

July 14, 2025

Responses to questions received from potential applicants regarding the F-Gas Reduction Incentive Program (FRIP) solicitation for third-party subcontractor services for the Residential HVAC <u>Refrigerant Reclamation pilot</u>

Q1. How will CARB treat confidential business information (CBI) that may be submitted in response to the solicitation?

A1. CARB often requires the disclosure of confidential information for the implementation of its grants and regulations. It handles all such information received pursuant to Title 17 of the California Code of Regulations, section 91022. In the event of a request for public information, all confidential business information is either redacted or withheld from disclosure (depending on whether the entire document is CBI or only portions are CBI). CARB may reach out to the entity to make a determination as to whether the information qualifies as trade secret or CBI, but CARB will not release any information marked "confidential" by the discloser unless it reaches an agreement with the discloser that some or all of the marked information is not qualified for confidential designation. CARB asks that the discloser identify any CBI, trade secret, or personally identifiable information (PII) as such when it submits its documents. In general, the terms and conditions of the grant are designed to protect the integrity of a project while protecting NASRC, CARB, and the grantee's PII, CBI, and trade secret information.

Q2. Please expand on the buy-back of refrigerant gases. It is stated that there is funding for "Minimum Buy-Back", will the buy-back be in accordance with prevailing market prices for individual refrigerant gases? How will the values be assigned and will those values be adjusted upon changing market conditions? It is difficult to complete Table 3 ("In-Kind Match" specifically) without knowing how much contribution there will be from FRIP to the reclaimer.

A2. The buyback values are determined based on at least 12 months of historical market data and the applicant's future market assumptions per Table 1 and Table 2 in the <u>solicitation</u>. The California Air Resources Board (CARB) and North American Sustainable Refrigeration Council (NASRC) understand that these values may change throughout the course of the grant and are willing to negotiate refrigerant costs and FRIP funding contributions as necessary during the term of the grant based on market conditions.

Through an applicant's response to the solicitation, NASRC and CARB seek to understand what buyback incentives are necessary to increase refrigerant recovery



and reclamation, particularly for R-410A. If market prices for reclaimed refrigerant are low and the cost of reclaiming refrigerant including the buyback costs exceed market value, CARB will consider providing additional incentives, based on fund availability, to assist in ensuring that it is economical for a reclaimer to reclaim refrigerant and that contractors/technicians are adequately incentivized for their time and effort in refrigerant recovery. For best results, the reclaimer should account for anticipated market price when suggesting the incentive amount that should be provided via FRIP. A range is acceptable to account for the variability in market pricing.

Q3. Other than preference to California reclaimers, will there be other preference given to decisions for award (i.e., small business, minority-owned, etc.)?

A3. Awardee selection is based on the evaluation criteria and the proposal requirements (pages 6-10 of the solicitation), including the ability of the applicant to fulfill the scope of work described in the solicitation. Reclaimers with a reclamation facility in California will be given preference as indicated in the solicitation. CARB's approach in selecting a reclaimer is transparent; no other criteria that are not stated in the solicitation will be considered.

Q4. Is the "incentivizing of HVAC contractors" by way of buy-back of the refrigerants? This already exists in the marketplace.

A4. While refrigerant buyback may exist in the marketplace currently, there is still room for more recovery and reclamation of hydrofluorocarbon (HFC) refrigerants in particular. "Incentivizing of HVAC contractors" includes the buyback payments but also includes supporting contractors with cylinder collection or shipping and possibly subsidizing the purchase of new recovery equipment for contractors/technicians. The U.S. EPA reported that approximately 9 million pounds of HFCs were reclaimed nationally in 2023, which represents less than 3% of the HFCs that were allowed to be consumed that year per the national HFC phasedown. Additionally, CARB's F-gas inventory and California Energy Commission's (CEC) investigation per <u>California SB</u> 1206, indicate that the residential HVAC sector has low rates of refrigerant recovery. There may be a strong reclaim market for R-22 already, but the data indicates that more incentives are needed to increase contractor awareness of the newer buyback infrastructure for R-410A and other HFCs to increase the recovery and reclamation of HFCs.

Q5. How will FRIP/NASRC/CARB handle receipt of mixed gases? Reclaim can only be accomplished with high-purity refrigerants, many times, recoveries involve mixes that need separation. R-22 is a case in point, we have varying



buy-back values relative to the percent of R-22 in the gas recovered. Will preference be given to reclaimers that have separation technology?

A5. CARB wishes to maximize the reclamation of refrigerants as much as possible and not penalize contractors/technicians for turning in mixed gases. Awardee selection will be based on the evaluation criteria and the proposal requirements (pages 6-10 of the solicitation), including the ability of the applicant to reclaim a large majority of recovered material and fulfill the scope of work described in the solicitation. CARB is aware that reclaimers with separation technology can typically reclaim more refrigerant as compared to reclaimers without separation technology. While not a requirement under the solicitation, CARB encourages applicants without separation technology to partner with reclaimers with separation technologies for the reclamation of mixed samples they are unable to reclaim themselves.

Q6. A Certified Technician should already be 608 Certified (and is a requirement) to perform HVAC work and therefore already have the training that educates in the proper collection and recycling of refrigerant gas and the importance of nullifying leaks and venting to the atmosphere-is the training designed for a different group of technicians?

A6. The contractor/technician training included in the solicitation is intended for HVAC contractors/technicians. The Section 608 contractor/technician certification is a written exam, focused on refrigerant regulations, and includes no practical hands-on training requirements for refrigerant handling. There is also no re-certification requirement, so some contractors/technicians may have received their certification many years ago. Beyond the Section 608 certification, there is no standardized training or hands-on training requirement – this is a gap that CARB is trying to fill through this program. CARB aims to increase education, awareness, and training for HVAC contractors/technicians, through the selected reclaimer, on the importance of minimizing leaks, eliminating venting, and proper recovery and reclamation of refrigerants.

Q7. Approximately 20% of what our company receives today is mixed refrigerants and our concentration is NOT the residential market where mixing of gases is more prevalent—is the anticipation that the funding will be used for destruction of these gases? This could easily exhaust the monies quickly. A part of the training should incorporate the value of the gas and the necessity to separate gases and not co-mingle them.

A7. As written, the solicitation does not provide funding for the destruction of refrigerants. If a reclaimer establishes why this is necessary as part of their proposal to address the program objectives, CARB may consider, at its sole discretion, providing



funding for destruction. CARB agrees that the HVAC contractor/technician training should include information on the importance of recovering refrigerants separately and not mixing different refrigerants together in recovery cylinders. CARB also supports a buyback payment structure where recovered samples with a higher purity are given higher incentive amounts as a way to encourage recovery of gases that have not been mixed.

Q8. Does FRIP/NASRC/CARB have a plan to encourage/direct HVAC contractors to the awarded reclaimer?

A8. Yes, all participating contractors/technicians will sign a contractual agreement with the CEC based on the Equitable Building Decarbonization (EBD) Statewide Direct Install Program guidelines and will be required to submit refrigerant collected at sites participating in the EBD Statewide Direct Install Program to FRIP's awarded reclaimer. During the training provided by the FRIP awarded reclaimer to contractors/technicians, as described in the solicitation, the reclaimer will provide information about program logistics to contractors/technicians including how to log information about recovered refrigerant, how to send recovered refrigerant to the reclaimer, how to sign up to receive buyback payments and other relevant information.

