



Changing State of Refrigerants – Digest 2014-7

EPA to determine the HCFC-22 allocation for 2015-2019

What is the allocation?

As prescribed by the Clean Air Act, a phase out schedule for HCFC refrigerants was established in 1990. Per that schedule, production and import rights were to be reduced gradually with a final phase out date of 12-31-2019. The allocation stipulates the amount of product that each stake holder can produce or import in a given year.

Why are they revisiting this allocation?

Over the past few years, the EPA has accelerated the reduction in allocation rights causing intermittent shortages of supply and dramatic increases in price. In 2013 they reversed this action which had the expected opposite effect. The EPA published (3) options and allowed for a period of public comment.

Option #1: Would be a linear drawdown; and would reduce the allocation 20% per year.

Option #2: Would be a 3 year version of the linear drawdown, where production and imports would be phase out on 12-31-2018.

Option #3: Would estimate the service needs, and account for existing inventories and the estimated reclamation and recovery yield. In this model the production cap would be adjusted up or down to allow for an orderly phase out.

*A lobbying effort was made to introduce a 4th option that would suspend production and imports in 2015 and begin again in 2016 using a drawdown model.

When will the EPA make their decision?

No formal date has been announced, but the decision is expected sometime in the early 4th quarter of 2014. It is believed that Option #1 has the most merit and that an initial cap in the 22,000,000 to 27,000,000 lbs will be the starting point.

All information is a preliminary and subject to change.

For more info go to <http://www.rsd.net/refrigerantsuite/index.php> or call 800-245-8007 ex 00405