

Overview of the Final Rule for HCFC Allowances in 2015-2019

EPA regulates the production and import of hydrochlorofluorocarbons (HCFCs) under the authority of Title VI of the Clean Air Act.

- This final rule, titled “Adjustments to the Allowance System for Controlling HCFC Production, Import, and Export,” covers the years 2015-2019.

1) HCFC Production & Consumption – As proposed, EPA is maintaining the same baselines used in 2012-2014. (47464 Federal Register / Vol. 76, No. 151 / Friday, August 5, 2011 / Rules and Regulations)

TABLE 2—BASELINE PRODUCTION ALLOWANCES OF HCFC–22 AND HCFC–142B IN 40 CFR 82.17

Person	Controlled substance	Allowances (kg)
Arkema	HCFC–22	46,692,336
	HCFC–142b	484,369
DuPont	HCFC–22	42,638,049
	HCFC–142b	37,378,252
Honeywell	HCFC–22	2,417,534
	HCFC–142b	2,383,835
MDA Manufacturing	HCFC–22	6,541,764
Solvay Solexis	HCFC–142b	

TABLE 3—BASELINE CONSUMPTION ALLOWANCES OF HCFC–22 AND HCFC–142B IN 40 CFR 82.19

Person	Controlled substance	Allowances (kg)
ABCO Refrigeration Supply	HCFC–22	279,366
Altair Partners	HCFC–22	302,011
Arkema	HCFC–22	48,637,642
	HCFC–142b	483,827
Carrier Corporation	HCFC–22	54,088
Coolgas Investment Property	HCFC–22	1,040,458
DuPont	HCFC–22	38,814,862
	HCFC–142b	52,797
H.G. Refrigeration Supply	HCFC–22	40,068
Honeywell	HCFC–22	35,392,492
	HCFC–142b	1,315,819
Mexichem Fluor Inc	HCFC–22	2,546,305
Kivlan & Company	HCFC–22	2,081,018
MDA Manufacturing	HCFC–22	2,541,545
Mondy Global	HCFC–22	281,824
National Refrigerants	HCFC–22	5,528,316
Refricenter of Miami	HCFC–22	381,293
Refricentro	HCFC–22	45,979
R-Lines	HCFC–22	63,172
Saez Distributors	HCFC–22	37,936
Solvay Fluorides	HCFC–22	3,781,691
Solvay Solexis	HCFC–142b	194,536
USA Refrigerants	HCFC–22	14,865

2) Final HCFC-22 Allowance Allocations

Consumption: EPA is finalizing the five-year linear approach (Option 1 in the preamble), starting at 10,000 MT in 2015. Under this approach, the annual decrease in allowances is the same every year (approximately 2,000 MT), reaching zero in 2020.

Production: EPA is issuing the maximum production allowances allowed for under the Montreal Protocol, after accounting for production allowances issued for the other HCFCs in each year. The annual allocation each year is approximately 28,000 MT, which is 21.7% of the HCFC-22 production baseline

Final Allocation	2015	2016	2017	2018	2019
HCFC-22 Consumption (MT)	10,000	8,000	6,000	4,000	2,000
Percent of Baseline	7.0%	5.6%	4.2%	2.8%	1.4%
HCFC-22 Production (MT)	28,000	28,000	28,000	28,000	28,000
Percent of Baseline	21.7%	21.7%	21.7%	21.7%	21.7%

NB: The percentages shown above are exact; the allocation in MT is approximate due to rounding.

3) Final HCFC-123, HCFC-124 & HCFC-142b Allowance Allocations

Final Allocation	2015	2016	2017	2018	2019
HCFC-123 Consumption (MT)	2,000	2,000	2,000	2,000	2,000
Percent of Baseline	100%	100%	100%	100%	100%
HCFC-124 Production (MT)	200	200	200	200	200
Percent of Baseline	5.0%	5.0%	5.0%	5.0%	5.0%
HCFC-124 Consumption (MT)	200	200	200	200	200
Percent of Baseline	8.3%	8.3%	8.3%	8.3%	8.3%
HCFC-142b Production (MT)	35	30	25	20	15
Percent of Baseline	0.37%	0.32%	0.26%	0.21%	0.16%
HCFC-142b Consumption (MT)	35	30	25	20	15
Percent of Baseline	1.7%	1.5%	1.2%	1.0%	0.7%

NB: The percentages shown above are exact; the allocation in MT is approximate due to rounding.

6) Incorporating Clean Air Act Revisions—EPA is amending the regulations on production and use of HCFCs to incorporate a statutory change made in 2012.

- The National Defense Authorization Act for Fiscal Year 2012 amended the Clean Air Act to allow for use and introduction into interstate commerce of a virgin HCFC for use as a non-residential fire suppressant, if it is listed as acceptable for that purpose in accordance with EPA’s SNAP program.
- Specifically, EPA is revising the regulations to allow continued import and use of HCFC- 123 until January 1, 2020 for use as a fire suppression streaming agent for nonresidential applications in accordance with the SNAP regulations.

7) Technical Updates to the Refrigerant Reclamation Requirements—EPA is not incorporating the most recent AHRI standards in this final rule. The agency is making minor clarifying changes to two reporting requirements.

8) Existing Statutory & Regulatory Requirements—In this rule, EPA highlights certain provisions that are already in place, but which take effect on January 1, 2015:

- Products containing or manufactured with HCFCs must be labeled (for more information, see www.epa.gov/ozone/title6/labeling).
- HCFCs cannot be used or introduced into interstate commerce unless the HCFC meets one of the four exemptions in CAA section 605(a).

9) Compliance with Montreal Protocol Commitments—Starting in 2015, the U.S. must reduce production and consumption of all HCFCs to less than 10 percent of the historic baseline, but may allow an additional amount of production for export to developing (“Article 5”) countries. The final HCFC

production and consumption allocations in this final rule are significantly below the U.S. Montreal Protocol cap for 2015 through 2019.

Source:

- “Protection of Stratospheric Ozone: Adjustments to the Allowance System for Controlling HCFC Production, Import and Export, 2015-2019” : www.federalregister.gov/articles/2014/10/28/2014-25374/protection-of-stratospheric-ozone-adjustments-to-the-allowance-system-for-controlling-hcfc#h-11
- “MEMORANDUM: Overview of the Final Rule for HCFC Allowances in 2015-2019”: (EPA US Environmental Protection Agency) <https://www.epa.gov/ods-phaseout/memorandum-overview-final-rule-hcfc-allowances-2015-2019>
- <https://www.gpo.gov/fdsys/pkg/FR-2011-08-05/pdf/2011-19896.pdf>