Environment & Energy Committee

HB 1462

Brief Description: Reducing greenhouse gas emissions associated with hydrofluorocarbons.

Sponsors: Representatives Duerr, Berry, Doglio, Fitzgibbon, Reed, Ramel, Parshley, Goodman, Macri, Kloba and Hunt.

Brief Summary of Bill

- Phases-in global warming potential (GWP) limits for virgin bulk hydrofluorocarbons (HFCs) entering commerce in Washington between 2027 and 2033.
- Directs the Department of Ecology (Ecology) to establish a refrigerant transition task force to study the transition to low-GWP refrigerants by 2027, and requires Ecology to adopt rules based on the task force's work to require low-GWP or ultra-low-GWP refrigerants.
- Prohibits the servicing of stationary equipment owned or operated by the state with virgin HFCs with a GWP of more than 750, beginning July 1, 2026.

Hearing Date: 1/30/25

Staff: Jacob Lipson (786-7196).

Background:

Hydrofluorocarbon and Refrigerant Regulations.

Hydrofluorocarbons (HFCs) are a category of gases used primarily as refrigerants in a variety of commercial and industrial applications. Hydrofluorocarbons are among the greenhouse gases (GHGs) identified by the United States Environmental Protection Agency (EPA) and the Department of Ecology (Ecology) as a result of their capacity to trap heat in the earth's

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atmosphere. According to the EPA, the global warming potential (GWP) of HFCs and other GHGs is measured as a function of how much of the gas is concentrated in the atmosphere, how long the gas stays in the atmosphere, and how strongly the particular gas affects global atmospheric temperatures. Under state law, the GWP of GHGs are measured in terms of their equivalence to the emission of an identical volume of carbon dioxide over a 100-year timeframe.

In December 2020 the United States Congress enacted the American Innovation and Manufacturing Act of 2020 (AIM Act) establishing federal restrictions on HFCs. The AIM Act, and EPA rules to implement it, establish a phase-down of the production and consumption of HFCs in the United States to 15 percent of baseline levels by 2036, with reductions to 60 percent of baseline levels taking effect in 2024, reductions to 30 percent of baseline levels taking effect in 2029, and reductions to 20 percent of baseline levels taking effect in 2034. In addition to the overall phase-down of HFCs, the EPA is authorized to adopt regulations to facilitate sector-based transitions to lower-GWP technologies, including through restrictions on the use of certain HFCs, and to adopt regulations to maximize reclamation and minimize releases of HFCs.

Under the Federal Clean Air Act, the EPA has adopted regulations to maximize the recapture and recycling of refrigerants during the maintenance, service, repair, and disposal of appliances and motor vehicle air conditioning systems. The EPA regulations require the certification of technicians that service, repair, or dispose of equipment that could release refrigerants, who must pass a test to become certified.

Since 2019, the Legislature has established a number of new regulatory programs to restrict emissions of HFCs and other refrigerants. Refrigerant emission policies include:

- a requirement that repair or disposal services of refrigeration equipment use refrigerant extraction equipment to recover unused refrigerants;
- prohibiting the willful release of refrigerants from air conditioning, heating and refrigeration systems, and consumer appliances;
- establishing a maximum global warming potential for refrigerants in numerous categories of uses, including foam-blowing agents like polyurethane or spray foam, refrigeration equipment, and air conditioning equipment; and
- establishing a refrigerant management program to reduce refrigerant emissions from larger stationary refrigeration systems and larger commercial air conditioning systems.

Violations of restrictions on HFCs are subject to civil and criminal penalties authorized under the state Clean Air Act, including civil penalties of up to \$10,000 per violation.

State Purchasing and Procurement Policies for Hydrofluorocarbons and Refrigerants.

The Department of Enterprise Services (DES) is responsible for providing products and services to support state agencies, and sets policies and procedures for the state's purchases. State agencies covered by the DES's procurement policies include all executive and judicial branches of state government including: offices; divisions; boards; commissions; higher education institutions; and correctional and other institutions. The DES may enter into agreements with other state agencies that delegate certain authority to those agencies to purchase their own goods

and services.

State law establishes certain preferences for the procurement of goods or services that meet a variety of criteria. Under legislation enacted in 2019, the DES established a purchasing and procurement policy favoring HFC-free products, or products that use ozone depleting substance substitutes with comparatively low GWPs. Under legislation enacted in 2021, DES's purchasing and procurement policy was expanded to include a preference, in serving existing equipment, for reclaimed refrigerants that meet minimum quality standards established by the EPA.

Summary of Bill:

The following GWP limits are established for virgin bulk HFCs and HFC blends entering into commerce:

- 2,200, beginning January 1, 2027;
- 1,500, beginning January 1, 2030; and
- 750, beginning January 1, 2033.

By rule, Ecology may adopt lower GWP limits or earlier dates for GWP limits if it finds an adequate supply of reclaimed refrigerant in Washington is available. Ecology may by rule specify that the prohibition on virgin bulk refrigerants extends to stockpiled refrigerants. Reclaimed refrigerants and certain HFC applications that receive a specific GWP authorization for certain uses under EPA regulations are not subject to these GWP limits. Ecology may also provide a temporary exemption for an HFC or HFC blend where it determines that compliance is technically or economically infeasible. Exemptions last for no more than three years and must be conditional upon the exemption recipient carrying out a plan to meet GWP limits. Exemptions may be renewed with Ecology approval. All HFC violations are subject to state clean air act criminal and civil penalties.

Beginning July 1, 2026, HFCs with a GWP of over 750 may not be used to replenish leaks or service state-owned or state-operated equipment unless the HFC is reclaimed. The DES must consult with Ecology in adopting rules to implement this section, and may provide for temporary exemptions where compliance is technically or economically infeasible.

Ecology must establish and provide operational support to a refrigerant transition task force (task force) to study transitioning to climate-friendly refrigerants and enhancing reclamation and recovery of refrigerants. Ten task force members representing specific interest groups must be appointed by February 1, 2026, and a draft task force report must be made available for public comment for 60 days, no later than June 1, 2027. The task force's report must be submitted to the appropriate committees of the Legislature by December 1, 2027, and must assess the opportunities, barriers, and recommendations for transitioning to refrigerants with a GWP below 150 and below 10.

Ecology must adopt rules, informed by the work and report of the task force, to require HFC alternatives with a GWP below 150 or 10 in sectors unless it is not practical for entities in the

sector to comply with such a requirement. Ecology may not commence this rulemaking until the task force's report is finalized.

Appropriation: None.

Fiscal Note: Preliminary fiscal note available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.