



EFCTC position

Brussels, 12 March 2013

EFCTC POSITION ON THE REVISION OF THE F-GAS REGULATION

The European Fluorocarbon Technical Committee (EFCTC), a sector group of the European Chemical Industry Council, CEFIC), welcomes the revision of the F-Gas regulation as an important measure to better control the emissions of greenhouse gases within the EU. The “cap and phase-down” system is the most appropriate way as it allows the market to choose the appropriate alternative and guarantees the environmental target.

In parallel to this revision, it is essential that the European Union strongly advocates international action to control the emissions of HFCs to ensure that European companies are not disadvantaged competitively at an international level. In particular, it is an important step that controls on production of HFCs in the European Union are not included within the proposal as any such controls would damage the competitiveness of European countries.

In order to make the proposal workable and fit for purpose, there are a number of changes that must be made. The main points are as follows :

(1) Bans on “placing on the market referred to in Article 9(1)” in Annex III of the proposal are unnecessary

The measures contained in Articles 13, 14, 15, 16 of the proposal already ensure the reduction of HFC consumption through restricting the quantities of HFCs that can be placed on the market. Bans on individual uses (as listed in Annex III) are counterproductive since they are technically prescriptive and hinder innovation of lower GHG HFC products and blends over the different fields of applications.

(2) The phase-down is too rapid for the industry to respond given the current availability of lower GWP alternatives.

The phase-down of use (Annex V) is too rapid according independent analysis carried out by SKM Enviros. Sufficient time is needed for the commercialisation of lower GHG products that meet the safety, economic and technical requirements for the wide range of applications covered in the cap and phase-down, for those applications where these products can be utilised. Furthermore, the Commission approach in the proposal to pre-charged equipment would add additional demand that is not included in the data reporting and baseline for fluorinated greenhouse gases under the current regulation.

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(3) “Placing on the market” quotas must be based on actual quantities placed on the market by producers and importers.

Article 14, paragraph 1 indicates that the allocation of quotas is based on the quantities of **production and imports** as reported by the individual producers and importers respectively. The proposal is based upon a restriction of quantities placed on the market not produced within the European Union. It is our view that the allocation should be based on the **actual quantities “placed on the market” within the Union as reported by the producers and importers.**

(4) Re-calculation of “placing on the market” quotas may lead to over-supply in the EU market

It is our understanding that the allowances shall be recalculated in later years based on actual supplies in more recent years (Article 14, paragraph 3). While this seems logical to reflect market dynamics, we submit that this provision may be counterproductive as it encourages all participants to maximize their sales onto the market. **We recommend that this provision is deleted.**

(5) Article 6 concerning the control of emissions of HFC-23 could have a major impact on factories producing HFCs

Article 6 bans all emissions of HFC-23 from the production of HFCs. This is not technically possible. Fugitive emissions from production can be minimised but not completely eliminated. Emissions of HFC-23 arising from the production of HCFC-22 can be largely reduced through incineration. Emissions cannot, however, be reduced to zero. Emissions of HFC-23 as a by-product in the production of HFCs can also be reduced effectively through process control and recycling within the manufacturing process. Such solutions can be more sustainable than incineration, however, the options to use them are not included within the current text of Article 6.

(6) Article 13 concerning the scope of the reduction of the placing on the market of hydrofluorocarbons, which should exclude medical applications and feedstock use

Article 13 sets out the scope for the reduction of the placing on the market of hydrofluorocarbons. The scope includes HFCs for use in metered dose inhalers within the phase-down, but with a review in 2020 to review availability for medical applications. Exempting the supply of HFCs for use in medical applications from the phase-down would provide certainty of availability for this critical use. The reduction of the placing on the market does not exempt the use of HFCs for feedstock applications. The use of HFCs in feedstock applications should be exempted from the placing on the market scope as the HFCs are converted into other substances.



Finally, this proposal for a revision of the F-Gas Regulation EU 842/2006 will have a major impact on trade as well as the availability and use of fluorinated greenhouse gases as it places restriction in the quantities placed on the EU market. Non-European Union countries are not taking comparable measures to restrict the emissions and use of fluorinated greenhouse gases. As such, the revised regulation in relation to Chapter III and Chapter IV (placing on the market controls) must be based upon Article 114 (3) of the Treaty on the Functioning of the European Union that requires a high level of environmental protection. It should be noted that Regulation 842/2006 has a dual legal base and this should be maintained in the revised Regulation.

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