# SENATE BILL REPORT
# 2SHB 1462

As Reported by Senate Committee On:
Environment, Energy & Technology, March 25, 2025
Ways & Means, April 7, 2025

**Title:** An act relating to reducing greenhouse gas emissions associated with hydrofluorocarbons by transitioning to environmentally and economically sustainable alternatives and promoting use of reclaimed hydrofluorocarbons.

**Brief Description:** Reducing greenhouse gas emissions associated with hydrofluorocarbons.

**Sponsors:** House Committee on Appropriations (originally sponsored by Representatives Duerr, Berry, Doglio, Fitzgibbon, Reed, Ramel, Parshley, Goodman, Macri, Kloba and Hunt).

**Brief History:** Passed House: 3/5/25, 59-38.
**Committee Activity:** Environment, Energy & Technology: 3/18/25, 3/25/25 [DP-WM, DNP].
Ways & Means: 4/05/25, 4/07/25 [DPA, DNP, w/oRec].

**Brief Summary of Amended Bill**

- Phases in, between 2030 and 2033, prohibitions against selling, distributing, or otherwise entering into Washington commerce certain hydrofluorocarbons (HFCs) with specified global warming potentials (GWP), subject to certain exceptions.
- Directs the Department of Ecology (Ecology) to establish a refrigerant transition task force to study and report, in 2027, on opportunities and barriers associated with transitioning to climate-friendly refrigerants.
- Requires Ecology to adopt rules, no earlier than 2028 and which must be informed by the task force's work, requiring low- or ultra-low GWP alternatives to HFCs in a sector unless it is not practicable.

## SENATE COMMITTEE ON ENVIRONMENT, ENERGY & TECHNOLOGY

*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.*

**Majority Report:** Do pass and be referred to Committee on Ways & Means.
Signed by Senators Shewmake, Chair; Slatter, Vice Chair; Dhingra, Liias, Lovelett, Ramos and Wellman.

**Minority Report:** Do not pass.
Signed by Senators Boehnke, Ranking Member; Harris, MacEwen and Short.

**Staff:** Matt Shepard-Koningsor (786-7627)

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## SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** Do pass as amended.
Signed by Senators Robinson, Chair; Stanford, Vice Chair, Operating; Frame, Vice Chair, Finance; Cleveland, Conway, Dhingra, Hansen, Kauffman, Pedersen, Riccelli, Saldaña, Wellman and Wilson, C..

**Minority Report:** Do not pass.
Signed by Senators Gildon, Ranking Member, Operating; Torres, Assistant Ranking Member, Operating; Schoesler, Ranking Member, Capital; Dozier, Assistant Ranking Member, Capital; Braun, Muzzall, Wagoner and Warnick.

**Minority Report:** That it be referred without recommendation.
Signed by Senators Trudeau, Vice Chair, Capital; Hasegawa.

**Staff:** Matt Shepard-Koningsor (786-7627)

**Background:** Hydrofluorocarbons and Refrigerant Regulations. Hydrofluorocarbons (HFCs) are a category of gases used primarily as refrigerants in a variety of commercial and industrial applications. HFCs are among the greenhouse gases (GHGs) identified by the United States Environmental Protection Agency (EPA) and the Department of Ecology (Ecology) because of their capacity to trap heat in the earth's atmosphere. 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 GWPs of GHGs are measured in terms of their equivalence to the emission of an identical volume of carbon dioxide over a 100-year timeframe. Some HFCs can be hundreds-to-thousands of times more potent than carbon dioxide.

In recent years, the Legislature has established several new regulatory requirements to restrict emissions of HFCs and other refrigerants, including:

- requiring 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 GWP 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.

Ecology has adopted rules to implement many of these requirements, including establishing required service practices for individuals performing the installation, maintenance, service, repair, or disposal of a refrigeration or air conditioning system with a charge of at least 50 pounds and that uses a refrigerant with a GWP of at least 150.

In December 2021, Ecology submitted a report to the Legislature regarding end-of-life refrigerant management, which included recommendations that an end-of-life refrigerant management program be based on several specified principles, including that a program address refrigerant-containing equipment and appliances, and contain provisions for all types of refrigerants, not just HFCs. Ecology determined that more extensive stakeholder feedback was needed to develop recommendations for an optimally-designed end-of-life refrigerant management program.

Federal Law. In December 2020, Congress enacted the American Innovation and Manufacturing Act (AIM Act), establishing federal restrictions on HFCs. The AIM Act, and EPA rules to implement it, establish a phase-down of 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, 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, EPA 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 regulations also require the certification of technicians that service, repair, or dispose of equipment that could release refrigerants, who must pass a test to become certified.

**Summary of Amended Bill:** Prohibitions Regarding Certain Hydrofluorocarbons. It is prohibited to sell, distribute, or otherwise enter into commerce in the state newly-produced bulk HFCs or newly-produced bulk HFC blends that have a:
- GWP exceeding 1500, beginning January 1, 2030; and
- GWP exceeding 750, beginning January 1, 2033.

Ecology may adopt rules lowering the GWPs or adjusting the dates if it finds that an

adequate supply of reclaimed refrigerant would be available in the state to accommodate the changes. "Newly-produced refrigerant" means a refrigerant that has not been previously used, recovered, or reclaimed. "Reclaim" means the reprocessing of regulated substances to certain specifications in federal law and where the substance does not contain more than 15 percent newly-produced material by weight.

The prohibitions do not apply to:

- reclaimed HFCs;
- certain application-specific uses permitted in the AIM Act;
- HFCs and HFC blends used in aircraft maintenance or on-board aircraft by the Federal Aviation Administration, Department of Defense, or equivalent authorities; or
- shipments of certain HFCs through the state, where the substance does not enter commerce in the state.

Ecology may adopt rules to provide for the following exemptions from HFC prohibitions:

- a temporary exemption for a newly-produced bulk HFC or newly-produced bulk HFC blend where it determines compliance is technically or economically infeasible—this exemption may not exceed three years in most cases and is conditioned on the recipient completing a compliance plan; and
- up to a 30-calendar-day emergency exemption to certain entities operating larger refrigeration systems permitting the entity to purchase a specific quantity of newly-produced bulk HFCs or newly-produced bulk HFC blends under certain emergency conditions.

Refrigerant Transition Task Force. Ecology must establish a refrigerant transition task force (task force) by July 1, 2026, to study opportunities and barriers associated with transitioning to climate-friendly refrigerants and enhancing refrigerant recovery, recycling, reclamation, and destruction. The task force must include the following specified representatives:

- one representative from Ecology, who chairs the task force;
- one representative from the private sector with expertise in installing, servicing, repairing, and decommissioning refrigeration and air conditioning equipment;
- one representative from the private sector with expertise in refrigerant recovery and reclamation;
- one representative from the private sector with expertise in manufacturing refrigeration and air conditioning equipment and the distribution and sale of such equipment;
- one Washington representative from the private sector that installs or services either air conditioning or refrigeration equipment, or both;
- three representatives from environmental nonprofit organizations familiar with the climate risks of HFCs;
- one representative from Washington agricultural businesses that own or operate either air conditioning or refrigeration equipment;
- one representative from a labor union representing workers who install and service

refrigeration and heating, ventilation, and air conditioning equipment;
- one representative from the state Building Code Council with expertise in fire safety;
- one representative from tribal or indigenous organizations guiding decisions for purchase and operation of equipment using HFCs; and
- one representative from Washington businesses that own or operate refrigeration equipment containing more than 50 pounds of ultra-low GWP refrigerants.

All task force representatives must disclose to Ecology all material financial interests related to the task force's work, including funding sources for their work. Ecology may invite the input of other relevant experts to work with the task force, including representatives of environmental justice organizations, certain grocers, state agency staff, and others.

The task force must submit a report by December 1, 2027, assessing the opportunities, barriers, and recommendations for transitioning to refrigerants with low GWPs and ultra-low GWPs, accounting for distinctions among different types of equipment and appliances for HFC-using sectors and subsectors and the timelines needed for each to complete a transition. Ecology must provide administrative and operating support to the task force. A majority of the task force constitutes a quorum. A quorum and an affirmative vote by a majority of those present is needed to include a point or provision in the report.

Department of Ecology Rules. Ecology is granted rulemaking authority, including authority to lower the GWP limits or modify the timelines in the HFC prohibitions above if it finds that an adequate supply of reclaimed refrigerant would be available in the state to accommodate the lower limits. Ecology must consider and incorporate factors that minimize or potentially eliminate disincentives and maximize or potentially incentivize the recovery of refrigerant and its reclamation or destruction including, but not limited to, prohibiting fees or destroying covered refrigerants. Ecology may, by rule, update newly-added terms to existing statutes regarding refrigerants.

After the task force finalizes its report, but no earlier than 2028, Ecology must adopt rules, informed by the report and work of the task force, to require low GWP or ultra-low GWP alternatives to HFCs in a sector unless it is not practicable for entities in the sector to comply with the requirement.

Miscellaneous Provisions. Violations of the HFC prohibitions are subject to state Clean Air Act penalties. The term bulk is added to refrigerant statutes, which references a federal definition of the same term. "Bulk" means a regulated refrigerant stored in a container and not included in a manufactured product. "Low GWP" means a GWP of less than 150 carbon dioxide equivalents. "Ultra-low GWP" means a GWP of less than ten carbon dioxide equivalents.

The legislation contains intent language and a state severability clause.

**EFFECT OF WAYS & MEANS COMMITTEE AMENDMENT(S):**

- Authorizes Ecology to adopt rules providing for up to a 30-calendar-day exemption to certain entities operating larger refrigeration systems permitting the entity to purchase a specific quantity of newly-produced bulk HFCs or HFC blends under certain emergency conditions.
- Provides that the temporary exemption in the underlying bill for a newly-produced HFC or HFC blend applies to those products in bulk.

**Appropriation:** The bill contains a null and void clause requiring specific funding be provided in an omnibus appropriation act.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony on Second Substitute House Bill (Environment, Energy & Technology):** PRO: This bill protects both the climate and Washington's economic security. Refrigerants are essential for our health and economy, but they are also potent GHGs, which is why countries around the world are phasing them down. It is important to pass this bill this year. Most of these refrigerants are made in China, which is also phasing them down. The bill has been negotiated with a large group of industry stakeholders over many months. The bill does not require anyone to replace a system, but when the time comes, we want to make sure we have the best options available in Washington. It also gathers experts to guide our transition to climate-friendly refrigerants.

As a majority of new refrigerant is imported from international sources, recovering existing gas from equipment will help boost supply and reduce refrigerant prices. We suggest including one representative with expertise and who is actively engaged in refrigerant recovery and reclamation. This bill provides an incentive to recover and reclaim refrigerant. This bill helps grow the market for recycled refrigerants. This bill is not about creating refrigerant shortages, it is about making sure we do not have shortages. The bill has been trimmed down since you first heard the companion. Many agricultural refrigeration systems use ammonia and not refrigerant, which is much cheaper and climate-friendly.

CON: We operate large refrigeration systems and it seems like this bill is going to create an artificial shortage of refrigerants. We estimate it is around $450,000 to retrofit a refrigeration storage system.

OTHER: We really appreciate the work on making sure the task force is correct and their work will be done before all of this starts to go into effect. Since these systems can last

many years, we need to make sure to work on recovering and reclaiming existing refrigerants. We need clear language to ensure contractors do not get a bill for destroying recovered refrigerant. We want to make sure R-22 is still available in Washington.

**Persons Testifying (Environment, Energy & Technology):** PRO: Representative Davina Duerr, Prime Sponsor; Ruth Ivory-Moore, Hudson Technologies; Cory Eckert, Alpine Ductless; Rebecca Robinson, PCC Markets; Heather Trim, Zero Waste Washington; Kate White Tudor, Natural Resources Defense Council; Beth Porter, Environmental Investigation Agency.

CON: Blaine Meek, Washington Potato and Onion Association.

OTHER: Carolyn Logue, WA ACCA.

**Persons Signed In To Testify But Not Testifying (Environment, Energy & Technology):**

CON: Sandra Mochizuki; Ronald Mochizuki; TaraLyn Fray; Teresa Sanders; Anthony Holan.

**Staff Summary of Public Testimony on Second Substitute House Bill (Ways & Means):** *The committee recommended a different version of the bill than what was heard.* PRO: I believe this bill is good for the climate and good for business. These hydrofluorocarbon refrigerants are super climate pollutants. This bill helps Washington adapt by creating a market in reclaimed refrigerants to protect the climate and to give us more supply so people can use their existing systems longer. The bill does not require anybody to install a new system, and most of the standards that we've just been debating are already in law.

Refrigeration is key to food safety. We support this bill for business reasons. The EPA is fazing down imports of new refrigerants from China. We worry we won't have enough, and prices are going to get crazy. This bill helps grow the market for recycled refrigerants to boost supplies. The bill also keeps us on track to transition to climate friendly refrigeration systems.

The reality is in the next four years, in 2029, U.S. refrigerant supply will decrease by 50 percent. At the same time, Washington can expect far less support from the federal government to help manage the supplies. This bill helps Washington secure its own refrigerant supply. There is not a single school in the state that needs to replace chillers because of lack of gas supply. Reclaimed product is an incredibly positive way to save the state precious capital funds and also ensure that the universities can continue to run the equipment they've been accustomed to over the last ten and fifteen years.

CON: Our challenge is with potato sheds that are football field size refrigerators. If one of those is to go down and we need refrigerant right away, the remedy in the bill is for us to

call Ecology, which will take too long for follow-up. This bill doesn't work for potato farmers in an agricultural emergency. We remain committed to try to work on this bill with people, but potato growers are very concerned.

**Persons Testifying (Ways & Means):** PRO: Mike Wenrick, PCC Markets; Mike Armstrong, A-Gas; Kate White Tudor, Natural Resources Defense Council.

CON: Mark Streuli, Washington Potato and Onion Association.

**Persons Signed In To Testify But Not Testifying (Ways & Means):** No one.