CERTIFICATION OF ENROLLMENT

SECOND SUBSTITUTE HOUSE BILL 1462

69th Legislature
2025 Regular Session

Passed by the House April 22, 2025
Yeas 58 Nays 39

Speaker of the House of Representatives

Passed by the Senate April 15, 2025
Yeas 25 Nays 23

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SECOND SUBSTITUTE HOUSE BILL 1462** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

Secretary of State
State of Washington

SECOND SUBSTITUTE HOUSE BILL 1462

AS AMENDED BY THE SENATE

Passed Legislature - 2025 Regular Session

State of Washington 69th Legislature 2025 Regular Session

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

READ FIRST TIME 02/28/25.

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; adding new sections to chapter 70A.60 RCW; creating new sections; and prescribing penalties.

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

NEW SECTION. **Sec. 1.** (1) The legislature finds that:

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

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

(a) Study feasible pathways to an expeditious transition of new equipment by 2035 to low global warming potential refrigerants of

less than 150 carbon dioxide equivalents and ultra-low global warming potential refrigerants of less than 10 carbon dioxide equivalents;

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

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

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

NEW SECTION. **Sec. 2.** A new section is added to chapter 70A.60 RCW to read as follows:

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

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

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

(2)(a) The department shall adopt rules to implement the 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.

(c) When adopting rules to conform to this section, the department may update the definitions of terms used in this section, including the definitions of "bulk" and "reclaim" in RCW 70A.60.010, in order to maintain consistency with federal regulations or to harmonize the department's rules with similar requirements adopted by other jurisdictions.

(d) In adopting rules to implement the provisions of this section, the department must consider and may 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 for destroying recovered refrigerant.

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

(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);

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

(iv) Transshipments of bulk newly produced hydrofluorocarbons and hydrofluorocarbon blends.

(b) For newly produced bulk hydrofluorocarbon blends, the global warming potential limits of this section apply to the global warming potential of the blend and not to any individual component of such a blend.

(4) The department may adopt rules to provide for:

(a)(i) A temporary exemption for a newly produced bulk hydrofluorocarbon or a newly produced bulk hydrofluorocarbon blend where the department determines complying with a requirement of this section is technically or economically infeasible.

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

(b)(i) Up to a 30 calendar day emergency exemption to an applicant registered under RCW 70A.60.030 for purchasing a specific quantity of a newly produced bulk hydrofluorocarbon or a newly produced bulk hydrofluorocarbon blend. The department must issue this exemption within three business days of receiving an exemption application, where the applicant demonstrates:

(A) There is an emergency in which loss of refrigerating capacity in an existing system will cause substantial economic loss or risk to health;

(B) Repairs to the system will require it being recharged with hydrofluorocarbon refrigerants;

(C) The price or availability of reclaimed hydrofluorocarbons or hydrofluorocarbon blends at the time of repair makes the repair technically or economically infeasible; and

(D) It can purchase a newly produced bulk hydrofluorocarbon or newly produced bulk hydrofluorocarbon blend in a sufficient quantity to meet the emergency need.

(ii) The department may not authorize the purchase of a newly produced bulk hydrofluorocarbon or newly produced bulk hydrofluorocarbon blend in a larger quantity than the amount needed to make emergency repairs, which must not exceed the total refrigerant charge for the system.

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

NEW SECTION. **Sec. 3.** A new section is added to chapter 70A.60 RCW to read as follows:

(1) The department must establish a refrigerant transition task force to study opportunities and barriers to transitioning to climate-friendly refrigerants and enhancing refrigerant recovery, recycling, reclamation, and destruction.

(a) By July 1, 2026, the department must appoint members of the task force. All representatives must disclose to the department all material financial interests related to the work of the task force, including funding sources for their work.

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

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

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

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

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

(f) One representative of Washington agricultural businesses that own or operate either air conditioning or refrigeration equipment;

(g) One representative from a labor union representing workers who install and service refrigeration and heating, ventilation, and air conditioning equipment;

(h) One representative of the state building code council with expertise in fire safety;

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

(j) One representative of Washington businesses that own or operate refrigeration equipment containing more than 50 pounds of ultra-low global warming potential refrigerants.

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

(a) A representative of environmental justice organizations;

(b) A representative for Washington independent, small or rural grocers;

(c) State agency staff with relevant expertise, potentially including the department of labor and industries and others; and

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

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

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

(b) A majority of the task force constitutes a quorum. Action by the task force, including the inclusion of a point or provision in the report, requires a quorum and a majority of those present and voting.

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

NEW SECTION. **Sec. 4.** A new section is added to chapter 70A.60 RCW to read as follows:

(1) To achieve the transition 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, the department shall adopt rules, informed by the work and the report of the task force, to require low global warming potential or ultra-low global warming potential alternatives to hydrofluorocarbons in a sector unless it is not practicable for entities in the sector to comply with the requirement.

(2) The department may not issue a proposed rule under chapter 34.05 RCW related to subsection (1) of this section until January 1, 2028.

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

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

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(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.

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

(ii) "Air conditioning" includes heat pumps.

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

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

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

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

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

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

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

(12) "Substitute" means a chemical, product, or alternative manufacturing process, whether existing or new, that is used to perform a function previously performed by a class I substance or class II substance and any chemical, product, or alternative manufacturing process subsequently developed, adapted, or adopted to perform that function including, but not limited to, hydrofluorocarbons. "Substitute" does not include 2-BTP or any compound as applied to its use in aerospace fire extinguishing systems.

(13) "Bulk" means:

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

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

(14) "Low global warming potential" means a global warming potential of less than 150 carbon dioxide equivalents.

(15) "Newly produced refrigerant" means a refrigerant that has not been previously used, recovered, or reclaimed. Newly produced refrigerant is sometimes referred to as "virgin" refrigerant.

(16) "Reclaim" means:

(a) The reprocessing of regulated substances to all of the specifications in appendix A to 40 C.F.R. Part 82, Subpart F (based on air-conditioning, heating, and refrigeration institute standard 700-2016), as it existed on the effective date of this section, that are applicable to that regulated substance and to verify that the

regulated substance meets these specifications using the analytical 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 this section, and do not contain more than 15 percent newly produced material by weight, pursuant to federal regulations at 40 C.F.R. Part 84, Subpart C, as it existed on the effective date of this section; or

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

(17) "Transshipment" means the shipment of a regulated substance through the state of Washington from one point outside the state of Washington to another point outside the state of Washington, as long as the shipment does not enter commerce in Washington.

(18) "Ultra-low global warming potential" means a global warming potential of less than 10 carbon dioxide equivalents.

NEW SECTION. **Sec. 6.** If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2025, in the omnibus appropriations act, this act is null and void.

NEW SECTION. **Sec. 7.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

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