs. As an industry we support new technologies and already use alternative fluorinated and non-fluorinated refrigerants (as it is already the case in many stationary refrigeration applications) and foam blowing agents in many applications.

However, we are extremely concerned with the following ENVI Amendments which are simply not practically possible. We ask that you reject those listed below, as they will undermine Europe's carbon neutrality goals, slow down the building renovation rate and uptake of heat pumps, and risk existing equipment becoming obsolete instead of being repaired.

- **Inadequate quota levels of HFCs (Annex I, Section 1), as well as limiting the availability of parts to 10 years, go against the need to encourage the repair of existing equipment,** and will lead to premature obsolescence and costs for SMEs and

consumers (Compromise Amendments 10, 11 and 14). The lifetime of refrigeration and heat pump equipment is much longer than 10 years.

- **The proposal will stifle the roll-out of new energy efficient and renewable-based equipment -- in particular, heat pumps.** A too-steep phasedown means there will not be enough HFCs available for new heat pump installations (CA 10, 14), which require fluorinated and non-fluorinated refrigerants, depending upon the location and national safety requirements. We appreciate ENVI recognized the risk to achieving REPowerEU targets, but we do not believe it can be solved by shifting the responsibility to the EU Commission to assess heat pump needs on a yearly basis and to add quota if required. The industry, including the component supply chain, needs a stable and reliable legislative framework to allow for medium- and long-term planning.
- **Banning products simply because they contain fluorine (CA 10) is not technologically neutral and is not practical.** Industry needs a diversity of fluorinated and non-fluorinated solutions to fit the wide variety of applications for the EU and export markets (CA 10, 11, 13, 14). The GWP values need to be balanced with safety, energy efficiency, applicability and affordability for end users, as well as other environmental considerations which are being assessed in the REACH regulation process. The current bans are neither balanced nor sufficiently granular.
- **The use of new solutions will require upskilling to maintain, service and install equipment safely and efficiently.** Only around 10% of technicians, most of which are SMEs, are currently able to work with non-fluorinated alternatives. It is critical that they are properly trained and certified due to the safety risks involved. A too-steep phase down and early product bans do not allow time for technician training. (CA 10,14).
- **A lack of quota combined with a ban on exporting products will push manufacturing outside of the EU (CA 11, 13, 14).** EU manufacturing currently exports to many countries including the UK and the MENA region, and many exports are solutions specifically designed for high temperature conditions.
- **The bank of quota authorisations is available only for imports of pre-charged equipment and will already be used to meet the REPowerEU needs in the next three years.** This discourages the expansion and creation of new factories to manufacture heat pumps inside the EU and contradicts the Green Deal Industrial Plan (CA 14).

Therefore, we would ask you to reject the following compromise amendments: **CA 10, CA 11, CA 13, CA 14 and CA 21**, which gives the Commission permission to adapt changes to the regulation without going through the full legislative process.

We ask that you recognise the need to support REPowerEU, EU energy independence in times of economic pressure and the EU Industrial Green Deal. We also ask you to consider the phase down opinion agreed by Parliament's ITRE Committee, which provides a pragmatic and ambitious plan for carbon neutrality by 2050.

The undersigned are committed to making every effort possible to bring about carbon neutrality by 2050. However, banning all fluorinated gases without taking into account the outweighing benefits arising from the growth of heat pumps and foams would lead to inadvertent environmental, social, economic and political consequences for Europe's citizens and businesses.

On behalf of the alliance, we thank you for your attention and consideration and should you require further information please do not hesitate to contact us at secretariat@epeglobal.org , Tel: +32 (0) 2 732 70 40.

Agoria paves the way for all technology-inspired companies in Belgium that develop and market sustainable solutions to realise growth and progress worldwide, representing over 321,000 employees.

APPLiA - Home Appliance Europe represents home appliance manufacturers from across Europe. By promoting innovative, sustainable policies and solutions for EU homes, APPLiA has helped build the sector into an economic powerhouse, with an annual turnover of EUR 50 billion, investing over EUR 1.4 billion in R&D activities and creating nearly 1 million jobs.

AREA - the European association of refrigeration, air conditioning and heat pump (RACHP) contractors. Established in 1989, AREA voices the interests of 24 national associations from 21 countries representing 13,000 companies employing 110,000 people and with an annual turnover approaching € 23 billion.

ASERCOM, the Association of European Component Manufacturers is the platform for dealing with scientific and technical topics and their challenges, promoting standards for performance rating, methods of testing and product safety, focusing on improved environmental protection, serving the refrigeration and air conditioning industry and its customers. It is the aim of ASERCOM to be the platform for dealing with scientific and technical topics and their challenges, promoting standards for performance rating, methods of testing and product safety, focusing on improved environmental protection, serving the refrigeration and air conditioning industry and its customers. ASERCOM addresses top issues and communicates relevant opinions of its members to the industry, the public, governmental bodies and non-governmental organisations. <https://www.asercom.org/>

EPFA, the European Phenolic Foam Association includes companies that share an interest in the use of phenolic foam products within the insulation industry. The members are either producers of phenolic foam insulation resin suppliers or are companies closely linked with the industry through the provision of raw materials.

The European FluoroCarbons Technical Committee is a Cefic Sector Group that monitors legislation related to HFCs (hydrofluorocarbons), and HFOs (hydrofluoro-olefins) in the EU and at global level. Fluorocarbons are used as feedstock, as refrigerants, as solvents and as blowing agents for insulation plastic foams.

EHPA is the European Heat Pump Association. In a fully decarbonised Europe, heat-pump technologies are the number one heating and cooling solution, being a core enabler for a renewable, sustainable and smart energy system. They integrate multiple energy sources, bridging the electric and thermal sector on a local and regional level (micro grids, DHC). Heat pumps are easy to install and widely used in all thermal applications (buildings, transport, white goods) and industrial processes. Refrigerants and other components are available in sufficient quantities. The technology is recognised for its merits in legislation and existing energy models. EHPA is a forward-looking association aiming at putting heat pumps at the centre of the energy system by communicating the benefits of heat pumps, providing relevant information and being a reference point and integrator to all stakeholders.

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 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 realise 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. <https://epeeglobal.org/>

Eurovent is Europe's Industry Association for Indoor Climate (HVAC), Process Cooling, and Food Cold Chain Technologies. Its members from throughout Europe represent more than 1.000 organisations, the majority small and medium-sized manufacturers. Based on objective and verifiable data, these account for a combined annual turnover of more than 30bn EUR, employing around 150.000 people within the association's geographic area. This makes Eurovent one of the largest cross-regional industry committees of its kind. The organisation's activities are based on highly valued democratic decision-making principles, ensuring a level playing field for the entire industry independent from organisation sizes or membership fees.

Founded in 1999, the **Japan Business Council in Europe (JBCE)** is a leading European organization representing the interests of about 100 multinational companies of Japanese parentage active in Europe. Our members operate across a wide range of sectors, including information and communication technology, electronics, chemicals, automotive, machinery, wholesale trade, precision instruments, pharmaceutical, textiles and glass products. For more information: <https://www.jbce.org/>

JRAIA is the industry association representing over 160 manufacturers of refrigeration and air conditioning equipment in Japan. We, the members of JRAIA, have so far been dedicated to offering quality products to the markets of EU. JRAIA aims to promote and improve production, distribution and consumption of refrigeration and air conditioning equipment and their applied products, as well as auxiliary devices and components, automatic controls and accessories and thereby contribute to the steady development of Japanese industry and the improvement in people's standard of living. For more information, please see JRAIA's website: www.jraia.or.jp Email: jraia-global@jraia.or.jp

SMEunited is the association of Crafts and SMEs in Europe with around 70 member organisations from over 30 European countries. It represents national cross-sectoral SME federations, European SME branch organisations and associate members. SMEunited is a recognised employers' organisation and European Social Partner. www.SMEunited.eu | Twitter: @SMEunited

Established in 1955, **Transfrigoroute International (TI)** is the only specialist independent umbrella association for the temperature-controlled road transport industry at the European Union level. TI members include national associations representing the temperature-controlled sector, haulage companies involved with transport at controlled temperatures of foodstuffs and other goods in solid or liquid form, trailer manufacturers, manufacturers of refrigeration equipment and technical testing providers. TI membership is also open to companies providing technical assistance, insurance, damage assessment and legal services, and en-route support.