3rd Meeting of the

Consultation Forum

according to Art. 23 of Regulation (EU) No 517/2014 on fluorinated greenhouse gases

Brussels, 6 March 2018

European Commission

Climate Action

Welcome!

TOPIC 2: Standards

Montreal Protocol Safety Standards

European Commission

- *2016: Decision XXVIII/4 - Establishment of regular consultations on safety standards*
- *May 2017: Technology and Economic Assessment Panel – Task Force Decision XXVIII/4 – Report on safety standards*
- *July 2017: Workshop on safety standards relevant to the safe use of low-global-warming-potential alternatives*
- *2017: Decision XXIX/11: Safety standards*
    - Secretariat to provide overview on relevant standards and their review processes

Mandate
to CEN/Cenelec

European
Commission

- *September 2015: Consultation Forum*
- *2015: Start of preparatory work for a standardisation request to CEN/Cenelec*
- *November 2017: Adoption by the Commission*
    - ➢ Request for technical specifications base on an assessment of currently applicable standards and their ongoing review
- *2018: Kick-off of CEN/Cenelec's work*
    - ➢ TC 182 – Refrigeration systems - appointed as lead TC
- *2021: Submission of results*

TOPIC 4: Phase-down

Information on the progress of the HFC phase-down

a. Information from the Commission on

i. quota allocation, company reporting and environmental impact

ii. gas and authorisation prices

iii. Study on gapometer (EPEE)

iv. study on illegal trade (Oeko-Institute)

v. implications of the UK withdrawal from the EU for the F-gas Regulation and the Kigali Amendment

b. Exchange of views

European Commission

Reference values 2018-2020

- *399 companies with new reference value*

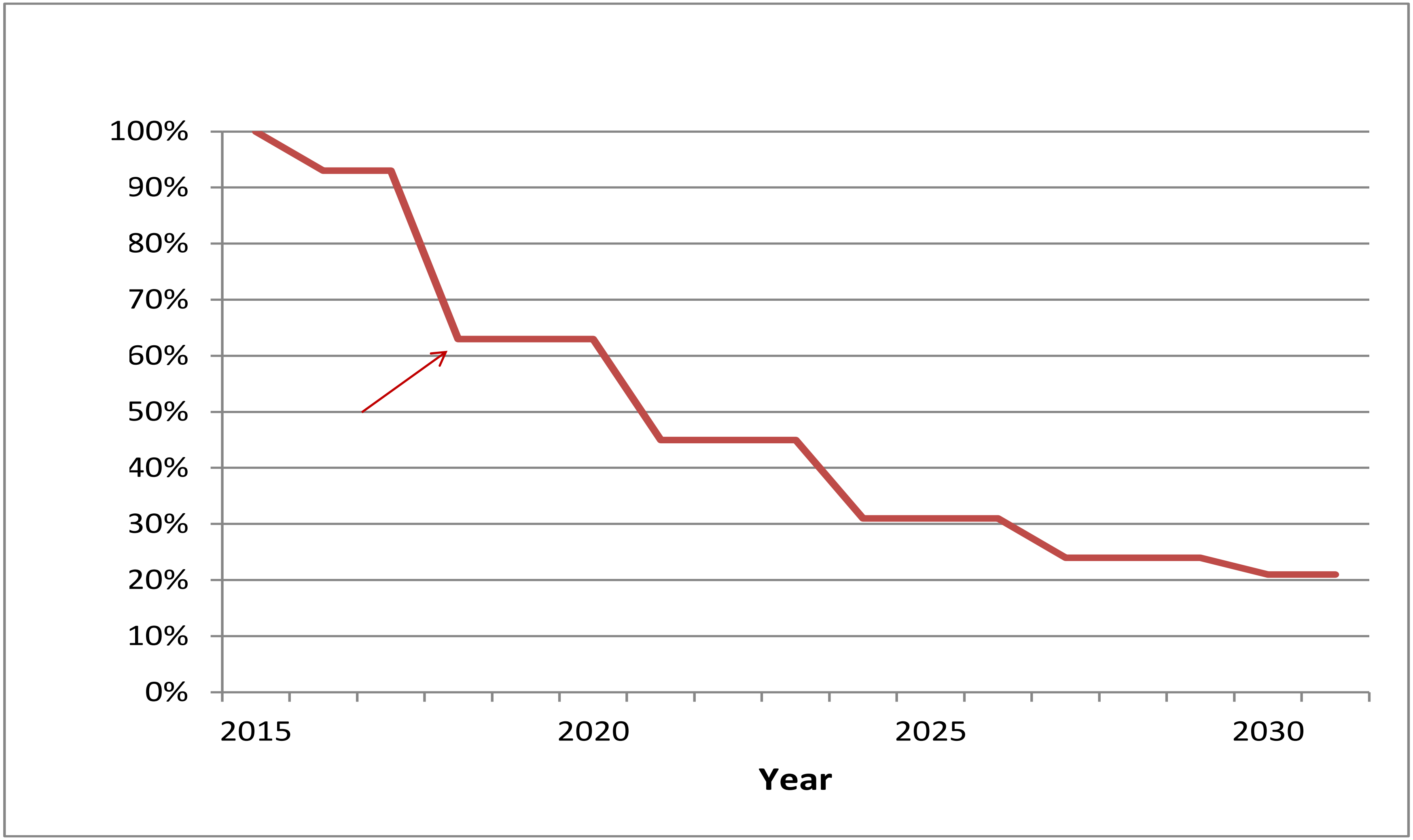
Possibly better prices for authorisations through more competition (names of companies are publicly available)

- *New Entrants*

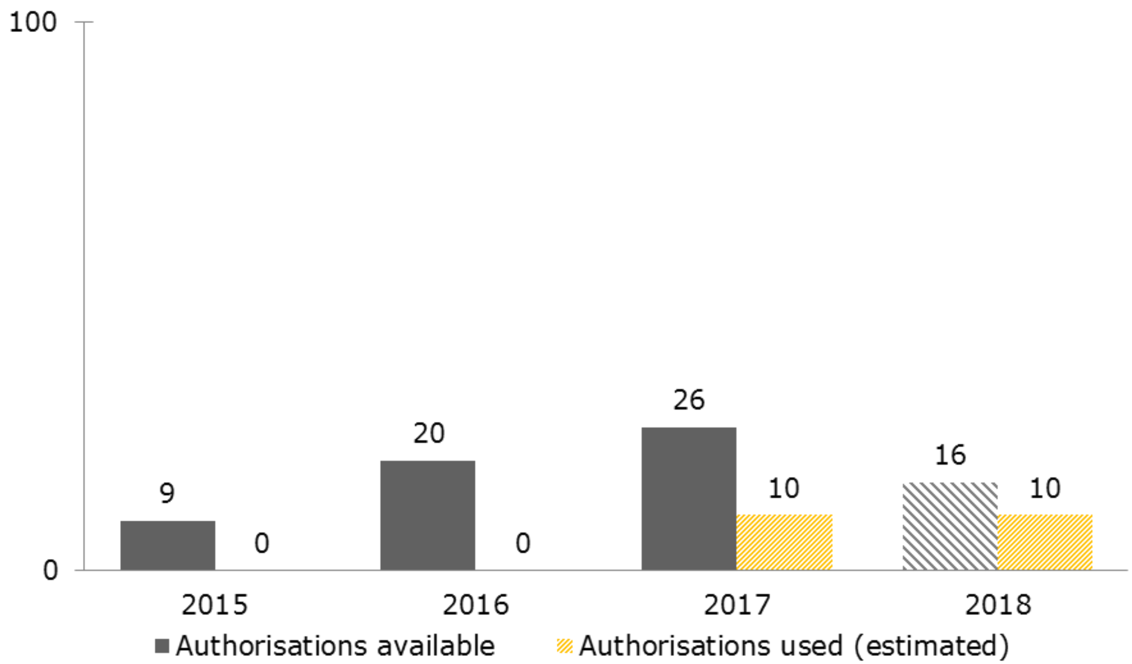
Yearly applications in period April-May, Pro rata mechanism

→ *In total, 1086 companies with quota*

Phase-Down



Quota coverage for precharged equipment



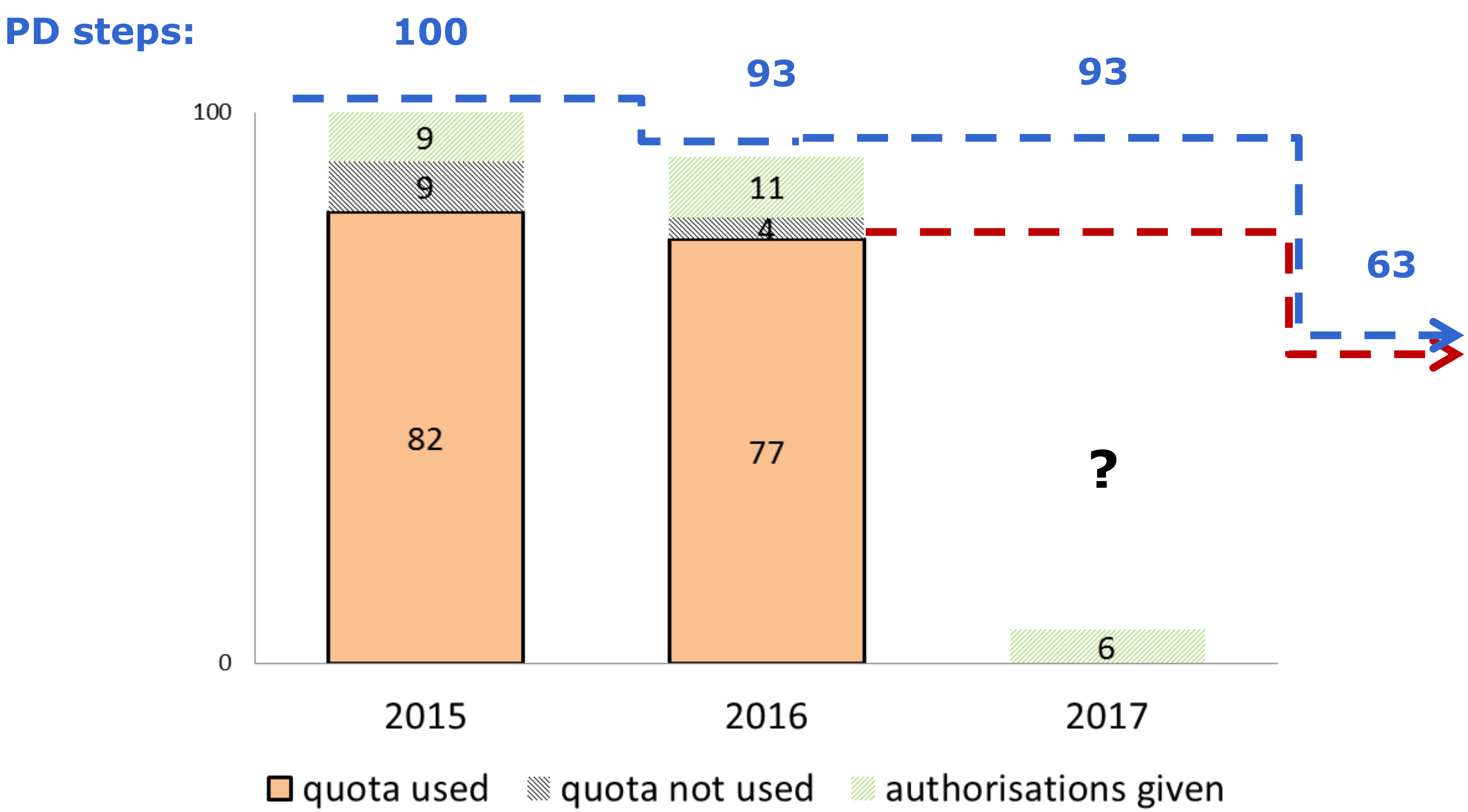
· *2018: ca. 16% of the market (2015 baseline) is available for equipment!*

· *needed are ca. 10% to cover imports in 2018*

--> a good buffer exists already!

Do not need to worry too much about covering equipment

How large is the 2018 step?



→ *Quota use for Bulkware was only 77% (2016)*

→ *Equipment is basically covered (due to buffer available)*

→ *"Real" 2018 reduction step smaller than feared!*

Company Reporting

European Commission

EEA 2017 report


EEA Report | No 20/2017

Fluorinated greenhouse gases 2017

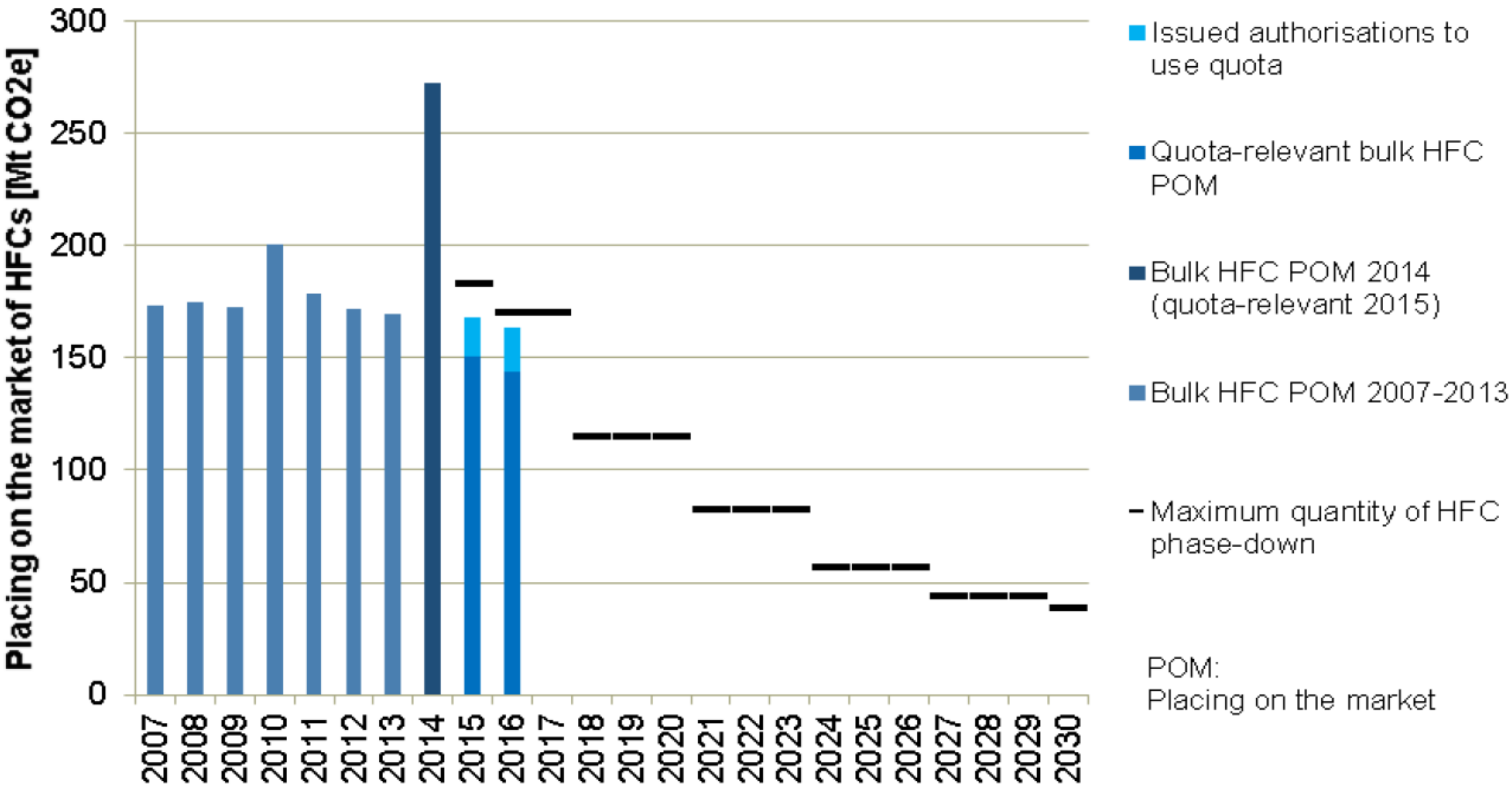
Data reported by companies on the production, import, export and destruction of fluorinated greenhouse gases in the European Union, 2007-2016

ISSN 1977-8449

A few highlights:

- *HFC consumption is going down*
- *Production and imports show a trend to more climate-friendly HFCs*
- *Reclamation has doubled, but at (too) low levels (5% of production)*
- *SF6 accounts for 50% of EU production and exports*
- *NF3 imports have risen sharply*

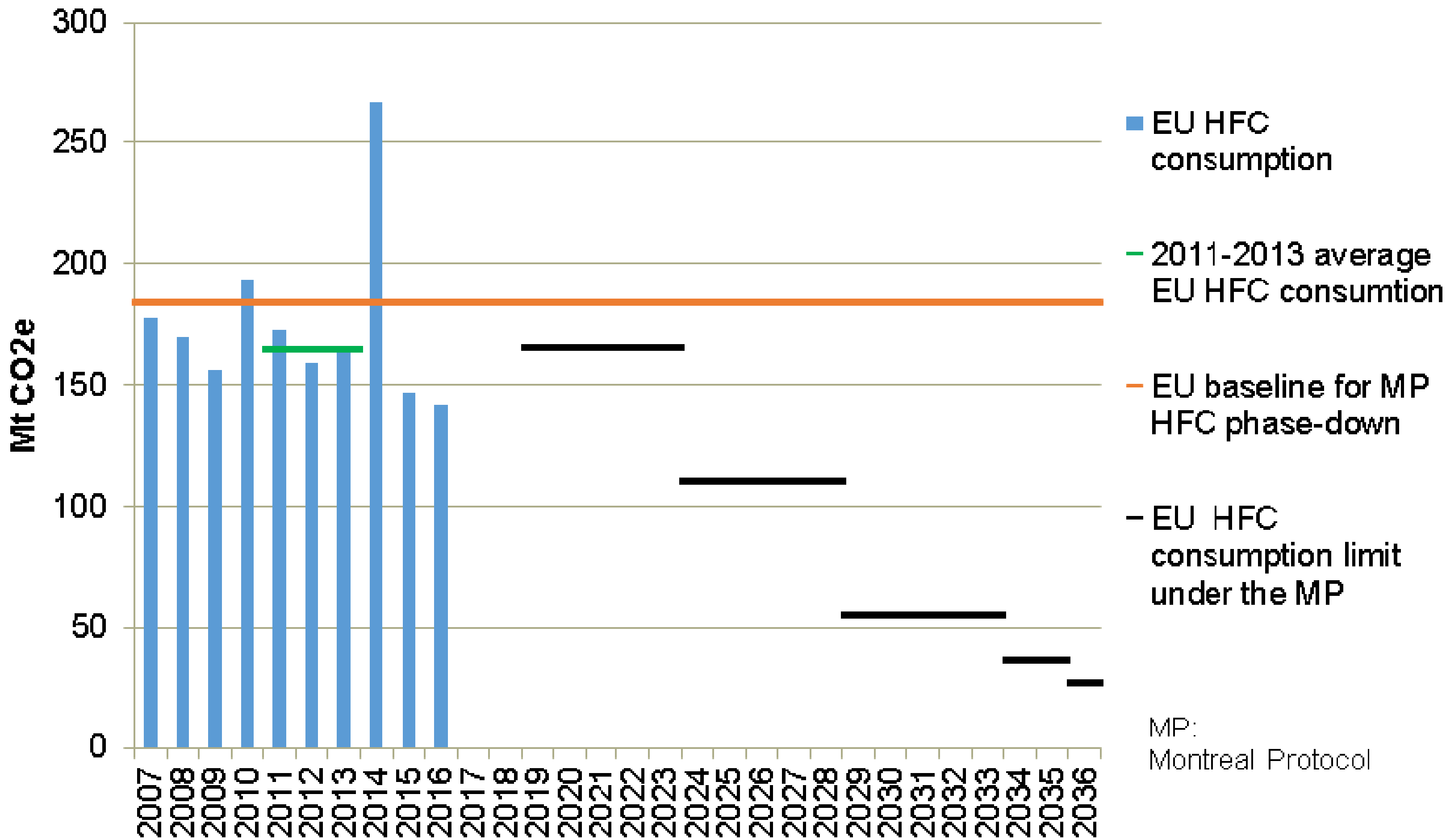
Phase-down Compliance



Source: EEA Report – Fluorinated GHG 2017

Kigali Obligations

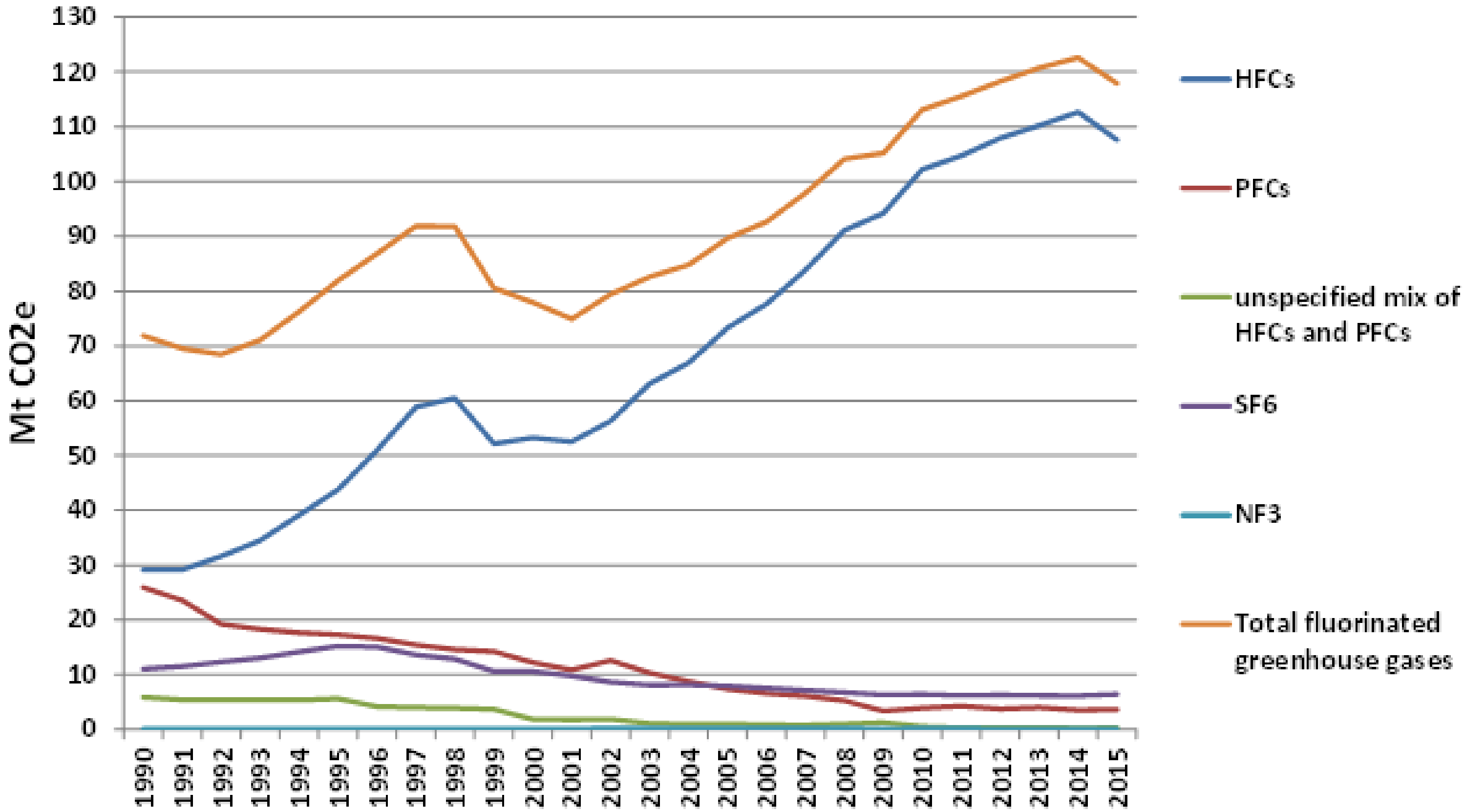
European



Source: EEA Report – Fluorinated GHG 2017

Climate Action

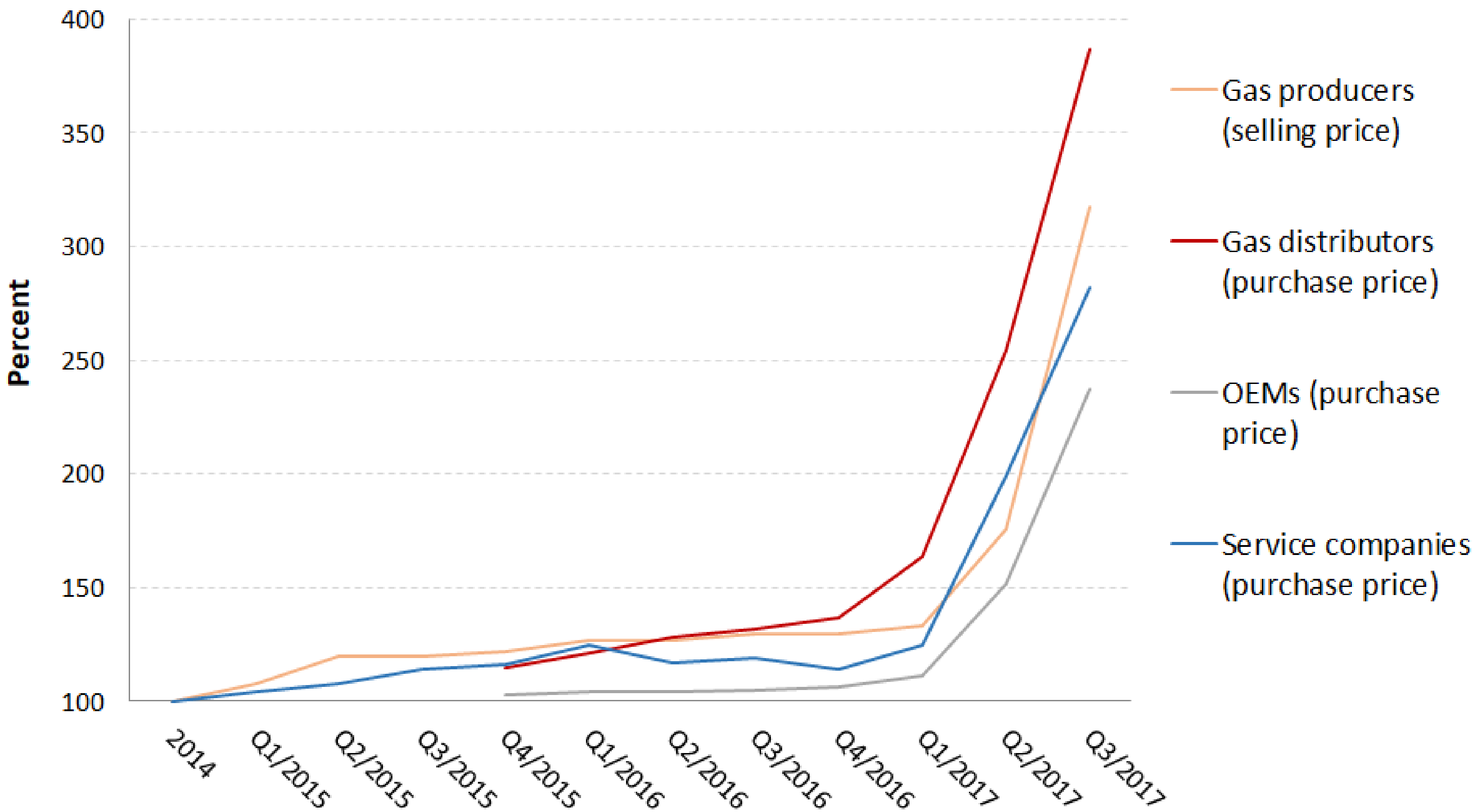
Emissions



Source: Upcoming EEA Fgases Indicator 2018

Gas Prices

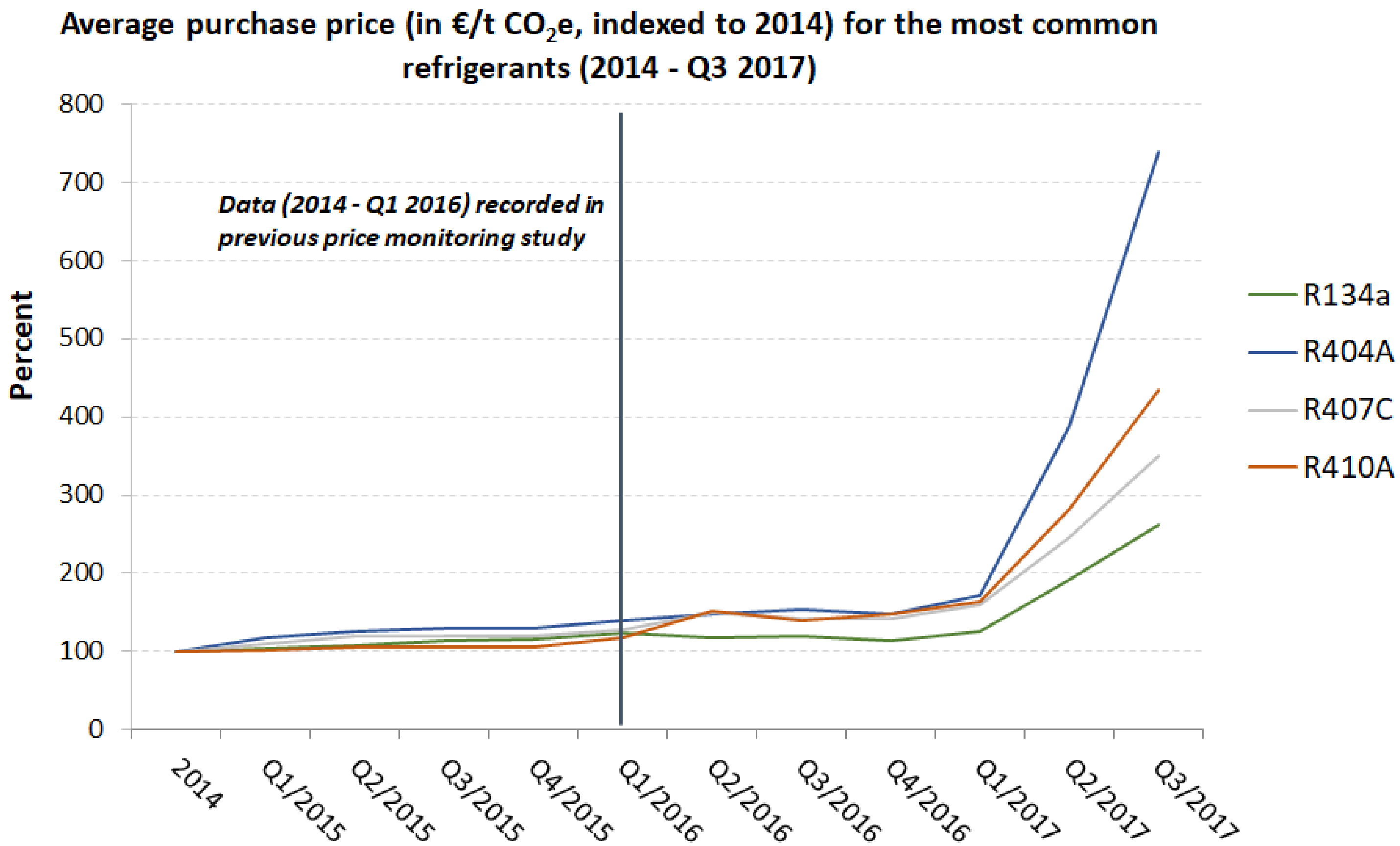
Price index (2014 = 100) of R134a on different levels of the supply chain (2014 - Q3 2017)



Source: Oeko-Recherche 2018

Climate Action

Gas Prices (2)



Source: Oeko-Recherche 2018

Climate Action

Abatement costs

European Commission

	Increase of Price since 2014 €/t CO_2e
Gas producers (selling price)	
R134a (GWP 1430)	+ 5,59
R410A (GWP 2088)	+ 6,94
R404A (GWP 3922)	+ 7,01
OEMs (purchase price)	
R134a (GWP 1430)	+ 8,32
R410A (GWP 2088)	+ 11,82
R404A (GWP 3922)	+ 8,65
Service companies (purchase price)	
R134a (GWP 1430)	+ 10,08
R410A (GWP 2088)	+ 13,68
R404A (GWP 3922)	+ 14,52

Roadmap:
an abatement price
up to 50€ / Tonne CO2
a "fair share" contribution

→ Prices are still well within expected range

Source: Oeko-Recherche 2018

"Transition": Challenges

European Commission

- *Price signal as driver for change is very recent*
  - *Possiblity for many "quick wins" still exists*

- *Price signal has risen quickly*
  - *Some stakeholders surprised*
  - *Preparation quite diverse*: Large stocks vs. Low Availability

- *Situation varies for different gases, sectors & regions*
  - Need to look beyond current supply chains

- *Reaction of all market players together determines the softness of the landing*

"Transition": How to cope

European Commission

- *Price signal → Stakeholders will now react where possible, in the way possible and as quickly as possible*

- *A number of different actions can be taken*
  - **Installing new alternative equipment**
  - **Retrofitting existing equipment**
  - **Reclaiming gases**
  - **Avoiding leakage**

- *A number of new blends on the market*

- *Annex III (prohibitions) can support (aerosols, MDIs, MAC, refrigeration/AC/foams in 2020…)*

BREXIT

Implications of BREXIT

European Commission

- UK companies supply HFCs to the EU27 market
- After UK withdrawal from the EU, to ensure a sufficient supply of HFCs to the EU27, UK companies should be enabled to continue to supply on the same terms as other non-EU quota holders

Implications of BREXIT

European Commission

- January 2018: Invitation to UK companies with 2017 reference values to provide independently verified data on their supply to the EU27 market for 2015 to 2017
- 18 May 2018: Deadline for submission of data
- By 31 October 2018: The 2017 reference values for UK companies will be amended
- November 2018: Allocation of quota for 2019, UK companies receive quota based on 2017 reference values for January to March and based on the amended 2018 reference values for April to December

BREXIT & Kigali Amendment

European Commission

- No reported data on intra-EU trade during the 2011-2013 reference period (and the 1989 HCFC share)
- Data collection for 2011-2013 and 1989 would be an excessive administrative burden and would not produce reliable results
- EU27 baseline:
  - Aggregated EU28 baseline established on the basis of available data
  - Split for the period after withdrawal according to the EU27 and UK market shares (at substance level) based on the data collected for the recalculation of reference values

Exchange of Views

Next implementation steps

European Commission

Climate Action

Thank you for your participation!

clima-fgas-consultation-forum@ec.europa.eu

Climate Action