SUBSTITUTE HOUSE BILL 1462

State of Washington 69th Legislature 2025 Regular Session

By House Environment & Energy (originally sponsored by Representatives Duerr, Berry, Doglio, Fitzgibbon, Reed, Ramel, Parshley, Goodman, Macri, Kloba, and Hunt)

READ FIRST TIME 02/07/25.

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; amending RCW 70A.60.010; reenacting and amending RCW 39.26.310; adding new sections to chapter 70A.60 RCW; creating a new section; and prescribing penalties.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

8 <u>NEW SECTION.</u> Sec. 1. (1) The legislature finds that:

9 (a) The Kigali amendment to the Montreal protocol and the 10 American innovation and manufacturing act of 2020 (42 U.S.C. Sec. 11 7675), establish phased reductions in hydrofluorocarbon production 12 and consumption but leave gaps in ensuring widespread use of 13 reclaimed refrigerants and managing refrigerants at the end of their 14 life cycle; and

(b) State action is urgently needed to complement federal and international efforts by promoting refrigerant recovery, reclamation, and the transition to climate-friendly refrigerants with lower or no global warming potential, through regulations and market-based incentives.

20 (2) It is the intent of the legislature to:

1 (a) Lead by example in promoting reclaimed refrigerants by 2 requiring their use in servicing and repairing state-owned equipment;

3 (b) Study feasible pathways to an expeditious transition of new 4 equipment by 2035 to low global warming potential refrigerants of 5 less than 150 carbon dioxide equivalents and ultra-low global warming 6 potential refrigerants of less than 10 carbon dioxide equivalents;

7 (c) Support the development of robust refrigerant recovery
8 infrastructure and foster public-private partnerships to promote the
9 reclamation and reuse of refrigerants;

10 (d) Establish a clear regulatory framework for reducing emissions 11 from refrigerants through phased limitations on high global warming 12 potential substances and increasing recovery and use of reclaimed 13 refrigerants; and

(e) Enhance industry compliance and stakeholder collaboration
 through education, training, and financial incentives, ensuring
 alignment with national and international climate objectives.

17 <u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 70A.60 18 RCW to read as follows:

(1) It is prohibited to sell, distribute, or otherwise enter into commerce in the state virgin bulk hydrofluorocarbons or virgin bulk hydrofluorocarbon blends that:

(a) Have a global warming potential that exceeds 1,500, beginningJanuary 1, 2030; and

(b) Have a global warming potential that exceeds 750, beginningJanuary 1, 2033.

26 (2)(a) The department shall adopt rules to implement the 27 requirements of this section.

(b) The department may adopt by rule lower global warming potential limits than are specified in subsection (1) of this section, or earlier dates for global warming potential limits than are specified in subsection (1) of this section, provided the department finds that an adequate supply of reclaimed refrigerant would be available in the state to accommodate any such change to the requirements of subsection (1) of this section.

35 (c) When adopting rules to conform to this section, the 36 department may update the definitions of terms used in this section, 37 including the definitions of "bulk" and "reclaim" in RCW 70A.60.010, 38 in order to maintain consistency with federal regulations or to

p. 2

1 harmonize the department's rules with similar requirements adopted by 2 other jurisdictions.

3 (d) In adopting rules to implement the provisions of this 4 section, the department must consider and may incorporate factors 5 that minimize or potentially eliminate disincentives and maximize or 6 potentially incentivize the recovery of refrigerant and its 7 reclamation or destruction.

8 (3)(a) The prohibitions established under this section do not 9 apply to:

10

(i) Hydrofluorocarbons that are reclaimed;

(ii) An application receiving application-specific allowances under subsection (e)(B) of the American innovation and manufacturing act of 2020 (42 U.S.C. Sec. 7675);

14 (iii) Hydrofluorocarbons and hydrofluorocarbon blends regulated 15 for use in aircraft maintenance or on board aircraft by the federal 16 aviation administration, department of defense, or other equivalent 17 authorities; or

18 (iv) Transshipments of bulk virgin hydrofluorocarbons and 19 hydrofluorocarbon blends.

20 (b) For virgin bulk hydrofluorocarbon blends, the global warming 21 potential limits of this section apply to the global warming 22 potential of the blend and not to any individual component of such a 23 blend.

(4) (a) The department may provide for a temporary exemption for a virgin hydrofluorocarbon or a virgin hydrofluorocarbon blend where the department determines complying with a requirement of this section is technically or economically infeasible.

28 (b) An exemption granted by the department under this subsection 29 may not exceed three years and must be conditional upon the exemption recipient carrying out a plan, on an enforceable timeline, to meet 30 31 the requirements of this section. Each exemption granted by the department shall end after three years unless, at least six months 32 33 prior to the expiration of the exemption, the exemption recipient submits a request for extension with justification. The department 34 may determine whether to renew or modify the exemption based on its 35 36 review of the request for an extension.

37 (5) A violation of the requirements of this section are subject38 to penalties as provided in chapter 70A.15 RCW.

<u>NEW SECTION.</u> Sec. 3. A new section is added to chapter 70A.60
 RCW to read as follows:

3 (1) The department must establish a refrigerant transition task 4 force to study opportunities and barriers to transitioning to 5 climate-friendly refrigerants and enhancing refrigerant recovery and 6 reclamation.

7 (a) By July 1, 2026, the department must appoint members of the 8 task force.

9 (b) Starting no later than June 1, 2027, for a period extending 10 at least 60 days, the department must make available a draft of the 11 task force report required in subsection (4) of this section for 12 public input and comment.

13 (c) The department must submit the task force report required in 14 subsection (4) of this section to the appropriate committees of the 15 legislature no later than December 1, 2027.

16 (2) The task force must be chaired by a representative of the 17 department and must consist of the following members appointed by the 18 department:

19 (a) One representative from the private sector or a private 20 sector trade association with expertise in installing, servicing, 21 repairing, and decommissioning refrigeration and air conditioning 22 equipment;

(b) One representative from the private sector or a private sector trade association with expertise in refrigerant recovery and reclamation;

(c) One representative from the private sector or a private sector trade association with expertise in manufacturing refrigeration and air conditioning equipment and the distribution and sale thereof;

(d) One Washington state representative from the private sector
 or a private sector trade association that installs and services
 either air conditioning or refrigeration equipment, or both;

33 (e) Three representatives from environmental nonprofit 34 organizations with familiarity with the climate risks of 35 hydrofluorocarbons;

36 (f) One representative of Washington businesses that own or 37 operate either air conditioning or refrigeration equipment using 38 hydrofluorocarbons;

39 (g) One representative from an environmental justice organization 40 in Washington; (h) One academic or research expert specializing in climate
 policy, emissions reduction, or refrigerant technology;

3 (i) One member representing tribal or indigenous organizations
4 guiding sustainability decisions for purchase and operation of
5 equipment using hydrofluorocarbons; and

6 (j) One representative of a Washington grocery store with 7 experience installing and operating at least five refrigeration 8 systems using ultra-low global warming potential refrigerants.

9 (3) The department may invite the input of others with relevant 10 expertise to work with the task force for one or more task force 11 discussions including, but not limited to:

12 (a) A representative with knowledge of agricultural refrigeration13 in Washington state;

14 (b) A representative of Washington organized labor with 15 experience in installing and servicing heating, ventilation, and air 16 conditioning or refrigeration equipment;

17

(c) A representative for Washington small or rural grocers; and

18 (d) Others valuable for informing one or more task force 19 discussions.

(4) (a) The task force must draft and submit to the department a report assessing the opportunities, barriers, and recommendations for transitioning to refrigerants with low global warming potential and ultra-low global warming potential by 2035, accounting for distinctions among different types of equipment and appliances for hydrofluorocarbon-using sectors and subsectors and the timelines needed for each sector or subsector to complete such a transition.

(b) In drafting the report required in this section, each member of the task force must make a good faith effort to reach consensus on each point and provision in the report.

30 (c) Where one or more members of the task force object to a point 31 or provision in the report, that member or members may provide a 32 description of such an objection, with all such descriptions listed 33 in an annex to the report.

34 (5)(a) The department shall provide administrative and operating 35 support, including arrangements for virtual meetings, to the task 36 force and may contract with a third-party facilitator or other 37 consultants to assist in carrying out the activities of the task 38 force.

39 (b) A majority of the task force constitutes a quorum. Action by 40 the task force, including the inclusion of a point or provision in

p. 5

1 the report, requires a quorum and a majority of those present and 2 voting.

3 (6) The department may disband the task force created in this 4 section upon the submission of the report under subsection (1)(c) of 5 this section.

6 <u>NEW SECTION.</u> Sec. 4. A new section is added to chapter 70A.60 7 RCW to read as follows:

(1) To achieve the transition to refrigerants with low global 8 warming potential and ultra-low global warming potential by 2035, 9 10 accounting for distinctions among different types of equipment and 11 appliances for hydrofluorocarbon-using sectors and subsectors and the timelines needed for each sector or subsector to complete such a 12 transition, the department shall adopt rules, informed by the work 13 and the report of the task force, to require low global warming 14 15 potential or ultra-low global warming potential alternatives to 16 hydrofluorocarbons in a sector unless it is not practicable for entities in the sector to comply with the requirement. 17

18 (2) The department may not commence the rule making referred to19 in subsection (1) of this section until January 1, 2028.

20 (3) The department may combine rule making under this section 21 with rule making authorized under section 2 of this act for purposes 22 of efficiency.

23 Sec. 5. RCW 70A.60.010 and 2021 c 315 s 2 are each amended to 24 read as follows:

25 <u>The definitions in this section apply throughout this chapter</u> 26 <u>unless the context clearly requires otherwise.</u>

(1) (a) "Air conditioning" means the process of treating air to meet the requirements of a conditioned space by controlling its temperature, humidity, cleanliness, or distribution.

30 (b)(i) "Air conditioning" includes chillers((, except for 31 purposes of RCW 70A.60.020)).

32

(ii) "Air conditioning" includes heat pumps.

33 (c) "Air conditioning" applies to stationary air conditioning 34 equipment and does not apply to mobile air conditioning, including 35 those used in motor vehicles, rail and trains, aircraft, watercraft, 36 recreational vehicles, recreational trailers, and campers.

37 (2) "Class I substance" and "class II substance" means those
 38 substances listed in 42 U.S.C. Sec. 7671a, as of November 15, 1990,

SHB 1462

or those substances listed in Appendix A or B of Subpart A of 40
 C.F.R. Part 82, as of January 3, 2017.

3

(3) "Department" means the department of ecology.

4 (4) "Hydrofluorocarbons" means a class of greenhouse gases that 5 are saturated organic compounds containing hydrogen, fluorine, and 6 carbon.

7 (5) "Ice rink" means a frozen body of water, hardened chemicals,
8 or both, including, but not limited to, professional ice skating
9 rinks and those used by the general public for recreational purposes.

10 (6) "Manufacturer" includes any person, firm, association, 11 partnership, corporation, governmental entity, organization, or joint 12 venture that produces any product that contains or uses 13 hydrofluorocarbons or is an importer or domestic distributor of such 14 a product.

15 (7) "Person" means an individual, partnership, franchise holder, 16 association, corporation, a state, a city, a county, or any 17 subdivision or instrumentality of the state.

18 (8) "Refrigeration equipment" or "refrigeration system" means any 19 stationary device that is designed to contain and use refrigerant. 20 "Refrigeration equipment" includes refrigeration equipment used in 21 retail food, cold storage, industrial process refrigeration and 22 cooling that does not use a chiller, ice rinks, and other 23 refrigeration applications.

(9) "Regulated refrigerant" means a class I or class II substance
 as listed in Title VI of section 602 of the federal clean air act
 amendments of November 15, 1990.

(10) "Residential consumer refrigeration products" has the same meaning as defined in section 430.2 of Subpart A of 10 C.F.R. Part 430 (2017).

(11) "Retrofit" has the same meaning as defined in section 152 of
 Subpart F of 40 C.F.R. Part 82, as that section existed as of January
 3, 2017.

"Substitute" means a chemical, product, or alternative 33 (12)34 manufacturing process, whether existing or new, that is used to 35 perform a function previously performed by a class I substance or 36 class II substance and any chemical, product, or alternative manufacturing process subsequently developed, adapted, or adopted to 37 perform that function including, but not limited 38 to, hydrofluorocarbons. "Substitute" does not include 39 2-BTP or any

p. 7

1 compound as applied to its use in aerospace fire extinguishing
2 systems.

3 <u>(13) "Bulk" means:</u>

4 (a) The same as defined in 40 C.F.R. Sec. 84.3, as it existed on 5 the effective date of this section; or

6 (b) An updated definition adopted by rule by the department under 7 section 2(2)(c) of this act.

8 <u>(14) "Low global warming potential" means a global warming</u> 9 <u>potential of less than 150 carbon dioxide equivalents.</u>

(15) "Reclaim" means:

10

(a) The reprocessing of regulated substances to all of the 11 specifications in appendix A to 40 C.F.R. Part 82, Subpart F (based 12 on air-conditioning, heating, and refrigeration institute standard 13 700-2016), as it existed on the effective date of this section, that 14 are applicable to that regulated substance and to verify that the 15 regulated substance meets these specifications using the analytical 16 17 methodology prescribed in section 5 of appendix A to 40 C.F.R. Part 82, Subpart F, as those regulations existed on the effective date of 18 19 this section, and do not contain more than 15 percent virgin material by weight, pursuant to federal regulations at 40 C.F.R. Part 84, 20 Subpart C, as it existed on the effective date of this section; or 21

22 (b) An updated definition adopted by rule by the department under 23 section 2(2)(c) of this act.

24 <u>(16) "Transshipment" means the shipment of a regulated substance</u> 25 <u>through the state of Washington from one point outside the state of</u> 26 <u>Washington to another point outside the state of Washington, as long</u> 27 <u>as the shipment does not enter commerce in Washington.</u>

28 <u>(17) "Ultra-low global warming potential" means a global warming</u> 29 potential of less than 10 carbon dioxide equivalents.

30 <u>(18) "Virgin refrigerant" means a refrigerant that has not been</u>
31 previously used, recovered, or reclaimed.

32 Sec. 6. RCW 39.26.310 and 2021 c 315 s 19 and 2021 c 65 s 28 are 33 each reenacted and amended to read as follows:

34 (1) The department shall establish purchasing and procurement 35 policies that provide a preference for products that:

36 (a) Are not restricted under RCW 70A.60.060;

37 (b) Do not contain hydrofluorocarbons or contain
 38 hydrofluorocarbons with a comparatively low global warming potential;

1 (c) Are not designed to function only in conjunction with 2 hydrofluorocarbons characterized by a comparatively high global 3 warming potential; and

4 (d) Were not manufactured using hydrofluorocarbons or were
5 manufactured using hydrofluorocarbons with a low global warming
6 potential.

7 (2) (a) The department shall establish purchasing and procurement 8 policies, effective July 1, 2026, that require state agencies, in 9 purchasing goods or services, or both, to replenish any leaks or 10 otherwise service stationary equipment owned or operated by the 11 state, to purchase products that, if containing hydrofluorocarbons, 12 do not contain hydrofluorocarbons with a global warming potential 13 greater than 750 that are not reclaimed.

14 (b) The department must consult with the department of ecology 15 for technical assistance in establishing purchasing and procurement 16 policies to implement this subsection (2).

17 (c) The definitions in this subsection (2) (c) apply throughout
 18 this subsection unless the context clearly requires otherwise.

19 <u>(i) "Hydrofluorocarbons" has the same meaning as defined in RCW</u> 20 <u>70A.60.010.</u>

21 <u>(ii) "Reclaimed" has the same meaning as "reclaim" as defined in</u>
22 <u>RCW 70A.60.010.</u>

23 (3) (a) No agency may knowingly purchase products that are not 24 accorded a preference in the purchasing and procurement policies 25 established by the department pursuant to subsection (1) of this 26 section, unless there is no cost-effective and technologically 27 feasible option that is accorded a preference.

28 (((-(3))) (b) No agency may knowingly purchase products that are not accorded a preference in the purchasing and procurement policies 29 30 established by the department pursuant to subsection (2) of this section, unless the agency has received a temporary exemption from 31 the department based on a determination by the department that 32 complying with subsection (2) of this section would be technically or 33 economically infeasible. Any exemption granted by the department 34 35 under this subsection may not exceed three years and must be conditional upon the exemption recipient carrying out a plan, on an 36 enforceable timeline, to meet the requirements of this section. Each 37 exemption granted by the department shall end after three years 38 39 unless, six months prior to the expiration of the exemption, the 40 exemption recipient requests an extension with sufficient

justification to determine that complying with subsection (2) of this section continues to be technically or economically infeasible. In such event, the department may renew or modify the exemption based on its feasibility determination.

5 <u>(4)</u> The department shall establish a purchasing and procurement 6 policy that provides a preference, in ((serving)) servicing existing 7 equipment, for a reclaimed refrigerant that meets the minimum quality 8 requirement established in federal regulations adopted under 42 9 U.S.C. Sec. 7671(g).

10 (((4))) <u>(5)</u>(a) Nothing in subsection (1) of this section requires 11 the department or any other state agency to breach an existing 12 contract or dispose of stock that has been ordered or is in the 13 possession of the department or other state agency as of July 28, 14 2019.

15 (b) Nothing in subsection ((-3)) (4) of this section requires 16 the department or any other state agency to breach an existing 17 contract or dispose of stock that has been ordered or is in the 18 possession of the department or other state agency as of July 28, 19 2021.

20 (((5))) (6) By December 1, 2020, and each December 1st of even-21 numbered years thereafter, the department must submit a status report 22 to the appropriate committees of the house of representatives and 23 senate regarding the implementation and compliance of the department 24 and state agencies with this section.

25 <u>NEW SECTION.</u> Sec. 7. If any provision of this act or its 26 application to any person or circumstance is held invalid, the 27 remainder of the act or the application of the provision to other 28 persons or circumstances is not affected.

--- END ---