



National Refrigerants, Inc.

August 18, 2021

We, the undersigned, are members of the Air Conditioning, Heating, & Refrigeration Institute (AHRI) and also EPA-certified reclaimers operating both in California and the United States. We have prepared the following letter in response to the State of California Air Resources Board's Second Notice of Public Availability of Modified Text and Availability of Additional Documents (Second Notice).

California needs to ensure that certified reclaimed refrigerants are consumed in order to support the requirements of the California Cooling Act.

We recommend that California enact legislation that ensures that reclaimed refrigerants are consumed within a reasonable time frame, e.g. one year from date of acquisition, by their responsible parties. In the Second Notice, the State is proposing a provision to allow the sale of refrigerants to third parties for use in refrigerant servicing, by companies who do not use reclaimed R410A for similar activities. Simply tracking the sale of reclaimed material does not ensure consumption and, consequently, benefit to the environment.

This proposal is inconsistent with the initial intent of the California Cooling Act, where reclaimed refrigerants are to be consumed for the purpose of delivering environmental benefit for the State of California. By allowing material to be sold without a requirement to validate its consumption, the State is not offsetting emissions.

Additionally, the majority of the reclaimed R410A produced in the United States today is sold into the equipment servicing sectors and associated distribution channels. Allowing this material to simply be re-allocated to support a California emissions reduction program does not provide for additionality, as it only serves to shift distribution in the current reclaimed R-410A marketplace.

The State of California must reconcile the geographic requirements of reclaimed material with the AIM Act rulemaking being advanced by the US EPA.

In our response to the first 15-day notice, we asked the State of California to clarify the geographic requirements for recovered and reclaimed HFC materials. In order to provide sufficient HFC material to support this program and ensure its integrity, we recommended that material should be sourced from refrigerant recovered in the United States.

The proposal, as currently drafted, allows for HFC material to be recovered from "any geographic location," which, presumably includes locations outside of the United States. Therefore, the proposal would allow a US EPA Certified Reclaimer to establish reclamation operations outside of the United States, recover HFC refrigerants internationally, and then provide those materials to OEMs with international manufacturing operations. We believe such a program creates a loophole that runs the risk of introducing counterfeit reclaim (i.e.



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virgin material) into the California Cooling Act. Without a plan by the State of California to administer the integrity of such a program, we believe that this proposed language has the potential to undermine the original intent of the California Cooling Act.

A robust certification program is required to ensure that material is produced in accordance with CARB's recommended product guidelines.

The environmental benefit of the California Cooling Act will be calculated from a quantity of reclaimed material that contains no more than 15% virgin material by content.

In its Second Notice, the State of California has included the requirements of 40 CFR Part 82, in its definition of a "Certified Reclaimed Refrigerant". We believe this qualification should be subject to a mandatory certification process. A failure to include this in the final rule increases the risk of introducing excess virgin material into the program.

We continue to affirm our support of CARB's emissions reduction program. To produce the environmental benefits mandated by the California legislature, CARB must develop a robust refrigerant management program that provides a verifiable process for providing reclaimed R-410A in California.

Respectfully submitted,

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