

## EU side event: Update on the review of EU Fgas and ODS policies

The EU is in the process of finalising its update of policies on fluorinated (F-gases) and ODS. The side event gave an overview of the main elements of the political preliminary agreement reached between co-legislators on this review. Final legal adoption is still on-going and the expectation is that this legislation will apply from, at the earliest, early 2024.

F-gases have been regulated since 2006 and emissions have been falling each year since peaking in 2014.

The **quota system for HFCs** which has been in place since 2015 has ensured compliance with the EU's Montreal Protocol obligation on consumption. Currently, the EU's consumption is less than half of the limit set by the Protocol. Nonetheless, the new rules will make this quota system even tighter, in order to make an even higher contribution to fighting climate change and reaching a climate neutral objective in 2050. As a new measure, HFCs used to manufacture metered dose inhalers (MDIs) are also included in the quota system.

Alongside the quota system, there are many **new restrictions** in the area of refrigeration, air conditioning, foams and aerosols that will restrict the use of F-gases to a GWP lower than 150 in the near term (between 2025 to 2030) in a number of equipment categories, or even require to avoid F-gases in the medium term (after 2030). This is in particular the case for small monoblock and split AC and heatpump systems. The latter represent a crucial sector due to their global relevance. Typically, these F-gas restrictions do allow the use of F-gases (with higher GWP) if required to meet safety requirements.

Other key new provisions seek to limit the **emissions of other F-gases** include SF<sub>6</sub>, inhalation anaesthetics, NF<sub>3</sub>, sulfur hexafluoride, PFCs and HFOs.

To address the **issue of banks**, the new rules include recovery and destruction obligations on owners and contractors carrying out renovation, refurbishment and demolition activities of buildings that contain insulation foams blown with ODS or F-gases. This measure alone can save up to 180 million TCO<sub>2e</sub> of emissions until 2050.

An **export ban** of ODS equipment has been in place since 2009. New export prohibitions on foams, technical aerosols, stationary refrigeration and air conditioning equipment with F-gases (if covered by EU import bans) with a GWP of 1000 will apply from 2025. EU Undertakings must also ensure that export of RAC equipment does not violate import restrictions that the importing country has notified under the Montreal Protocol.

The new rules make many important changes to improve **enforcement on the rules**, including customs, verification of data and penalties.

As regards emissions from the industrial sector, the new rules foresee that **ODS feedstock uses** where alternatives are available should be restricted in the future. **Reporting of emissions** at substance level of ODS and many **VSLs** such as MC, DCM, PCE and n-PB will be mandatory for producers and feedstock users. For the latter there are also new rules aimed at **limiting emissions during use and at end-of-life**. Evidence must be provided that **R23 has been destroyed** when an ODS or an F-gas is placed on the market including during import.

The containment measures such as certification and training of technicians, leak checking and recovery have been extended to cover **HFOs and natural alternatives**, and will also now cover the **mobile refrigeration and AC sectors**.

These **new rules will save 500 million tCO<sub>2</sub>e by 2050** in addition to the savings already achieved through the rules currently in place. This will be achieved at **reasonable costs** and will typically deliver **energy savings** to the endusers. It will also stimulate **innovation**, significantly improve **policy controls** for authorities and deliver **better trained technicians** to work with all low GWP alternatives.