



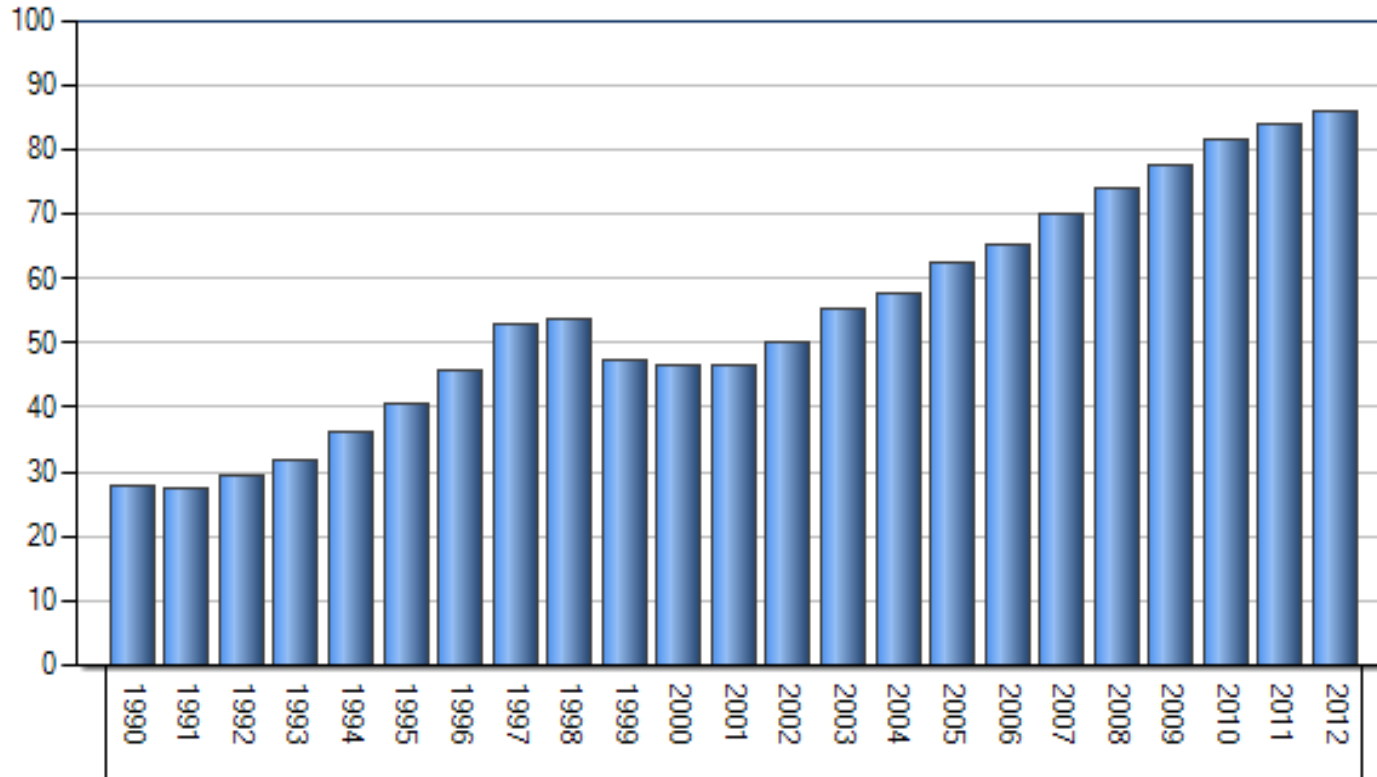
Regulation (EU) No 517/2014 on Fluorinated Greenhouse Gases

Implementation and international context

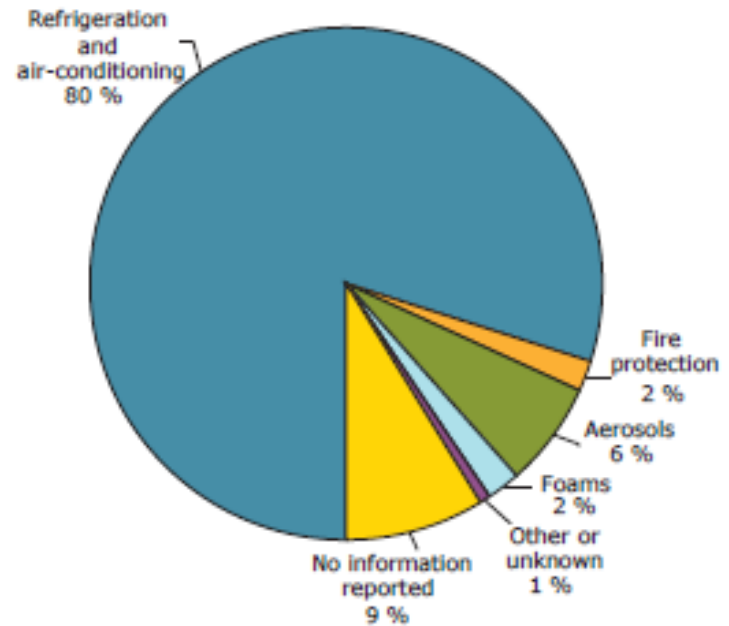
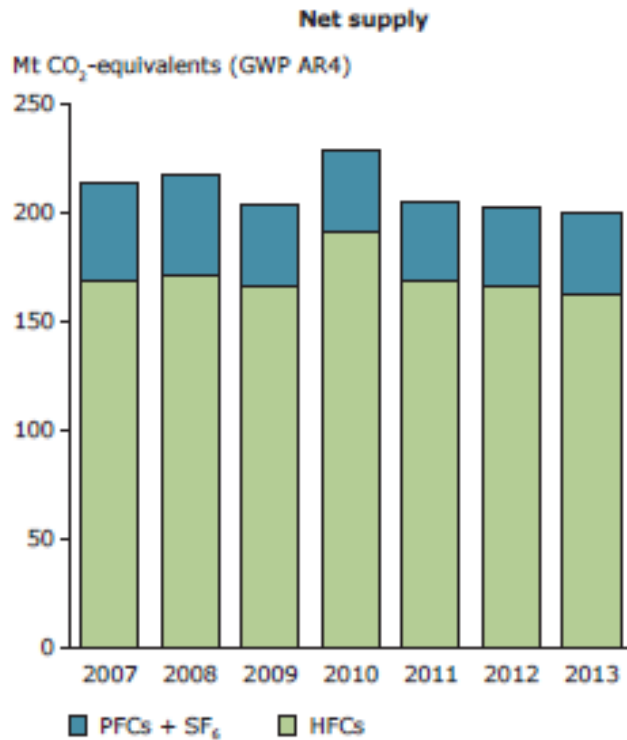
**Industry Roundtable
Brussels, 3 December 2014**

**Cornelius Rhein
European Commission
DG Climate Action**

HFC emissions in the EU: 1990-2010



EU: Use of HFCs today



Source: EEA.

Source: European Environmental Agency, 2014

Two strategies to reduce emissions

- Prevent leakage and emissions
 - Emission prevention and leak checks -> Art. 2 - 6
 - Control of by-production -> Art. 7
 - End of life treatment of products and equipment -> Art. 8, 9
 - Training and qualification -> Art. 10
 - Information for users (labelling, product infos) -> Art. 12
- Avoid the use of F-gases
 - Training and qualification!
 - **Ban on new applications** -> Art. 11
 - **Ban on uses** -> Art. 13
 - **Phase-down of HFC supply** -> Art. 15 ff.

HFC phase-down – the main novelty

- The phase-down concerns:
 - **All HFC bulk gases** placed on the EU market (imports + EU production)
 - **HFCs in imported pre-charged RAC equipment** reduce quotas for bulk supply from 2017
- Companies are assigned quotas in CO₂ equivalent, leaving flexibility in actual substances to be put on market
 - **More HFCs can be sold when their GWP decrease accordingly!**

Registration and quota allocation

- EC Adoption of Reference Values and notification to incumbents
- Detailed calculations for New Entrants based on their declarations
- Phasing in the HFC Registry:
 - **Incumbents & New Entrants confirmed the registration details (October 2014)**
 - **Quotas and Reference Values uploaded in F-gas Portal (November 2014)**
 - **Transfer Function will be enabled (ca. January 2015)**
 - **Declaration Function will be enabled (ca. March 2015)**

...see Commission Implementing Decision 2014/774/EU
of 31 October 2014



European
Commission

CLIMATE ACTION

WELCOME CORNELIUS RHEIN

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[European Commission](#) > [Climate Action](#) > [Policies](#)

PROTECTION OF THE OZONE LAYER AND REDUCING F-GASES

The European Union has a strong commitment to protect the ozone layer and has put in place legislation that is among the strictest and most advanced in the world. The EU has not only implemented what has been agreed under the Montreal Protocol on protecting the ozone layer but has often phased out dangerous substances faster than required.

The EU is also concerned about the implications for the climate of highly warming alternatives to ozone depleting substances and has adopted stringent controls to reduce such fluorinated greenhouse gases (F-gases).

OZONE-DEPLETING SUBSTANCES

LICENSING OF OZONE-DEPLETING SUBSTANCES (ODS)

Regulation (EC) No 1005/2009 prohibits imports as well as exports of ODS and products & equipment containing or relying on ODS. However, there are exemptions to this prohibition. Any exempted import and export of ODS as well as the production for essential uses is subject to licensing. Licences are issued by the European Commission with the use of the ODS Licensing System.

[ENTER ODS LICENSING SYSTEM](#)

FLUORINATED GREENHOUSE GASES

THE HFC REGISTRY, HFC QUOTAS AND F-GAS DATA REPORTING

Regulation (EU) No 517/2014 foresees the implementation of a phase-down of hydrofluorocarbons (HFCs) under which the placing on the market of HFCs by each undertaking is subject to quantitative limits. From 1 January 2015 a quota is required for producers and importers placing at least 100 tonnes of CO2 equivalent of HFCs on the market in a calendar year.

The European Commission allocates quotas for placing hydrofluorocarbons on the market and operates an electronic registry for these quotas. Company reporting on fluorinated greenhouse gases listed in Annex I and II is also mandated by the Regulation.

[ENTER F-GAS PORTAL](#)

Status

VALID

PROFILE OF FGAS UNDERTAKING 01

ORGANISATION TYPE:

- Company (undertaking)
 EU Customs authority
 EU Member State

ORGANISATION DETAILS:

| | | | | |
|---|--------|---------------|---------|-----------|
| ORGANISATION NAME * | | TELEPHONE * | WEBSITE | |
| FGAS Undertaking 01 | | +34 123456789 | | |
| STREET * | NUMBER | POSTAL CODE * | CITY * | COUNTRY * |
| STREET | | 29102 | CITY | Belgium |
| VAT NUMBER (FOR A COMPANY) * | | | | |
| AA123456789 | | | | |
| <input type="checkbox"/> Check if your EU VAT number is valid or check with your Member State authority | | | | |

USERS:

| FIRST NAME | LAST NAME | E-MAIL | ACTIONS |
|------------|-----------|-------------------------|---------|
| User 2 | User 2 | user2@mock.ec.europa.eu | |

QUESTIONS:

BUSINESS SPECIFICATIONS:

| | |
|--|---|
| ARE YOU A PRODUCER/IMPORTER OF HFCS * <input checked="" type="radio"/> Yes <input type="radio"/> No | ARE YOU AN EXPORTER OF HFCS * <input type="radio"/> Yes <input checked="" type="radio"/> No |
| ARE YOU A PRODUCER/IMPORTER/EXPORTER OF OTHER FLUORINATED GREENHOUSE GASES (NON-HFCS) LISTED IN ANNEX I OR II * <input type="radio"/> Yes <input checked="" type="radio"/> No | ARE YOU AN UNDERTAKING USING FLUORINATED GREENHOUSE GASES LISTED IN ANNEX I OR II AS FEEDSTOCK * <input type="radio"/> Yes <input checked="" type="radio"/> No |
| ARE YOU AN UNDERTAKING IN RECEIPT OF EXEMPTED HFCS * <input type="radio"/> Yes <input checked="" type="radio"/> No | ARE YOU IMPORTING PRODUCTS AND EQUIPMENT CONTAINING FLUORINATED GREENHOUSE GASES LISTED IN ANNEX I OR II * <input type="radio"/> Yes <input checked="" type="radio"/> No |
| ARE YOU AN UNDERTAKING DESTROYING FLUORINATED GREENHOUSE GASES LISTED IN ANNEX I OR II * <input type="radio"/> Yes <input checked="" type="radio"/> No | |



HFCs in pre-charged equipment

- Of the EU HFC demand, **11%** is imported in pre-filled equipment, rising to **18%** in 2030
- If not addressed, risk of circumvention of the phase-down!

Solution: Obligation to ensure that all HFCs quantities filled in equipment are "accounted for" under the EU phase-down

- *Filling in the EU, or*
- *outside the EU, with HFCs bought in the EU, or*
- *authorisation to use quota from a quota holder (producer/importer of bulk HFCs)*

Verification through declarations of conformity and audited reports



New bans and their context

1. Addressing non-HFCs and by-production
e.g. **Recovery/Destruction of HFC-23 by-production**
2. "Steering" the HFC phase-down
 - **Ban to service** refrigeration equipment with high GWP HFCs (no 404A/507!) from 2020
 - **Additional bans for new equipment**

Guiding principles:

- *Existing equipment should not become obsolete*
- *Bans only when alternatives are available (= safe, energy efficient, economically viable)*

Placing on the market & use restrictions



Great attention by stakeholders on the bans...

but it's the phase-down that will drive most changes (even though not sector-specific and thus flexible)

Average GWP today ~2000

-> In 2030 average GWP <400 (21%)

i.e. **A solution with GWP 700 is not good enough unless other sectors do more...**

Good savings potential by avoiding refrigerants with GWP > 2500 (R-404A, R-507)



Reporting tool and scope

- Using reporting tool of the European Environmental Agency
- Reuse existing sheets where possible
- New reporting obligations (imported equipment, exemptions, destruction...)
- New use of data (requiring to identify POM, enabling matching reports of quota holders and equipment importers etc...)

... see Commission Implementing Regulation (EU) No 1191/2014 of 31 October 2014



Next steps

1. Preparation of implementing measures

- Format of labelling of F-gases & products and equipment
- Minimum requirements for training and certification

2. Guidance documents

- Placing on the market of F-gases: HFC by-products
- Operators of equipment
- Reporting and quota allocation
- Import of pre-charged equipment



The international context

- EU phase-down demonstrates that measures are feasible
- Increased EU demand for alternative technologies
 - innovation and economies of scale also in other markets
 - reducing costs of a global phase-down of HFCs
- Looking for international collaboration to achieve faster reductions of HFC consumption (bilateral statements with US, China)

There is a unique window to save efforts and money by acting now,

- *reducing existing use of HFCs, and*
- *using low-GWP alternatives to replace HCFCs*

in the framework of the Montreal Protocol on Ozone Depleting Substances



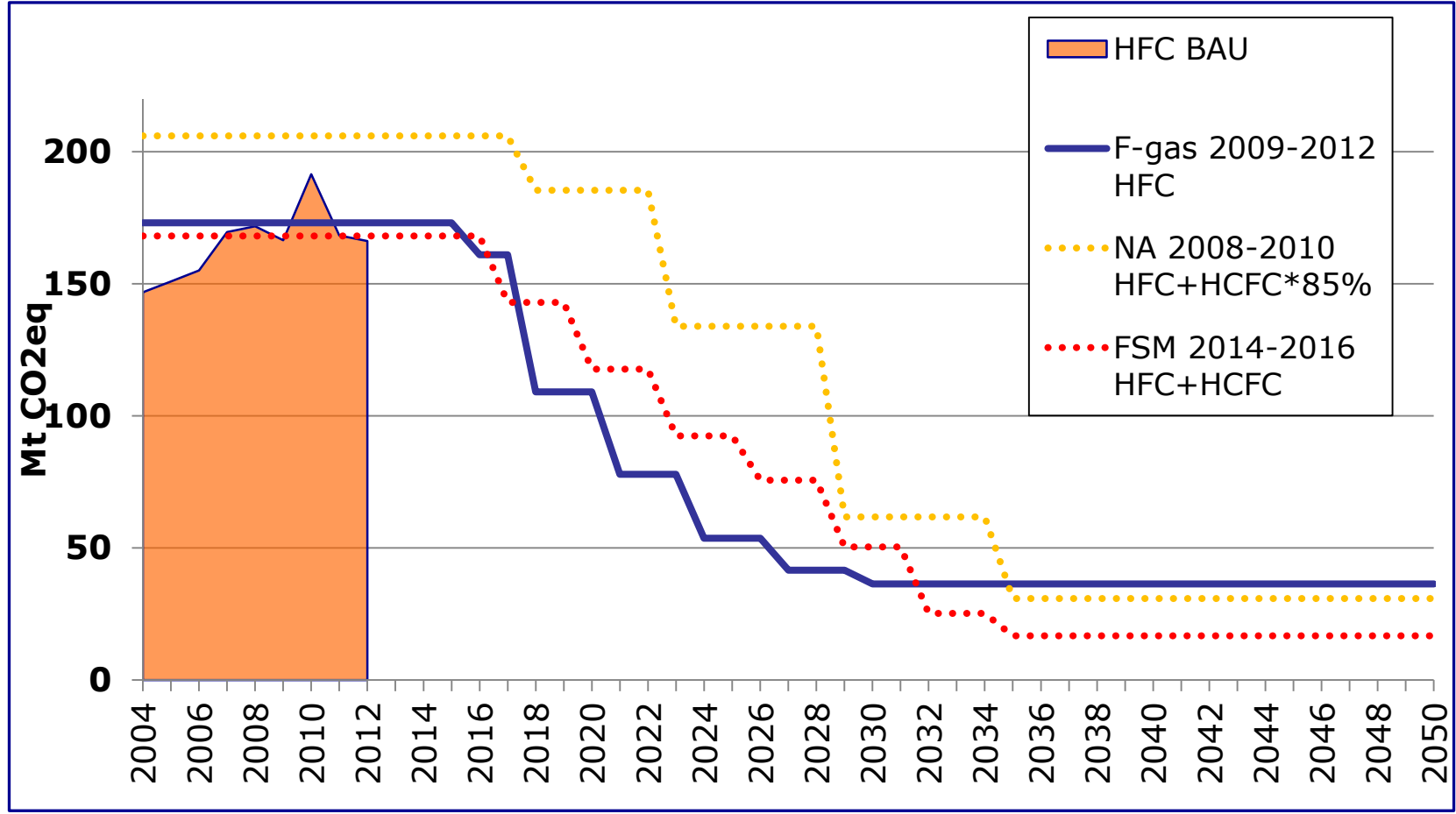
The EU approach

- Support for HFC amendment proposals
- Encourage other Article 2 parties to pursue a similar level of ambition as the new EU Regulation
- Consideration of elements that could be changed to reach international consensus:
 - For Article 5 parties: Focus on maximizing **climate benefits of the HCFC phase-out**
 - Freeze of combined HCFC and HFC consumption, expressed in CO₂ equivalents
 - Collection of data on HFCs before deciding on long-term reduction schedule

Addressing HFCs under the Montreal Protocol



For the period 2018-2030 the EU HFC phase-down (= legislation in force) meets all international proposals



Impact of 2014 proposals by NA = North America, FSM = Federated States of Micronesia on the EU HFC consumption

To know more...

http://ec.europa.eu/clima/news/articles/news_2014031201_en.htm

http://ec.europa.eu/clima/policies/f-gas/legislation/docs/fluorinated_greenhouse_gases_en.pdf

http://ec.europa.eu/clima/policies/f-gas/legislation/documentation_en.htm

...and of course: Cornelius.Rhein@ec.europa.eu

Thank you for your attention!