

## Senate Bill No. 1206

### CHAPTER 884

An act to add Sections 39735 and 39736 to the Health and Safety Code, relating to greenhouse gases.

[Approved by Governor September 30, 2022. Filed with  
Secretary of State September 30, 2022.]

#### LEGISLATIVE COUNSEL'S DIGEST

SB 1206, Skinner. Hydrofluorocarbon gases: sale or distribution.

Existing law requires, no later than January 1, 2018, the State Air Resources Board to approve and begin implementing a comprehensive short-lived climate pollutant strategy to achieve a reduction in statewide emissions of methane by 40%, hydrofluorocarbon gases by 40%, and anthropogenic black carbon by 50% below 2013 levels by 2030. Existing law provides, among other things, that certain federal prohibitions on the use of class I and class II substances shall apply, except as otherwise provided in state statute or regulation. Existing law requires the state board to expeditiously initiate a rulemaking to conform its regulations to any action by the United States Environmental Protection Agency to approve a previously prohibited hydrofluorocarbon blend for foam blowing pursuant to specified federal laws.

This bill would prohibit a person from offering for sale or distribution, or otherwise entering into commerce in the state, bulk hydrofluorocarbons or bulk blends containing hydrofluorocarbons that exceed a specified global warming potential limit beginning January 1, 2025, and lower global warming potential limits beginning January 1, 2030, and January 1, 2033. The bill would specify that these provisions do not restrict the state board's authority to establish by regulation maximum allowable global warming potential levels for hydrofluorocarbons entered into commerce in the state below these maximum levels. The bill would require the state board to initiate a rulemaking requiring low and ultra-low global warming potential alternatives to hydrofluorocarbons in a sector unless it is not practicable for entities in the sector to comply with the requirement. The bill would require penalties collected for a violation of these prohibitions to be deposited in the Air Pollution Control Fund. Because a violation of these prohibitions would be a crime, this bill would impose a state-mandated local program.

This bill would prohibit, beginning January 1, 2025, hydrofluorocarbons with a global warming potential greater than 750 that are not reclaimed from being used to replenish leaks or otherwise service stationary equipment owned or operated by the state.

This bill would require the state board to post an assessment on its internet website by January 1, 2025, specifying how to transition the state's economy,

by sector, away from hydrofluorocarbons and to ultra-low or no global warming potential alternatives no later than 2035, as specified.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

*The people of the State of California do enact as follows:*

SECTION 1. (a) The Legislature finds and declares all of the following:

(1) Short-lived climate pollutants, such as black carbon, hydrofluorocarbons, and methane, are powerful climate forcers that have a dramatic and detrimental effect on air quality, public health, and climate change.

(2) These pollutants create a warming influence on the climate that is many times more potent than that of carbon dioxide.

(3) Hydrofluorocarbons, or “HFCs,” are synthetic fluorinated gases that are used in a variety of applications, but mainly to replace ozone-depleting substances in aerosols, foams, refrigeration, and air-conditioning. HFCs have a powerful impact on climate as they trap heat in the atmosphere at a rate of up to thousands of times that of carbon dioxide. The most abundant hydrofluorocarbons are 3,790 times more damaging than carbon dioxide for the atmosphere on a 20-year timescale.

(4) Leaks of hydrofluorocarbons from air-conditioning and refrigeration units are a major source of statewide and global emissions, with an average supermarket refrigeration system leaking 25 percent of its total refrigerant charge annually, equivalent to 1,780 metric tons of carbon dioxide equivalent, or emissions of nearly 400 passenger cars.

(5) Low-global-warming-potential fluorinated gases are available on the market today and, if used in the place of high-global-warming-potential fluorinated gases, could significantly minimize the climate impact of hydrofluorocarbons.

(6) Under Senate Bill 1383 (Chapter 395 of the Statutes of 2016) the state is required to reduce short-lived climate pollutants 40 percent below 2013 levels by 2030, and to reduce hydrofluorocarbon emissions 40 percent below 2013 levels by 2030. In accordance with this statute, the State Air Resources Board adopted several requirements to prohibit high-global-warming-potential hydrofluorocarbons in certain end uses.

(7) It is in the public interest to reduce the emissions of hydrofluorocarbons in California.

(b) It is the intent of the Legislature to support small businesses in the transition of the state’s economy to reclaimed refrigerants and alternatives to hydrofluorocarbons that have no or very low global warming impact as soon as possible.

SEC. 2. Section 39735 is added to the Health and Safety Code, to read:

39735. (a) For purposes of this section, the following definitions apply:

(1) “Bulk” has the same meaning as defined in Section 84.3 of Title 40 of the Code of Federal Regulations.

(2) “Hydrofluorocarbons” has the same meaning as defined in Section 39734.

(3) “Global warming potential” or “GWP” is a measure of how much energy the emissions of one ton of a gas will absorb over a given period of time, relative to the emissions of one ton of carbon dioxide. “Global warming potential” or “GWP” means the 100-year global warming potential values published by the Intergovernmental Panel on Climate Change (IPCC) in its Fourth Assessment Report (AR4) in 2007, and if a relevant value is not contained in AR4, “global warming potential” means the 100-year global warming potential values published by the IPCC in its Fifth Assessment Report (AR5) in 2013 or as determined by the state board in a regulation adopted pursuant to this section.

(4) “Low GWP” means GWP of less than 150.

(5) “Person” has the same meaning as defined in Section 39047.

(6) “Reclaim” has the same meaning as defined in Section 84.3 of Title 40 of the Code of Federal Regulations, as amended from time to time.

(7) “Ultra-low GWP” means GWP of less than 10.

(b) (1) A person shall not offer for sale or distribution, or otherwise enter into commerce in the state, bulk hydrofluorocarbons or bulk blends containing hydrofluorocarbons that exceed any of the global warming potential limits as specified in paragraph (2), (3), or (4).

(2) Beginning January 1, 2025, the global warming potential shall not exceed 2,200.

(3) Beginning January 1, 2030, the global warming potential shall not exceed 1,500.

(4) Beginning January 1, 2033, the global warming potential shall not exceed 750.

(c) Nothing in this section shall restrict the authority of the state board to establish by regulation maximum allowable global warming potential levels for hydrofluorocarbons entered into commerce in the state below the maximum levels established in subdivision (b).

(d) (1) The prohibitions established pursuant to subdivision (b) or (c) shall not apply to either of the following:

(A) Hydrofluorocarbons that are reclaimed.

(B) (i) Hydrofluorocarbons that are exclusively for use in metered dose inhalers approved by the United States Food and Drug Administration for medical purposes.

(ii) The exemption established pursuant to clause (i) shall become inoperative on December 27, 2030.

(2) For bulk blends containing hydrofluorocarbons, the global warming potential limits established pursuant to subdivision (b) or (c) apply to the global warming potential of the blended product and do not apply to any component of the blend in isolation.

(e) Beginning January 1, 2025, hydrofluorocarbons with a GWP greater than 750 that are not reclaimed shall not be used to replenish any leaks or otherwise service stationary equipment owned or operated by the state.

(f) To achieve the transition described in subdivision (a) of Section 39736, the state board shall initiate a rulemaking requiring low or ultra-low GWP alternatives to hydrofluorocarbons in a sector unless it is not practicable for entities in the sector to comply with the requirement.

(g) (1) Any violation of this section or any rule, regulation, order, or other measure adopted by the state board pursuant to this section may be enjoined pursuant to Section 41513, and the violation is subject to those penalties set forth in Section 38580 and Article 3 (commencing with Section 42400) of Chapter 4 of Part 4.

(2) Notwithstanding Section 42405 or any other law, penalties collected for a violation of this section shall be deposited in the Air Pollution Control Fund.

(h) The provisions of this section are severable. If any provision of this section or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

SEC. 3. Section 39736 is added to the Health and Safety Code, to read:

39736. (a) The state board shall post an assessment on its internet website by January 1, 2025, specifying how to transition the state's economy, by sector, away from hydrofluorocarbons and to ultra-low GWP or no-GWP alternatives no later than 2035 through maximizing recovery and reclamation and increasing adoption of new low and ultra-low GWP alternative refrigerants.

(b) The assessment prepared pursuant to subdivision (a) shall include all of the following:

(1) A list of all existing sources of incentives for reducing hydrofluorocarbon emissions to the levels specified in Section 39730.5, and whether the required global warming potential of the technology supported in these incentive programs should be lowered.

(2) (A) Proposals for additional incentives, safety testing, and demonstration projects that may be needed to aid the state in transitioning away from hydrofluorocarbons, in increasing availability and access to low GWP, ultra-low GWP, or no-GWP refrigerant technologies available in other countries in the California market, and in increasing refrigerant recovery and reclamation in California.

(B) The safety testing described in subparagraph (A) shall include any safety testing needed to assess proposals to update safety standards and codes for design and use of equipment using low or ultra-low GWPs. The state board may consult with expert agencies and organizations in carrying out this subparagraph.

(3) Suggested legislative or regulatory changes necessary to transition away from hydrofluorocarbons.

(4) Recommendations on any interim steps required to fully transition to ultra-low GWP or no-GWP alternatives, including recommendations for

how to establish a robust reclamation system for hydrofluorocarbons with higher global warming potentials. The State Energy Resources Conservation and Development Commission shall conduct an analysis of issues preventing high levels of hydrofluorocarbon reclamation today, which shall include an analysis of the reverse supply chain and interviews with appliance technicians servicing appliances using hydrofluorocarbons in the state and with refrigerant distributors and wholesalers to identify fundamental barriers to reclaiming refrigerant.

(5) Workforce training and certification recommendations to grow the workforce of technicians capable of handling ultra-low GWP or no-GWP alternatives and servicing the new appliances that use these refrigerants.

(c) For purposes of this section, the following definitions apply:

(1) “Global warming potential” or “GWP” has the same meaning as defined in Section 39735.

(2) “Low GWP” means GWP of less than 150.

(3) “Ultra-low GWP” means GWP of less than 10.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.