

SB741 - Public Safety - Refrigerants - Limitation

Uploaded by: Kristen Harbeson

Position: FAV



March 8, 2023

SUPPORT SB741 - Public Safety - Refrigerants - Limitations on Use

Mr. Chair and Members of the Committee:

Maryland League of Conservation Voters and the Sierra Club of Maryland support SB741 “Public Safety - Refrigerants - Limitations on Use,” and we thank Senator Jackson for his leadership on this issue. The bill enshrines in Maryland law that substitute refrigerants allowed by the EPA can not be prohibited on the state or local level.

In 2022, the Maryland General Assembly passed the Climate Solutions Now Act, which sets the State on a path toward dramatically reducing our carbon emissions by the year 2031, and achieving net-zero emissions by 2045. To reach these ambitious but achievable goals, Maryland must take every opportunity to cut our greenhouse gas emissions, especially from the building sector, which is the second leading cause of the State’s climate pollution. SB741 is an important component to reach these goals.

On December 27, 2020, the American Innovation and Manufacturing (AIM) Act was enacted on the federal level ([42 U.S. Code section 7675](#)) to direct the EPA to regulate the production and consumption of hydrofluorocarbons (HFCs)- chemicals commonly used in commercial refrigeration, chillers, and stationary air conditioning equipment. The AIM Act directs the EPA to phase down the supply of HFCs, including refrigerants, and authorizes the EPA to restrict the use of HFCs in certain applications to direct the transition to HFC substitutes.

Manufacturers now face a pressing challenge. Building codes in all 50 states must be updated to allow for the use of substitute refrigerants in chillers, air conditioning, and commercial **refrigeration equipment. State building codes set various standards and requirements for what** types of refrigerants and equipment can be used in residential and commercial buildings. This means that under its current code, Maryland could restrict the future use of certain HFC substitutes, creating a risk that new refrigeration and air conditioning equipment containing these HFC substitutes cannot be sold in the state. If this barrier is not removed, it will limit the availability of newer, more climate-friendly refrigeration and air conditioning equipment in Maryland. This bill simply removes the impediment, and ensures that more climate-friendly equipment is allowed and encouraged, and that Maryland is part of the national solution.

The national transition away from HFCs will reduce U.S. greenhouse gas emissions by the equivalent of 2.4 billion metric tons of carbon dioxide by 2036 since the global warming potential of the new refrigerants is approximately 75 percent lower than the HFC refrigerants currently being used. The transition is also projected to create 33,000 new manufacturing jobs nationally, sustain 138,400 existing jobs between now and 2027, and support [7500 HVACR jobs](#) in the Maryland region.

We urge a favorable report on SB741.

AHRI Testimony on MD SB741 3.7.23.pdf

Uploaded by: Mike Nerozzi

Position: FAV



TESTIMONY OF MIKE NEROZZI
DIRECTOR OF GOVERNMENT AFFAIRS

ON BEHALF OF
THE AIR-CONDITIONING, HEATING, AND REFRIGERATION INSTITUTE

BEFORE THE MARYLAND STATE SENATE
EDUCATION, ENERGY, AND ENVIRONMENT COMMITTEE

HEARING ON SENATE BILL 741

MARCH 7, 2023

Good morning, Chair Feldman, Vice Chair Kagan, and members of the Senate Education, Energy, and Environment Committee. My name is Mike Nerozzi, and I am the Director of Government Affairs for the Air-Conditioning, Heating, and Refrigeration Institute (AHRI). Thank you for allowing me to speak with you today and convey AHRI's strong support for Senate Bill 741, sponsored by Senator Jackson, which includes language that will provide the HVACR industry with the certainty needed to comply with forthcoming federal regulations phasing down the use of hydrofluorocarbons (HFCs) in refrigerants.

AHRI represents more than 330 manufacturers of air conditioning, heating, commercial refrigeration, and water heating equipment. Our member companies, some of which operate factories or are headquartered here in Maryland, produce more than 90 percent of the residential and commercial air conditioning, heating, and commercial refrigeration equipment made in North America. We are also pleased to share with you that the HVACR industry supports nearly 7,000 jobs in Maryland and more than 571,000 jobs nationwide.

As members of the Committee may be aware, the federal American Innovation and Manufacturing Act (AIM Act) is phasing down the production and import of a class of chemicals known as hydrofluorocarbons (HFC), which are primarily used as refrigerants in air conditioners and refrigerators, along with other applications, such as foams, solvents, and fire suppressants.

The U.S. Environmental Protection Agency (EPA) is in the process of implementing the AIM Act in a way that will guide an orderly, market, consumer, and environmentally friendly transition to a range of new substitute refrigerants. Hundreds of substitutes exist and are commercially available for all major uses of HFCs. U.S. manufacturers already are planning the transition to these new refrigerants, which are creating jobs, stimulating new investment, and positioning the U.S. to sustain its technological leadership in the heating, ventilation, air conditioning, and refrigeration industry across the world.

The challenge our industry and U.S. consumers are facing is that many state building codes do not currently allow the use of certain substitute refrigerants, including in Maryland. AHRI and its member companies are working diligently to amend state building codes to allow these substitute refrigerants and avoid any marketplace disruptions as the EPA transition begins.

To date, more than 20 states have adopted changes to state building codes substantially similar to the language included in SB 741, including in New York and Pennsylvania. Most other states, including Delaware, New Jersey, and Virginia, are in the process of doing so either through legislation or regulatory action. By the end of 2023, if not sooner, AHRI is expecting all state building code changes will be complete.

The most important issue right now is time. New regulations proposed by EPA will significantly restrict the upstream supply of HFCs beginning in 2024 and, separately, prohibit the use of certain HFCs in most new air conditioning and refrigeration product categories in 2025.

As manufacturers start to transition product lines to HFC substitutes, they need to know that they can sell products with these HFC substitutes in all U.S. markets, including Maryland. The most significant barrier these manufacturers face to doing so is the state's building code.

What SB 741 does is amend the state's building code this year to allow any HFC substitute that has already been approved by EPA to be used in air conditioning and refrigeration equipment. If this change is not made this year, manufacturers will face significant risk of being unable to sell new air conditioning and refrigeration equipment into the state once new EPA regulations take effect. SB 741 does not make any other change to state law; it simply removes a barrier to ensure Maryland consumers and businesses enjoy uninterrupted access to HVACR equipment with the latest, most advanced, and most climate-friendly technologies available.

The climate benefits of AIM Act implementation are considerable. Because many HFCs are thousands of times more powerful than carbon dioxide at warming the planet, the transition from HFCs will reduce U.S. greenhouse gas (GHG) emissions by approximately 2.4 billion tons of carbon dioxide-equivalent by 2036. Globally, the federal AIM Act assures U.S. compliance with the Kigali Amendment to the Montreal Protocol, which phases down HFCs worldwide and avoids up to 0.5°C of projected warming by 2100.

Thank you again for the opportunity to present testimony at this hearing. AHRI looks forward to continuing to work with the Maryland legislature to achieve both the economic and environmental benefits of the phase down of HFCs.

Senate Bill 741 Written testimony_HACC.pdf

Uploaded by: Stephanie Anderson

Position: FAV



Testimony of the Heating & Air Conditioning Contractors of Maryland (HACC)

Before the Education, Energy, and the Environment

March 7th Hearing: Senate Bill 741 "Public Safety- Refrigerants- Limitations on Use"

Position: Favorable

Honorable members of the Committee, thank you for the opportunity to provide testimony in support of Senate Bill 741. The Heating & Air Conditioning Contractors of Maryland (HACC) strongly support this bill, and our organization respectfully ask for a favorable report from the Committee.

HACC is a trade association for independent heating, ventilation, air conditioning and refrigeration (HVACR) professionals in Maryland. HACC represents 125 local HVACR companies across the state of Maryland.

The EPA was directed by the Federal Government to regulate the production and consumption of hydrofluorocarbons. In order to meet these requirements Maryland must adopt language that allows these changes. States across the Country are enacting legislation similar to this bill. We believe passing this bill would ensure that Maryland would follow the rules set by the EPA and help to shrink greenhouse gas emissions.

A handwritten signature in cursive script that reads 'Stephanie Anderson'.

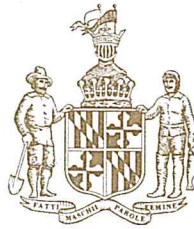
Stephanie Anderson
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Jackson2023SB741Testimony.pdf

Uploaded by: Michael Jackson

Position: FWA

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TESTIMONY - SENATE BILL 741

***PUBLIC SAFETY – REFRIGERANTS – LIMITATIONS OF USE
EDUCATION, ENERGY, & THE ENVIRONMENT COMMITTEE***

MARCH 7, 2023

Chair Feldman, Vice Chair Kagan and Committee Members:

Senate Bill 741 is a very straightforward bill that disallows the prohibition of refrigerants acceptable for use under federal listing requirements provided that any appliance that contains the refrigerant meets the federal safety standards and use conditions.

This legislation is a direct effort to better and to more quickly and efficiently phase out the use of harmful hydrofluorocarbon chemicals in refrigerants. Allowing multiple options to phase out the use of these chemicals and better coordinating our efforts with the federal government is a necessity to stop the usage of these chemicals and this legislation is simply a means to that end.

For the reasons listed above, I ask for a favorable report of Senate Bill 741.

SB 741- FWA.docx.pdf

Uploaded by: Tyler Abbott

Position: FWA



The Maryland Department of the Environment
Secretary Serena McIlwain

SB 741

Public Safety – Refrigerants – Limitations on Use

Position: SUPPORT WITH AMENDMENTS
Committee: Education, Energy, and the Environment
Date: March 07, 2023
From: Gabrielle Leach

The Maryland Department of the Environment (MDE or the Department) **SUPPORTS WITH AMENDMENTS** Senate Bill 741. Amongst other changes, SB 741 would add the following provision to the Public Safety Article “ notwithstanding any other law, regulation, or requirement in the State, the use of a refrigerant may not be prohibited or otherwise limited if: (1) the refrigerant is designated as acceptable for use in accordance with 42 U.S.C. 7671; and (2) any appliance containing the refrigerant designated for acceptable use is labeled, installed, serviced, repaired, used, and disposed of in accordance with the safety standards and use conditions under 42 U.S.C. 7671.”

The Maryland Department of the Environment believes that the above language would be legal under current federal and State regulations on hydrofluorocarbons (HFCs). These rules, part of United States Environmental Protection Agency’s (EPA) significant new alternatives policy (SNAP) program, are promulgated under 42 U.S.C. 7671 (sec. 612 of the CAA) and certain provisions of SNAP regulations have been codified by the Department in Maryland regulations under COMAR 26.11.33. The Department adopted certain SNAP regulations because of regulatory uncertainty at the federal level and because HFCs are a category of greenhouse gases (GHG) that have very high global warming potential (GWP). Therefore, reduction of HFCs is very important to meet Maryland’s GHG reduction goals and the Department supports the goals of this legislation to make sure there are no barriers to using lower GWP refrigerants in Maryland, if those refrigerants have been approved by EPA.

However, EPA recently published a new proposed rulemaking. This new EPA rule was proposed Dec. 15, 2022 and was out for public comment through January 30, 2023.¹ It is not yet finalized. Because the above mentioned proposed federal rule, is being promulgated under different federal statutory authority than the SNAP acceptable list referenced in SB 741, the Department is concerned that adoption of SB 741, as proposed, would put MDE in the position of having to comply with both federal rules (which as of now have some conflicting GWP limits for HFC refrigerants) and also a State law that would also have conflicting provisions than what is in the

¹ *Phasedown of Hydrofluorocarbons: Restrictions on the Use of Certain Hydrofluorocarbons Under Subsection (i) the American Innovation and Manufacturing Act of 2020*, 87 Fed. Reg. 76, 738, December 15, 2022.

EPA proposed rule. This would potentially put the Department in the position of having to update our HFC regulations under COMAR 26.11.33 due to the proposed EPA federal law preempted certain HFCs, and then simultaneously being in non-compliance with State law codified under SB 741 if the SNAP list codified under 42 U.S.C. 7671 is not updated accordingly or in a timely manner.

MDE has worked with stakeholders on this legislation and supports SB 741 with Amendments. MDE appreciates the consideration of this amendment.

Proposed Amendment

On page 2, in line 1, after “OTHER” insert “PROVISION OF”; strike beginning with “REGULATION” in line 1 down through “STATE,” in line 2 and substitute “EXCEPT FOR REGULATIONS ISSUED BY THE DEPARTMENT OF THE ENVIRONMENT, NO PROVISION OF THE STATE BUILDING CODE OR OTHER LAW OR REGULATION MAY PROHIBIT OR OTHERWISE LIMIT”;

For the reasons detailed above, MDE urges **FAVORABLE WITH AMENDMENTS** for SB 741.