



*The Voice of European Air-Conditioning, Refrigeration and Heat Pumps Contractors*

## POSITION PAPER

Brussels, 23<sup>rd</sup> February 2009

**RE: European Commission's Communication "Towards a comprehensive climate change agreement in Copenhagen"**

### What is AREA?

AREA ([www.area-eur.be](http://www.area-eur.be)) is the European organisation of air-conditioning, refrigeration and heat pumps contractors. Established in 1988, AREA voices the interests of 24 national members from 19 European countries, representing more than 9,000 companies across Europe (mainly small to medium sized enterprises), employing some 125,000 people and with an annual turnover approaching € 20 billion.

### Introduction and background

AREA welcomes the Commission's Communication and supports the overall aim pursued. The EU must play a leading role in the discussions on a consolidated international policy on climate change. An international approach is indeed necessary, as it is only through common efforts worldwide that the effects of human activity on the environment can be controlled and minimised.

In its Communication, the European Commission considers that the accelerated phase-out of HCFC refrigerants may lead to a rapid increase in HFC emissions. This assumption is then used as a basis for justifying a position whereby industry would be actively encouraged to intensify research and deliver low GWP (global warming potential) alternative HFCs or non-HFC alternative refrigerants. Without questioning the value of an international approach on HFCs, AREA believes that the latter should not be partial and ought to be based on a comprehensive overview of all the links (both negative and positive) between HFCs and climate change.

### Global Warming Potential of HFCs

It is widely acknowledged that HFCs show a rather high GWP in comparison to other greenhouse gases (GHG). Insofar as HFCs are usually contained in refrigeration circuits, **they can however only achieve their GWP if released into the atmosphere**. The EU has addressed this issue through Regulation EC/842/2006 (F-Gas), the aim of which is to reduce HFC emissions, notably by decreasing leakage rates of refrigeration and air-conditioning (RAC) installations. To this end, higher standards for installation and maintenance of RAC equipment are being implemented in the EU. The **F-Gas Regulation will therefore contribute to preventing HFCs from achieving their GWP**. But this is not the only effect of F-Gas; indeed, the Regulation will also reinforce HFCs' role in combating climate change.

### **Total Equivalent Warming Impact of HFCs**

Although they increase greenhouse effects when released into the atmosphere, HFCs, when safely contained in equipment, can actually play a vital role in reducing the very same effect. Heat pumps are a classic example of this duality. Heat pumps are classified as a renewable energy source. Thanks to their high coefficient of performance, heat pumps enable energy production and recovery at a lower rate of CO<sub>2</sub> emissions. It must however be stressed that **most heat pumps are reliant on HFCs to achieve their low carbon potential**. HFCs thus directly contribute to improving energy efficiency – a critical aspect of a climate change policy.

### **Consistency with EU energy and environment policy**

In the framework of its policy on energy efficiency, the EU is currently discussing measures (RES Directive) to improve the promotion and use of energy from renewable sources, amongst which are heat pumps. **An EU stance in favour of an HFC phase-out would be in contradiction with the valuable objectives pursued by the RES Directive**, and therefore hinder their achievement.

Similarly, the RAC sector is in the process of implementing F-Gas. To this end, European RAC contractors are making substantial investments to be compliant with training and certification requirements. According to an internal estimate from AREA, this investment will exceed **€ 200 million for the whole EU sector**. Calling into question the EU position on HFCs would thus have **devastating financial effects on the RAC contracting sector** in difficult economic times especially as micro and small enterprises constitute most of the sector.

### **Proportionality**

CO<sub>2</sub> generates the vast majority of the human induced greenhouse effect. HFCs, on the other hand, represent less than 2% of overall GHG emissions, and measures such as the F-Gas Regulation will certainly reduce this share. The impact that safely contained HFCs can have on the reduction of CO<sub>2</sub> emissions should not be neglected. **Not only would banning HFCs have little effect on overall GHG emissions but it would actually prevent more substantial reductions** of the biggest share of these emissions – CO<sub>2</sub>.

### **Conclusion**

The main purpose of the international policy on climate change (as embedded in the Kyoto Protocol and hopefully its successor after Copenhagen) is to work on GHG emissions. It is demonstrated that HFCs can play an important part in this process.

Whereas one can understand the temptation of a rapid and radical decision on HFCs, **there is much more to gain from a rational approach that combines measures to decrease the negative effects of HFCs (preventing accidental release into the atmosphere via the F-Gas Regulation) and actions to enhance their positive effects (energy efficiency, reduction of CO<sub>2</sub> emissions via the promotion of heat pumps)**.

AREA therefore calls on the European Union to adopt a holistic approach that acknowledges the duality of HFCs and translates into the promotion of their safe and efficient use.