June 2015

GUIDANCE DOCUMENT FOR EPEE MEMBERS

THE NEW F-GAS REGULATION N°517/2014

ENSURING A HARMONISED UNDERSTANDING FOR THE HEATING, COOLING, REFRIGERATION AND HEAT PUMP INDUSTRY IN EUROPE

Introduction

This Guidance Document aims to ensure a harmonised understanding of the new F-gas Regulation by EPEE members. This document has been reviewed by EPEE members and also been discussed with the European Commission. Since the first edition of August 2014, this second version now incorporates additional questions that have arisen within membership. The additions compared to the previous version can be found in **blue.**

The document outlines several key pillars of the new F-gas Regulation, and focuses in detail on the working of the new phase-down mechanism.

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- This document is intended only for EPEE Members so you can only share this document with persons in your own organisation.
- A less detailed version of the guidance document is available for non-EPEE members. This version is public and can be found here.

STRUCTURE OF THE GUIDANCE DOCUMENT

SECTION 1: THE MAIN PILLARS OF THE NEW F-GAS REGULATION

1. **What is the EU 2014 F-Gas Regulation? Is it the same as the 2006 EU F-Gas Regulation?**

The F-Gas Regulation No. 517/2014 or "Regulation of the European Parliament and of the Council on fluorinated gases and repealing Regulation (EC) No 842/2006" is an EU legislative instrument which is directly (i.e. without any further transposition measures) applicable in all EU Member States.

The F-gas Regulation was adopted in the beginning of 2014 and published in the Official Journal on 20 May 2014. The 2014 Regulation fully replaces the 2006 F-Gas Regulation as of January 2015.

However there are some Commission regulations linked to the 2006 F gas regulation that remain valid for now, until they will be revised by the Commission at a later stage. Examples are the Commission regulation on labelling 1494/2007, on leak checking requirements 1516/2007 and on certification 303/2008.

The new Regulation introduces additional requirements compared to the 2006 Regulation including a completely new mechanism to ensure a gradual reduction of the consumption of HFCs up to 2030 to ensure emission reductions, the so-called phase-down which will massively change the way industry can use F-gases.
Please see section 2 for more information on the phase-down.

2. **What is the objective of the F-Gas Regulation?**

The EU has developed a low-carbon roadmap, in which it sets out the ambition to reduce greenhouse gas emissions by 80 to 95% compared to 1990 level, in the year 2050. The F-gas Regulation shall contribute to these overarching objectives and drastically reduce the consumption and emissions of f-gases by 2030.

3. **Which gases are covered by the EU Regulation?**

The gases covered by the EU Regulation are the so-called fluorinated greenhouse gases: HFCs, PFCs and SF6. Unsaturated HFCs (or HFOs) are partly covered by the new regulation, for example they have reporting obligations but are not part of the phase down regime.

4. **When will the Regulation enter into force? And will the 2006 Regulation still apply? When exactly does this happen?**

The Regulation was published on the Official Journal on 20 May 2014 and entered into force on 9 June 2014. However, most provisions, including the phase-down mechanism, will only apply with effect from 1 January 2015.

The 2006 Regulation will be repealed. This means that the 2014 Regulation will replace the 2006 Regulation and that the 2006 Regulation will no longer apply. At the same time, the relevant implementing acts that have been introduced to complement the 2006 Regulation will still be applicable until the EU adopts new and updated acts. Examples are the Commission regulation on labeling 1494/2007, on leak checking requirements 1516/2007 and on certification 303/2008.

5. What are the main pillars of the EU F-gas Regulation?

The 2014 Regulation is based on the same principles of containment and competence as the 2006 Regulation, but introduces **substantial additional requirements** aiming to reduce the emissions of f-gases and / or their GWP value where possible and feasible:

- ***Requirements to prevent emissions*** (mostly based on the 2006 Regulation):
  - ✓ Emission prevention and leak checks (Art. 3 – 6)
  - ✓ Control of by-production (Art. 7)
  - ✓ End of life treatment of products and equipment (Art. 8-9)
  - ✓ Training and certification (Art. 10)
  - ✓ Information for users (Art. 12)

- ***Requirements to reduce the use of higher GWP f-gases where possible and feasible***
  - ✓ Training and qualification (Art 10)
  - ✓ Restrictions on new applications (Art. 11)
  - ✓ Control on uses (Art. 13)
  - ✓ Phase-down of HFC consumption (Art. 14 onwards)

6. How do my obligations change under the new Regulation if I use F-gases?

The 2014 Regulation introduces substantial additional requirements compared to the 2006 Regulation, and even in the provisions where it maintains the 2006 requirements there are some smaller modifications. As the 2014 Regulation will replace the 2006 Regulation, it is very important to have a detailed look at all provisions.

7. What is the most important change introduced by the new rules?

The most important new requirement of the new F-gas Regulation is the introduction of the phase-down which will impose substantial requirements for the whole value chain of industry: from the producers of HFCs to manufacturers of equipment, users of HFCs and the personnel handling HFCs. Please see Section 2 for more information.

SECTION 2: THE PHASE-DOWN AND OTHER CONTROL OF USE

A. THE PHASE-DOWN: QUOTA ALLOCATION

8. What is the principle of the phase-down?

A phase-down means that the quantity of HFCs placed on the market for the first time (expressed in CO2-equivalent) – the so-called "consumption of HFCs" – is gradually being reduced, starting from a certain baseline which is based on historical data. The main aim of the phase-down is to reduce the emissions stemming from HFCs.

In the phase-down, the quantities are measured in CO2-equivalent which is used as a common measurement for HFCs, rather than for example kilogrammes or metric tonnes and takes into account the GWP value of a refrigerant. For example 10kg of HFC 134a (GWP=1430) correspond to a quantity of 10kg x GWP1430 = 14,300kg of CO2-equivalent

This means that a phase down can be reached in different ways : by using an HFC with a lower GWP value, using less HFC quantities, avoiding the use of HFCs, increasing recycling and reuse of HFCs already placed on the market before, or a combination of such measures.

To implement this gradual reduction, the European Commission will allocate quota to individual producers and importers of HFCs which will enable them to place HFCs on the Union market. These companies then need to make sure not to exceed the quota they have received when placing HFCs on the EU market. It is important to note that equipment manufacturers cannot directly apply for quota unless the manufacturers themselves become importers or producers of bulk refrigerants.

By restricting the consumption of HFCs, the phase-down enhances the effectiveness of both emission prevention and recovery efficiency and steers the market towards the use of lower GWP refrigerants.

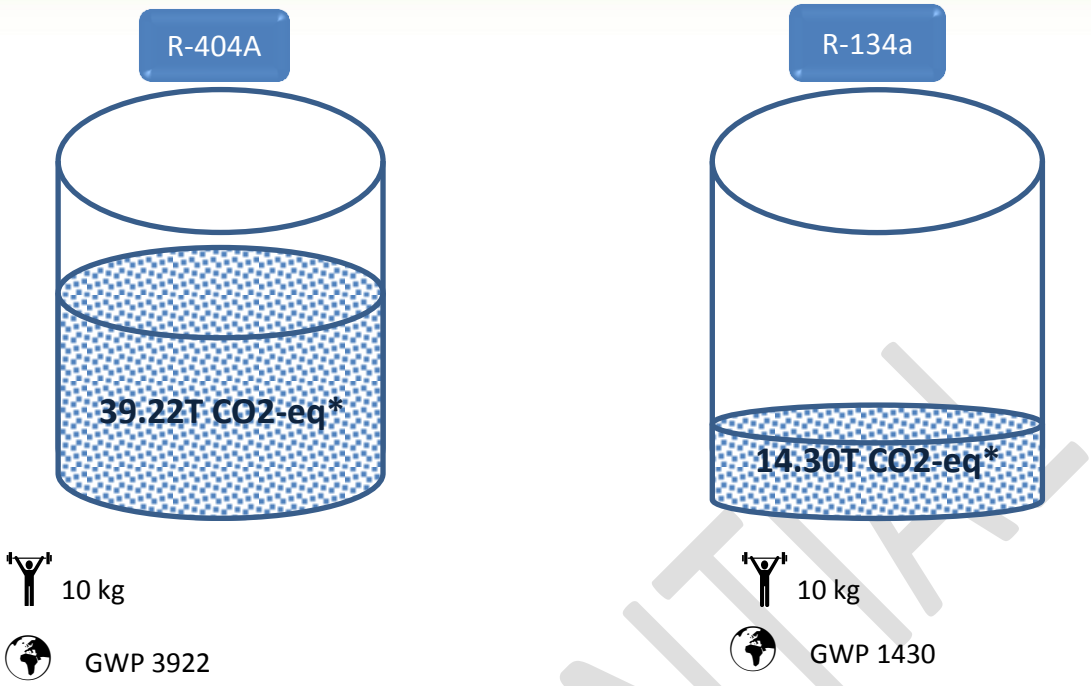
9. What are quota?

Quota expresses the quantities of HFCs, expressed in CO2-equivalent that producers and importers of HFCs are entitled to place on the market according to the phase-down steps.

10. How to convert the kilogrammes of refrigerants into CO2-equivalents?

The 2014 F-gas Regulation defines 'tonne(s) of CO2 equivalent' as a quantity of greenhouse gases, expressed as the product of the weight of the greenhouse gases in metric tonnes and of their global warming potential given in the 4th IPCC assessment values.

This therefore means the kg of the gas multiplied by the GWP is the CO2equivalent. Below you will find some examples of the conversion.



KG x GWP

11. What is a baseline?

The baseline is defined as the average quantity of all types of HFCs expressed in CO2-equivalent placed on the EU market during the period of 2009 to 2012. It is calculated based on the reported data by HFC producers and importers (according to Art. 6 of the previous F-Gas Regulation 842/2006), which has been compiled by the European Environmental Agency. The European Commission will communicate the baseline expressed in CO2-equivalent in October 2014.

Some HFC uses are exempted from the phase down (eg MDIs, military use) and will be deducted by the European Commission from the baseline figures, therefore the actual value is not yet known at this moment.

12. How much reduction will be required in the next years?

The 2014 Regulation sets a very ambitious timeframe up to 2030. The phase-down will commence as of 2015 and will need to respect the following reduction steps:

2015	100%
2016	**93%**
2018-20	**63%**
2021-23	**45%**
2024-26	**31%**
2027-29	**24%**
2030	**21%**

13. Is the phase-down applicable to fluorinated gases?

The phase-down applies to hydrofluorocarbons (HFCs). The Regulation defines HFCs as "the substances listed in section 1 of Annex I, or mixtures containing any of those substances".

This means that perfluorocarbons and sulphur hexafluoride are not part of the phase-down mechanism. Also unsaturated HFCs (HFOs) are not part of the phase down mechanism. Please note that other provisions of the 2014 Regulation may still apply to these substances.

14. What is the relationship between the MAC Directive and the phase-down?

The MAC Directive is a separate Directive that focuses specifically on mobile air-conditioning in cars and bans the use of refrigerants with a GWP above 150. It entered into force in 2006.

The European Commission has taken into account the anticipated impact of the MAC Directive when establishing the phase-down steps in the sense that no more HFCs above GWP 150 would be used in all new cars from 2017. In this way, the MAC Directive would positively contribute to the achievement of the phase-down steps.

Full implementation of the MAC Directive still remains a challenge in the EU. EPEE emphasises that the full implementation of the MAC Directive is crucial to ensure the achievement of the phase-down.

15. Are the amounts of quota fixed until 2030?

No. The quota are determined and allocated annually. They have to be applied for every year.
The maximum quota that can be allocated to a company is based on a reference value x 89% for companies that placed HFC gases on the EU market before (see below table).
The remaining 11% + the portion that has not been claimed by incumbent companies go to a "new entrants reserve".

By 31st October 2017 and every three years after, the reference values will be recalculated based on the annual average of HFC quantities placed on the market in the previous reference period where they are available.

Calculation of reference rates:

Period	Reference rate will be calculated based on	Deadline for determination of reference rate
2015,2016,2017	% of market share in baseline period , which is the average of 2009-2012	By 31 October 2014
2018,2019,2020	Calculated in 2017 based on actual placing on the market in 2015 & 2016. Calculation method : the average value "for the years available", which means : If a company is active in 2015 & 2016 : average of both years If a company is active only in 2016 : value of 2016 If company is active only in 2015 : value of 2015	By 31 October 2017
2021,2022,2023	Calculated in 2020 based on actual placing on the market in 2017,2018,2019 Calculation method : the average value "for the years available", which means : If company is active in 2017,2018,2019 : average of the 3 years If company is active only in 2018,2019 : average of these 2 years etc	By 31 October 2020
Continues for every 3 year periods after that		

16. Are the quota allocated for free or is there a fee to be paid?

The quota are allocated free of charge, and are based on so-called "grand-fathering". The question as to whether a price should be set for the quota, i.e. whether an allocation fee should be introduced, may be discussed in 2017.

17. Who is in charge of the quota allocation, the European Commission or the Member States?

The European Commission is responsible for the allocation of quota.

18. Who can apply for quota?

Only producers and importers of bulk HFCs can apply for the quota. It is important to note that equipment manufacturers cannot directly apply for quota unless the manufacturers themselves are or become an importer of bulk HFCs.

19. What is meant by bulk HFCs?

Bulk HFCs are the HFCs which have not been integrated in any equipment. Bulk HFCs are typically contained in bottles or containers.

HFCs that are integrated in pre-charged equipment cannot be considered as bulk HFCs.

20. Will only producers and importers of HFC need to comply with the requirements of the phase-down, as they are the only companies who will have quota?

No. The phase-down sets a framework for reducing the consumption of HFCs up to 2030 and this means that all users of HFCs will need to ensure that they only place on the market HFCs which are part of the EU phase-down and are covered by quota. For example, manufacturers of pre-charged equipment (regardless of whether they are inside or outside the EU) will need to ensure that the HFCs they use in their equipment can be accounted for in the phase-down. Please see the questions below for more information.

21. What happens if HFCs have been placed on the market, which are not part of the phase-down and therefore are not covered by quota?

As of 2015, this represents a breach of EU law which may lead to penalties or fines, which will be laid down by Member States.

22. What happens if the quota has been exceeded?

If the quota has been exceeded, the European Commission will reduce the quota holder's amount of quota in the next allocation period. To do this, it will apply a "penalty" of 200%. If the amount of quota reduction exceeds the amount of quota allocation, no quota shall be allocated for that allocation period and the quota for the following periods shall be reduced likewise until the full amount has been deducted.

23. Can only HFC producers and importers based in the EU apply for quota or can HFC producers based outside the EU also apply for quota?

Both refrigerant producers inside and outside the EU can apply for quota. However, refrigerant producers outside the EU need to mandate an "Only Representative" based in the EU. This Only Representative will represent the producer based outside the EU, but the quota will be held by the producer himself. This provision aims to ensure that all HFCs placed on the EU market are part of the EU quota and covered by the phase-down.

24. Is the quota allocation procedure the same for all importers or producers of bulk HFCs?

The Regulation distinguishes between companies – the so-called incumbent companies- that have reported to the European Commission placing on the market of HFCs in the years 2009 to 2012 and companies that have not done so – the so-called new entrants.

From 2015 to 2017, the quota allocation for incumbent companies will be based on the calculation of the average quantity of HFCs, expressed in CO2-eq placed on the EU market between 2009 and 2012 (the baseline) and their individual market share during that period (the reference value). Incumbent companies can also apply for additional "top-ups" if available. "Top-up" means that incumbents can also apply for the new entrants reserve (NER) in case it will not be exhausted by the new entrants. As of 2018, both incumbents and new entrants will be able to apply on equal footing for the new entrant reserve.

The new entrants will receive quota from the new entrants' reserve (NER). They can apply for quota by making a declaration, and will get quota through a pro-rata mechanism. Note that it is not possible for new entrants to apply for the NER without physically supplying the gas. This provision aims to ensure that new entrants do not simply apply for quota for trading purposes. ***Please see questions below for more information on new entrants.***

25. Is there a list available to find out which companies are incumbent companies?

No, there is no list available. There is general information on the EAA website, but there are no specific names of companies listed.

26. (a) How can an importers or producers of HFCs, or new entrants, apply for quota, and (b) can they apply for quota at any time?

(a) Applicant companies, whether they are incumbents or new entrants, will need to make a declaration to the European Commission. It is important to note for new entrants that quota will only be allocated to new entrants if a physical supply of HFCs takes place. Applying for quota from the new entrants' reserve will therefore only be useful if the applicant intends to deal in "bulk" HFCs.

(b) No. The European Commission set strict deadlines for this procedure. For the 2015 period, the deadline for both the incumbent companies and the new entrants was 1 July 2014 and an official notice was published on 21 May 2014. The notice has set requirements for reporting companies as well as for new entrants:

	REPORTING COMPANIES (INCUMBENTS)	NON-REPORTING COMPANIES (NEW ENTRANTS)
Registration	• Undertakings intending to place HFCs on the EU market needed to register in the registry **by 1 July 2014**. • The European Commission will send the contact details contained in the European Environment Agency`s BDR database where the yearly company are already reporting. • Undertakings are asked to update their contact details if necessary, and to submit the	• If the undertaking intends to place additional quantities of HFCs on the market pursuant to Article 16(4) of the Regulation, the undertaking must complete and submit the 'declaration on quota need for 2015' available online on the website of the European Commission.

	duly completed 'registration forms' to: CLIMA-HFC-REGISTRY@ec.europa.eu . • Blank templates are also available on the European Commission website.	• The duly completed form should be sent to: CLIMA-HFC-REGISTRY@ec.europa.eu
Exact require-ments	**Providing information on HFCs placed on the market (2009-2012)** • Undertakings are invited to inform the European Commission about HFCs placed on the market from 2009 to 2012 for the uses listed in Article 15(2) points (a) to (e) of the Regulation, for each category of use and substance and for each year from 2009 to 2012. • This information, containing at least the elements in the template related to 'exempted uses' available on the website should be submitted to the European Commission. • **Deadline:** before 1 July 2014 • **To whom to send:** CLIMA-HFC-REGISTRY@ec.europa.eu/.	**Providing the declaration on intention to place HFCs on the market**: • Undertakings need to complete the 'declaration on intention to place hydrofluorocarbons on the market' available online on the website of the European Commission. • You should send it tom CLIMA-HFC-REGISTRY@ec.europa.eu
Additional information	**Additional anticipated quantities**: • If the undertaking intends to place additional quantities of HFCs on the market pursuant to Article 16(4) of the Regulation, the undertaking must complete and submit the 'declaration on quota need for 2015' available online on the website of the European Commission.	N/A for new entrants

27. Can an HFC producer based outside the EU apply for quota without physically placing the HFC on the Union market?

Yes. A bulk HFC producer based outside the EU can apply for quota in the EU if he has mandated an Only Representative in the EU. The bulk HFC producer can physically supply the HFC to a precharged equipment manufacturer based outside the EU (and needs to do so if the HFC producer is a new entrant).

28. What minimum conditions should an entity fulfill to act as an F-gas Only Representative in the EU? Is there a link with the Only Representatives under REACH?

Not necessarily. The Regulation explains that the REACH Only Representative could be used, but that other entities that have a legal nature (e.g. a VAT number) and are properly authorized by the non-EU company to act as their representative can act as Only Representatives.

29. Can a HFC producing company that is active both in Europe and outside Europe, play the role of Only Representative for the parts of the company that are based outside Europe? Hence, would it be possible that the EU company would apply for quota on behalf of the non-EU company?

Yes. The non EU based HFC bulk producer can mandate the EU based HFC bulk producer as Only Representative. The EU based bulk producer would represent the non EU based producer in the EU and the latter would be holding the quota.

30. **Can an HFC producer who intends to start a business in Europe as of 2017 get quota as a new entrant?**

Yes. The HFC producer will have to apply for quota as a new entrant during the preceding year. This means that to place HFCs on the market in 2017, the HFC producer would need to apply by a set date in 2016.

31. **Can quota obtained for 2015 be banked and used up at a later stage (for example 2019)?**

No. Quotas are valid for one year only and cannot be transferred to the next year. However, they can be transferred to another company. **In addition, an authorisation given to an equipment importer remains valid for import of precharged equipment without any time limit.**

32. **What happens if quota are not fully used by the quota holder, and also not transferred to another company?**

If the quota obtained by a company are not fully used (in the sense of placing the corresponding quantity of refrigerant on the market or authorizing an importer of precharged equipment to use the quota for imports), the quota holder will see a reduction in its reference value after 3 years. This is because the reference values to be allocated to each applicant will be re-calculated every three years based on the quantities placed on the market (this includes also authorization).

If individual quota holders have not fully used their quota share themselves, it will impact their own future reference values.

However, if companies used more quota than their originally assigned quota (for example due to a transfer of quota from another quota holder) and if they also use it, their reference values may increase.

If all quota holders together have not fully used their quota rights, it has an impact on the new entrant reserve. The reference values to be allocated to incumbents will be reduced and the new entrants reserve (NER) will be increased accordingly. From 2018 onwards, incumbents (historic companies and "previous" new entrants) + new entrants for the next quota allocation period can apply on equal footing for the NER.

33. **Can new entrants only have quota from the new entrants reserve?**

No, new entrants have 2 possibilities to obtain quota:

- A pro rata share from the new entrants reserve
- Transfer of quota from an incumbent quota holder to the new entrant

Note: It is not possible to transfer quota from one new entrant to another new entrant, or from a new entrant to an incumbent quota holder.

34. Can F-Gas suppliers store quota obtained in 2015 or 2016 to give it later to pre-charged equipment manufacturers?

As explained in the question above, quota holders cannot stockpile their quota.

However, they can authorize importers of precharged equipment to use their quota for importing. Giving such an authorization will be considered equal to placing the HFC on the market,

The equipment manufacturer does not need to use the authorization immediately and there is no time limit for the authorization to expire. The equipment manufacturer will need to report when the authorization will be used and when it was given.

35. Can an importer or manufacturer of pre-charged equipment directly apply for the quota under the new entrants reserve as a bulk HFC supplier?

This would only be possible if the importer / manufacturer physically deals with bulk HFCs and can be regarded as a producer, importer or distributor of HFCs. A manufacturer of pre-charged equipment cannot apply as a manufacturer of equipment as such.

36. How can importers of pre-charged equipment make sure that the HFCs contained in the equipment that they place on the Union market are accounted for under the phase-down?

Importers of pre-charged equipment have to ensure that they have an authorization for the HFCs contained in the imported equipment, or that the HFCs inside the equipment have already been placed on the EU market before.
There are several possibilities to do this:

- ***HFC was placed on the EU market before (and not reported as exported)*** : The importer of the precharged equipment needs proof from the manufacturer of pre-charged equipment that the equipment was filled with HFCs placed on the EU market (in this case, the bulk HFC supplier and the equipment manufacturer would probably be based close to an EU border, e.g. Greece (HFC supplier) and Turkey (equipment manufacturer)
- ***HFC supplier based outside the EU***: The importer of pre-charged equipment needs an authorization to use quota for the pre-charged HFCs. Note that this authorization does not need to come from the physical bulk HFC supplier to the manufacturer of the pre-charged equipment.
    - ➲ The importer of pre-charged equipment can ask any HFC bulk supplier holding quota for an authorization to use his quota for the HFCs contained in the imported pre-charged equipment.
    - ➲ The manufacturer of pre-charged equipment can source the required HFCs from any HFC supplier, whether the latter holds quota or not.

37. What happens to producers of HFCs which are based outside the European Union and have not reported data from 2009 to 2012? Can they use the quota from the EU-based part of the company or should they apply for quota under the new entrants' reserve?

Both options would be possible:

- The non-EU part of the company can apply for the new entrants reserve as it has not reported during the reference period (2009-2012). To do so, an "Only Representative" in the EU needs to be mandated.
- The EU-part of the company may transfer quota to the non-EU part of the company, in which case this quota would be deducted from total quota held by the EU-based company.

38. If a new entrant applies for quota under the new entrants reserve (NER) in 2016 for use in 2017, how will the reference value be calculated if no data is available for the previous two years?

For the period 2015-2018 the European Commission has set aside 11% of the baseline quota (2009-2012) for the new entrants (the new entrants' reserve - NER). The reference value of the new entrants will be calculated accordingly. See question xx for more information on the calculation.

39. How much quota will be available for new entrants?

For the period 2015-2017 the European Commission has set aside 89% of the quota for the incumbent companies and 11% for the new entrants (the new entrants' reserve - NER).

Whilst during the 2015-2017 period, priority will be given to new entrants, as of 2018, all companies (including incumbents) will be able to apply on equal footing for the new entrants' reserve.

40. How will the new entrants reserve be calculated? Will it change over time or is it fixed?

The calculation method for the new entrants can be found in Annex VI, paragraphs 1 and 2:

- *"Each undertaking for which a reference value has been established receives a quota corresponding to 89 % of the reference value multiplied by the percentage indicated in Annex V for the respective year."*
- *"The sum of the quotas allocated under point 1 is subtracted from the maximum quantity for the given year set out in Annex V to determine the quantity to be allocated to undertakings for which no reference value has been established and which have submitted a declaration under Article 16(2) (quantity to be allocated in step 1 of the calculation)."*

In simple terms, this means that the calculation will be as follows:

I. **Calculation example 1: Year 2016**
   - Suppose the Total reference baseline value 2009-2012 = 150 MtCO2equivalent (note the actual value of the baseline is not yet known, this is just a calculation example)
   - In 2016 93% is available: 150 x 0,93 = 139.5 mln TCO2-eq
   - Of this, a minimum of 11% will be available for new entrants: 139,5 x 0,11= 15.345 mln TCO2-eq

Note: In case one of the Incumbents A, B or C did not ask for all the quota based on their reference value, the remaining value would shift to the new entrants reserve. So it could be possible, however unlikely, that the new entrants reserve is higher than 11%.

II. **Calculation example 2: Year 2020**
   - Suppose the Total reference baseline is 80 MtCO2equivalent (note the actual value of the baseline is not yet known, this is just a calculation example)

- In 2020 63% is available: 80 x 0,63= 50,4 mln TCO2-eq
- Of this, a minimum of 11% will be available for new entrants: 5,544 mln TCO2-eq.

41. Will a reference value for New Entrants be set by 31 October 2017 (and every three years thereafter) on the basis of the annual average of the quantities lawfully put on the market from 1 January 2015? If so, how will the 3 year average be calculated in case the NER applicants only applied for 2017 quotas?

After the first allocation period (2015 to 2018), the reference values for "old" new entrants (those companies who started off as a new entrant and are now "old" new entrants) will be calculated based on the annual average of HFC quantities they placed on the market from 1st January 2015 for the available years.

For example, if a new entrant placed 500 tonnes of CO2-equivalent on the market in 2016, and if this company wants to re-apply for quota for 2018, it needs to do so by 31st October 2017 and it will then be regarded as an incumbent (an "old" new entrant). The new reference value of this company will be calculated based on the annual average quantities placed on the market since 2015, i.e. 500 / 2 2015 and 2016. (The year 2017 will not be considered in calculating the average).

42. How does the pro-rata mechanism (1/N) that is used for quota allocation work in practice?

The pro-rata mechanism can be found in Annex VI of the Regulation. Please see the below simulation exercise to get a better understanding of how the mechanism will work in practice.

In this exercise, we assume that 10 million tonnes of CO2eq are available for the New Entrants Reserve in total and 5 companies are asking for 1, 2, 3, 4, 5 million ton each:

III. Simulation of first allocation round:

- ✓ Each company receives 1/5 of the total quantity (10/5), i.e. 2 to each
- ✓ Company A needs only 1to and is satisfied
- ✓ Company B receives 2to and is satisfied
- ✓ Company C receives 2to and still needs 1 more
- ✓ Company D receives 2to and still needs 2 more
- ✓ Company E receives 2to and still needs 3 more

(a) The available quantity for second allocation round: 10 – 9 = 1.

IV. Simulation of second allocation round:

- ✓ Each of the remaining companies receives 1/3 of the remaining quantities, i.e. 0.33 to each
- ✓ Company C still needs 1 to and will receive 0.33.
- ✓ Company D still needs 2to and will receive 0.33
- ✓ Company D still needs 3 to and will receive 0.33

V. Total quantities received per company:

- ✓ Company A: 1 to = satisfied
- ✓ Company B: 2 to = satisfied
- ✓ Company C: 2.33 to = not satisfied
- ✓ Company D: 2.33 to = not satisfied

- ✓ Company E: 2.33 to = not satisfied

B. RESPONSIBILITIES FOR PRE-CHARGED EQUIPMENT MANUFACTURERS

43. What is meant by pre-charged equipment?

Pre-charged equipment can be defined as refrigeration, air conditioning and heat pump equipment that has been charged with HFC in the factory.

44. What are the obligations for a manufacturer of pre-charged equipment?

To protect the integrity of the phase-down of HFCs placed on the market, it is important that HFCs contained in pre-charged equipment are accounted for under the quota system. This applies not only to manufacturers based inside the EU, but also to manufacturers of pre-charged equipment based outside of the EU who want to import this equipment into the Union market.

To ensure that all HFCs are being tracked, the new Regulation has introduced an "accountability system", also known as traceability system, which **will apply as of 2017.**

However, already from 2015 (start of the phase-down) to 2017, the importers of equipment pre-charged with HFCs outside of the EU will have to report on the HFCs quantities placed on the EU market. This provision is intended to ensure a transition period which allows the European Commission to collect more data about pre-charged equipment.

Below we describe two scenarios for manufacturers of pre-charged equipment

Place of manufacturing the equipment	Possibilities
1. IN EU: **Equipment is pre-charged in an <u>EU based factory</u> & placed on the EU market**	**The equipment manufacturer purchased the HFC from an HFC supplier in the EU, which is "automatically" covered by the phase down :** ✓ An HFC producer in EU → HFC producer needs quota ✓ An HFC importer in EU→ HFC importer needs quota An HFC downstream "distributor" in the EU → not this distributor but the entity that placed the HFC on EU market for the first time needs quota (the original producer or importer of HFC)
2. OUTSIDE EU: **Equipment is pre-charged in a non EU based factory and placed on the EU market via an EU based importing company**	**A. The equipment manufacturer purchased the HFCs from an HFC producer or trader that <u>has no quota</u>** ✓ Any "incumbent" HFC quota holder can grant the equipment importer the authorization to import. The HFC quota holder does not need to be the physical supplier of the HFCs to the manufacturer. (Note that a new entrant HFC quota holder is not allowed to do this without physical supply of the HFCs) **B. The equipment manufacturer purchased the HFCs from an HFC producer or importer that <u>has quota</u>** ✓ From a non EU based HFC producer that holds quota via an Only representative in the EU → the Only representative authorizes the importing company to import ✓ From an EU based HFC producer or importer that holds quota and first placed the HFC on the EU market , then shipped it outside the EU without reporting it as "export"

45. **For equipment the manufacturer is responsible for the Declaration of Conformity. Is it the manufacturer or equipment importer's responsibility to have the declaration of conformity checked by an auditor?**

Either the importer or the manufacturer of pre-charged equipment is responsible to draw up the Declaration of Conformity. If the equipment is charged with HFCs outside the EU, the DOC needs to be verified by an independent auditor. It can be either the importer or the manufacturer taking care of the verification.

46. **If the manufacturer of pre-charged equipment gets the HFC from a distributor who does not hold quota , but gets the HFC from a producer/importer who has quota, does he need to indicate in the DoC the entire supply chain or would a DoC from the distributor be enough?**

It would be enough to mention only the Declaration of Conformity of the distributor, as long as all information is traceable back to the original source of quota.

47. **Until 2017, manufacturers of pre-charged equipment can fill their equipment with HFCs that are not covered by quota. Only from 2017 and onwards, pre-charged equipment placed on the market needs to contain HFCs that are part of the EU quota. Does this mean that non-EU F-gas suppliers have no obligation to secure quota for 2015 and 2016 for the F-gas they provide to non-EU manufacturers of pre-charged equipment put on the EU market?**

Yes. Non EU F-Gas producers have no obligation in 2015 and 2016, as long as this concerns gases for filling equipment outside the EU. However, if they wish to import bulk HFC in the EU, the importer of the bulk HFC will need to apply for quota

48. **Can manufacturers of equipment still buy HFCs from HFC producers that are based outside the EU?**

Yes. This is possible, provided that the importers of pre-charged equipment get authorization to use quota from quota holders or that the non-EU HFC producer holds EU quota (obtained via an Only-Representative). If the quota holder is a new entrant, he needs to physically supply the refrigerant. If the quota holder is an incumbent, there is no need to physically supply the refrigerant (the actual gas could come from another company). Please see Section A for more information on how a non-EU based HFC producer can get hold of quota.

49. **Who can receive a quota authorisation: the equipment manufacturer and the importer or just the importer?**

Only the importer of pre-charged equipment can receive the quota authorisation.

50. **Can an importer of precharged equipment (to whom a quota authorization will have been granted by a quota holder) subsequently re-authorise or transfer some part of these authorised quotas to another importer of precharged equipment (or to several ones) in Europe?**

No, this is not possible.

EXAMPLES:

- ***A** is a new entrant and quota holder based outside the EU*
- ***B** is a pre-charged equipment manufacturer based outside the EU*
- ***E-I** is the importer of **B**'s pre-charged equipment in the EU*
- ***E-OR** is A's Only Representative in the EU*

We assume that:

- **A** receives 1000 CO2-equivalent as quota.
- **E-I** wants to import precharged equipment containing 500 CO2-equivalent.
- **A** physically supplies 500 CO2-equivalent to **B**.
- The burden of proof will be on **E-I**, when the precharged equipment will be placed on the EU market:
    - To do so, **E-I** needs an authorization by **A** for the 500 CO2-eq. The placing on the EU market occurs at the moment of the authorization. This is true for the sake of quota compliance – with the consequence for instance that A needs to report in that year. However, the equipment imported later is of course only placed on the market when it is actually released for free circulation in a, possibly, later year. This is also reported by **E-I** (and its **E-OR**) in the later year of course.
    - By giving the authorisation to **E-I**, **A** has used 500 CO2-equivalent of his quota, and this will indeed be counted in the next recalculation round as having been placed on the market.
    - For the remaining 500 CO2-equivalent, A is able to use this quota to (physically) place bulk HFCs on the EU market. I.e.if A wants to release bulk for free circulation they should be the importer ("consignee") in the Single Adminsitrative Document, and they then place the gas on the market. The OR is needed for all purposes of complying with the FGR obligations of A, including the reporting on the imports of these bulk gases.

51. What information will the "documentation" and declaration of conformity need to contain? Is there a format to be followed?

There is not yet one template that indicates exactly what information is to be provided. The European Commission is working to give more guidance in this regard.

52. Is a new Declaration of Conformity required which covers specifically the obligations under the F-gas Regulation or can it be combined with other types of Declaration of Conformity required by other EU legislations?

This is not yet clear, the European Commission is working on guidance in this regard.

53. Will all pre-charged equipment manufacturers need to be registered on the online register, regardless of where they are located?

No. Only the importers of pre-charged equipment EU for import into the EU need to register on the online register. This obligation will be applicable as of 2015.

54. **If a company has different legal entities within the EU, can still one EU representative report on behalf of all different entities?**

Each legal entity is responsible and needs to be in the registry. Information can be centralized and submitted by one representative as long as all information is traceable and signed off by the respective legal entities.

55. **There is a difference in timing between the start of the phase-down (2015) and the start of the obligations for pre-charged equipment manufacturers (2017). Does this mean that until 2017, pre-charged equipment manufacturers can still fill their equipment with HFCs that do not have quota?**

Yes and no. Until 2017, manufacturers of pre-charged equipment based outside the EU can fill their equipment with HFCs that are not covered by quota. Manufacturers based inside the EU will already be covered by the quota from 2015 as they buy their gas from someone that produced or imported bulk HFCs in the EU. After 2017, all pre-charged equipment placed on the Union market needs to contain HFCs that are part of the EU quota.

56. **Is there a list of the names of all the importers of precharged equipment located in Europe available somewhere?**

No, such a list is not available. Only the European Commission and Member States' authorities can access this information.

57. **Will a consolidation of the reported quantities of gases contained in the precharged equipment imported into Europe in 2015 and 2016 be made public by the EU Commission in 2016 and 2017 respectively (like for instance be included inside the EEA report published every year and which already gives the quantities of bulk HFCs imported, exported, produced and placed on the market in Europe?)?**

All data from reporting exercise will be included in the EEA report, as long as confidentiality permits.

58. **Can pre-charged equipment be sold to or purchased by any undertaking without any requirement to hold certification or qualification?**

Pre-charged equipment can be sold to a non-end-user without requiring evidence that the equipment will be installed by a certified undertaking.

You are of course still welcome to ask for such evidence as a responsible supplier, e.g. in a form of an assurance letter stating that the buyer understand their legal obligation when re-selling the equipment to an end-user to ask for evidence that it will be installed by a qualified undertaking; but as the Regulation does not require it you are not under legal duty to do so.

C. CONTROL OF USE

59. Will the new bans replace the bans that were introduced in the 2006 Regulation?

No. the bans are complementary to the 2006 bans. This means that the 2006 bans will still remain applicable.

60. For what equipment have additional bans been introduced? Will the bans apply from the same dates?

Please find below the overview of the **new** bans and their specific dates of entry into force.

10. Domestic refrigerators and freezers that contain HFCs with GWP of 150 or more		1 January 2015
11. Refrigerators and freezers […] for commercial use (hermetically sealed systems)	that contain HFCs with GWP of 2500 or more	1 January 2020
	that contain HFCs with GWP of 150 or more	1 January 2022
12. Stationary refrigeration equipment, that contains, or that relies upon for its functioning HFCs with GWP of 2500 or more except equipment intended for application designed to cool products to temperatures below -50°C		1 January 2020
13. Multipack centralised refrigeration systems for commercial use with a capacity of 40kW or more that contain, or that rely upon for their functioning, fluorinated greenhouse gases with GWP of 150 or more, except in the primary refrigerant circuit of cascade systems where fluorinated greenhouse gases with a GWP of less than 1500 may be used		1 January 2022
14. Movable room air-conditioning appliances (hermetically sealed equipment which is movable between rooms by the end user) that contain HFCs with GWP of 150 or more		1 January 2020
15. Single split air-conditioning systems containing less than 3kg of fluorinated greenhouse gases, that contain, or that rely upon for their functioning, fluorinated greenhouse gases with GWP of 750 or more		1 January 2025
16. Foams that contain HFCs with GWP of 150 or more except when required to meet national safety standards	Extruded polystyrene (XPS)	1 January 2023
	Other foams	1 January 2018
17. Technical aerosols that contain HFCs with GWP of 150 or more, except when required to meet national safety standards or when used for medical applications		1 January 2018

61. The 2022 ban on new multipack centralised systems establishes an exemption for primary refrigerant circuit of cascade systems where fluorinated greenhouse gases with a GWP of less than 1500 can still be used. Where exactly does this exemption apply?

The primary circuit in MT cascade systems can only benefit from the exemption if it is an indirect circuit using a secondary fluid. In the case of direction expansion MT circuits in cascade systems, the exemption does not apply. (Article 2.38).

62. Could a climate simulation chamber apply to the -50°C exemption for use of high GWP (>2500) HFCs ? :

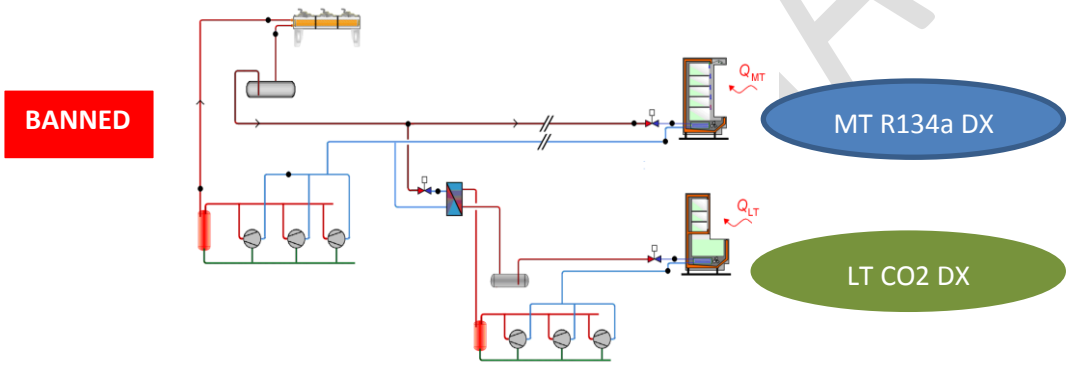
- **Climate simulation chambers have a temperature range (depending from type) from -70°C to 180°C or from -40°C to 180°C.To realize the deep temperature they use a cascade connection. When in operation, the chambers are not moving.**
- **They are used for making experiments or to verify resistance of technical components against environmental influences.**

(a) Could such chambers fall within the -50 °C exemption?
(b) Would it be allowed to use a refrigerant with GWP >2500 for a climate simulation chamber (from -70°C to 180°C) in the cycle of the cascade connection with the higher temperature level?© Can refrigerant blends which in total have GWP within the right threshold, still contain components with a non-allowed GWP?

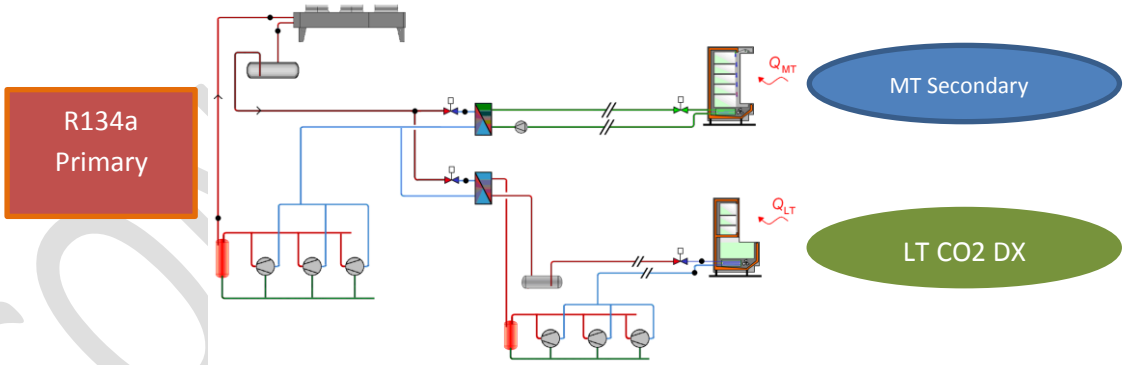
(a) This installation is indeed not a commercial refrigeration equipment so it would fall in Number 12 of the Annex 3 which means that the exemption could be applicable.

(b) (c) Blends with GWP <2500 that have components with a higher GWP (such as R125) could still be used. It is clear that the low T part of the equipment is excluded from No 12.

CASE 1



CASE 2



63. Can multipack centralized systems with direct expansion MT circuits existing in the market before 2022 continue being serviced with R134a without end date?

Yes, the 2022 ban on multipack centralized systems only applies to new installations after January 1st 2022; existing installations prior to that date can use R134a for service and maintenance until the end of life cycle of the installation.

64. What does the reference of 40kW mean in the 2022 ban on multipack centralized systems?

40kW applies to the refrigeration capacity of the system at rated conditions at ambient temperature of 32°C (re. Ecodesign ENTR Lot1). If a system (circuit) can work in both MT and LT, the sum of MT and LT capacities applies. If a system (circuit) can work either in MT or in LT, the largest refrigeration

capacity applies. In multifunctional units, it should be the refrigeration capacity that determines the threshold.

65. Does the 2020 ban on movable air-conditioning systems also apply to window air-conditioners?

Yes. This ban also includes window-type air-conditioners.

66. Does the 2025 ban on single split air conditioning systems also apply to split-air to water heat pumps?

Single split air conditioning systems are those systems for room air conditioning that consist of one outdoor unit and one indoor unit linked by refrigerant piping, needing installation at the site of use. The Regulation does not specify heating / cooling and type.

67. Will the bans only apply to the placing on the market of new equipment, or will service and maintenance also be banned?

As of 2020, refrigeration equipment with a charge size of 40 tonnes of CO2 equivalent or more will no longer be able to be serviced or maintained with virgin HFCs with a GWP above 2500. However, recycled or reclaimed HFCs with a GWP above 2500 can still be used for service or maintenance purposes until 2030.

For all other types of equipment, there is no ban on servicing existing equipment, therefore the bans only apply to new equipment placed on the market from the specified date.

68. Can manufacturers get exemptions to the bans?

Yes. The Regulation provides for two options for exemptions:

- Where alternatives are not available or cannot be used for technical or safety reasons, or where the use of such alternatives would entail disproportionate costs, it is possible to get an exemption for a period of four years. To get such an exemption, the respective Member State needs to request the exemption on behalf of the manufacturer, and this request would then need to be approved by all other Member States and the European Commission.
- If, during its lifecycle, equipment would achieve lower overall greenhouse gas emissions with HFCs (taking into account leakage and recovery rates) than the same equipment without HFCs. This would need to be set out in the relevant implementing measures that are adopted under the Ecodesign Directive. For example, if an Ecodesign implementing measure grants a bonus in the sense of lower energy efficiency requirements for low GWP refrigerants, this could be an argument to ask for an exemption of these products from the F-gas Regulation. Indeed the bonus would serve as “proof” that the product is not as efficient with a low GWP refrigerant as with “normal” HFCs.

69. In case an exemption has been granted, will the required HFCs then still be part of the phase-down?

Yes. Any HFCs placed on the EU market are part of the phase-down, even if an exemption was granted. For example, if – after the ban in 2020 – a certain type of stationary refrigeration equipment still needed R-404A to run properly and if an exemption were to be granted for that type of equipment, the manufacturer would still need to source R-404A covered by the phase-down.

70. Are there any specific obligations for distributors of refrigerants?

Yes. The new rules stipulate that distributors will now have to check that the buyer is certified.

SECTION 3: CONTAINMENT & LEAKAGE PREVENTION

A. LEAKAGE PREVENTION AND CHECKS

71. What are operators?

The operator is the natural or legal person exercising actual power over the technical functioning of products and equipment. A Member State may in specific situations, designate the owner as being responsible for the operator's obligations.

72. Do operators still need to prevent emissions of f-gases?

Yes. Operators will still be required to use all available measures to prevent emissions of F-gases, for example:

- Regular leak inspection on equipment installed in the market and repair any leaks from refrigeration, air-conditioning and heat pump equipment without undue delay.
- After the reparation, the operator will need to ensure that the equipment is checked by a certified person within one month after the repair to ensure that the repair has been effective.
- Recovery during service works and at end of life of the equipment (no release to the atmosphere)

73. Which equipment will need leakage testing?

Just like the 2006 Regulation the regularity of checking depends on the refrigerant content of the equipment (per refrigerant circuit). However, instead of basing the content on the amount in kilograms (as was the case in the 2006 legislation), the leak checks will now depend on the amount of tonnes of CO2 equivalent contained in the refrigerant circuit:

- For equipment that contains fluorinated greenhouse gases of between 5 and 50 tonnes of CO2eq per circuit checks will need to be done every 12 months (or 24 months with a leakage detection system). Equipment with less than 3kg charge which was previously exempted may now need to be leak checked. Example: systems with 1.2kg of 404A.
- For equipment between 50 and 500 tonnes of CO2eq per circuit the checks will need to take place every 6 months (or 12 months if you have a leakage detection system).
- For equipment with over 500 tonnes of C02eq per circuit, the checks will need to take place every 3 months (or 6 months if you have a leakage detection system).

If equipment is hermetically sealed, it is not subject to leak checks if the quantity in the circuit is less than 10 tonnes of CO2equivalent, provided that the equipment is labelled as such.

74. Are there any minimum requirements for a leakage detection system?

Yes. The following requirements will apply:

- Operators of stationary refrigeration equipment, stationary air-conditioning equipment, stationary heat pumps and stationary fire protection equipment, containing HFC in quantities of 500 tonnes of CO2 equivalent or more, shall ensure that the equipment is

provided with a leakage detection system which alerts the operator or a service company of any leakage.

- Operators of electrical switchgear and organic Rankine cycles, containing HFCs in quantities of 500 tonnes of CO 2 equivalent or more and installed from 1 January 2017, shall ensure that this equipment is provided with a leakage detection system which alerts the operator or a service company of any leakage.
- Operators of stationary refrigeration equipment, stationary air-conditioning equipment, stationary heat pumps, stationary fire protection equipment and organic Rankine cycles shall ensure that leakage detection systems are checked at least once every 12 months to ensure their proper functioning.
- Operators of electrical switchgear shall ensure that leakage detection systems are checked at least once every 6 years to ensure their proper functioning.

75. Will all equipment need to be tested for leakage?

No. Some equipment will be exempted from the leakage checking requirements. These are the following:

- Equipment with less than 5 tonnes of CO2eq
- Equipment labelled as hermetically sealed that contains less than 10 tonnes of CO2eq
- Some electrical switchgear
- Until 31 December 2016, equipment that contains less than 3kg of fluorinated greenhouse gases or hermetically sealed equipment, which is labelled accordingly and contains less than 6 kg of fluorinated greenhouse gases

76. Can split-systems equipped with welded, brazed or similar permanent refrigerant connections and containing less than 10 tonnes of C02eq benefit from the exemption of leak checks for hermetically sealed systems?

In theory this would be possible it if leakage rates are less than 3 grams /year.

77. Is it mandatory to have a leakage detection system?

It depends on the type of equipment.

- It is not mandatory for equipment with a charge size below 500 tonnes of CO2equivalent to have a leakage detection system. However if a leakage detection system is in place, the frequency of leakage checks will be reduced.
- It is mandatory to have leak detection systems which alert the operator or a service company of any leakage for equipment containing f gases of 500 tonnes of CO2equivalent or more.
- It is mandatory for stationary refrigeration, air conditioning, heat pumps and fire protection equipment from 2015 (actually it was already mandatory under the 2006 F gas regulation for charges of 300kg or more).
- From 2017 it is also mandatory for electrical switchgear and organic rankine cycles.

78. On what criteria do leakage checks need to be based?

According to the new Regulation the leak check requirements will need to be based upon the GWP CO2 equivalent tonnes. This means that the threshold level for leak checking of different refrigerants will vary dependent upon the GWP of the refrigerant that is used.

Leak checking requirements only apply to HFCs, PFCs and SF6 mentioned in Annex I, or to blends containing any of those substances. Leak checking requirements do not apply for equipment listed in Annex II, for example it does not apply to unsaturated HFCs (HFOs).

The new regulation uses the 4th IPPC assessment values (as opposed to the 3rd IPPC assessment values which were used in the 2006 Regulation) and different Annexes refer to the values:

- **Annex 1** lists the GWP value for single component F-Gases;
- **Annex 2** covers other fluorinated greenhouse gases for which leakage checking is not mandatory);
- **Annex 4** outlines the method to calculate the total GWP of a mixture or a blend. This Annex also lists the GWP value to be used for non-fluorinated substances that are used in mixtures or blends.

B. RECOVERY

79. Who will need to ensure that recovery and reclaim is taken care of?

Both the operators of stationary equipment and of refrigerated trucks and trailers will need to ensure that the recovery, reclaim or destruction of f-gases (not contained in foams) is carried out by certified people. Trains, trams or buses are not subject to this provision.

80. When do f-gases need to be recovered?

Recovery, for the purpose of recycling, reclamation or destruction of the fluorinated greenhouse gases, should take place before the final disposal of equipment and, when required, during its servicing and maintenance. It is important to keep in mind, that f-gases should not be released to the atmosphere.

C. TRAINING AND CERTIFICATION

For detailed information on training and certification requirements, please get in touch with EPEE member AREA.

81. Do only physical persons need certification?

Not only natural persons dealing with f-gases need to be certified, but also the undertakings that carry out installation, service or maintenance will need to be certified. This is the same principle as in the 2006 F gas regulation

82. Will training and certification requirements now be harmonised at EU level?

No. There is no single training or certification system for all EU Member States and the responsibility for establishing and evaluating certification programmes will still lie with Member States who need to make sure that training is available for persons & companies that deal with f-gases (i.e. install, service /maintain, decommission, check for leakage, or recover).

However, the Regulation maintains the principle of mutual recognition, which means that a certificate or training attestation in one Member States should be recognised in another Member State.

At the same time, it is important to note that the Regulation only sets out minimum requirements, so each Member State may decide to introduce additional requirements.

83. Do "old" certificates or training attestations need to be renewed?

No. the existing certificates and training attestations will remain valid.

84. If a "mother company" owns a certificate, can a daughter company based in another country use the same certificate?

No, if company certification is a requirement for that sector, then the daughter company should also be certified.

85. Can distributors sell F-gas to non-certified undertakings which employ certified personnel (e.g. a supermarket) or can they only sell to certified undertakings that also employ certified personnel?

Both possibilities are allowed.

86. Is certification needed for the installation of hermetically sealed equipment?

The definition of hermetically sealed equipment (Art. 2) does not exclude that equipment is made hermetically sealed during installation. However, for certain provisions it is relevant that before its installation split systems are not yet hermetically sealed (see Article 11(5)). Certification would still be needed for installation of this equipment, because it is not factory assembled into one piece.

SECTION 4: PROVIDING INFORMATION

A. LABELLING

87. Can labels developed to comply with the 2006 regulation continue to be used?

Yes, at least until the end of 2016. From 2017, labels for equipment placed on the market will need to be changed as the new legislation requires slight adaptations compared to the 2006 regulation.

The Commission Regulation 1494-2007 (labelling requirements specified under the 2006 F gas regulation) remains valid until it is replaced by the EU commission.

Labels need to be easily readable and indelible and should be placed either close to the service ports or on the specific part of the equipment that contains the equipment. The label should be translated in the official languages of the Member States in which the product will be placed on the market (same requirements as in the 1494-2007 regulation)

As of 2017, the major change is the indication of the CO2equivalent content of a refrigerant circuit and the reference to the Kyoto Protocol which is no longer needed. Other indications such as quantity or GWP are not changed.

What is also new is the need to include the information in descriptions used for advertising for f gases with a GWP of 150 or more. The Commission has not yet specified further details about such advertising requirements.

88. Will all equipment containing f-gases need to bear a label?

Article 12.1 gives an exhaustive list of equipment that needs to bear labelling:

- refrigeration equipment;
- air-conditioning equipment;
- heat pumps;
- fire protection equipment;
- electrical switchgear;
- aerosol dispenser that contain fluorinated greenhouse gases, with the exception of metered dose inhalers for the delivery of pharmaceutical ingredients;
- all fluorinated greenhouse gas containers;
- fluorinated greenhouse gas-based solvents;
- organic rankine cycles

89. What information need to be indicated on my equipment containing F-Gases?

As of 2015 you will need to indicate that the equipment contains greenhouse gases and the name of designation.
As of 2017 in addition to the above you will have to indicate:

a. the GWP and
b. the weight or (alternatively) the CO2 equivalent

c. If hermetically sealed you will also have to specify that

90. What volume should I indicate? The factory charge or the charge after the installation?

You can choose to indicate either full charge, or both full and factory charge (but this is not mandatory).

91. Does the label need to indicate whether recycled or reclaimed refrigerants are used?

Yes. If recycled or reclaimed refrigerants are used, the batch number and name and address of the reclamation or recycling facility must be indicated.

92. Can recycled/reclaimed refrigerants only be used at the same installation or can it be moved around to other sites?

Yes. Recycled and reclaimed refrigerants can be moved to other installations.

93. Recycled refrigerants can only be used by the undertaking that carried out their recovery or for which the recovery was carried out. This means that only reclaimed refrigerant could be traded, and not recycled refrigerants. Can recycled refrigerant be shipped to other member states for usage there?

Yes, in principle. However, it is recommended to verify the definition of waste in the relevant member states. In some Member States, recycled refrigerant may qualify as waste in which case transport across the border would entail disproportionate burden.

94. If a refrigerant is reclaimed and re-converted into a refrigerant as one of its components – is that new refrigerant considered virgin? Or would it be of reclaimed quality?

The recycled part of the "new" R134a that is reclaimed will be considered reclaimed.

95. As of when do the new labels need to be introduced?

The new labelling requirements will apply as of 2015 with some provisions that only apply as from 2017. The Commission Regulation 1494-2007 will remain in force until the Commission decides to repeal it.

B. REPORTING

96. Will the reporting requirements change?

Yes. The current reporting obligations have been extended in order to ensure that the effectiveness of the new Regulation can be monitored:

- The scope of the current reporting obligations have been extended to cover other fluorinated substances that have significant global warming potential or that are likely to replace the fluorinated greenhouse gases listed in Annex I.
- The destruction of fluorinated greenhouse gases and the importation into the Union of those gases when contained in products and equipment should also be reported. However, de

minimis thresholds have been set to avoid disproportionate administrative burden, in particular for small and medium-sized enterprises and micro-enterprises.

For this reason, an electronic register will be set up where companies with reporting obligations will need to feed in all relevant information.

97. What are the requirements for manufacturers of pre-charged equipment?

By 31 March 2015 and every year thereafter, each importer of equipment that place on the market pre-charged equipment where HFCs contained in this equipment have not been placed on the market prior to the charging of the equipment shall submit to the Commission a verification document.

98. Who will check the reporting information?

The European Commission will be in charge to check the reporting information that will be inserted into the electronic register.

99. Will this register be accessible for everyone?

The electronic register will be available on a website, but information inserted by individual companies cannot be accessed by other companies or organisations.

100. Will all manufacturers of pre-charged equipment need to submit data into the reporting system?

No. Only the importers of pre-charged equipment will need to insert information into the electronic register. Manufacturers of pre-charged equipment based in the EU will not have to report as they are using HFCs which have been placed on the EU market prior to the filling in the equipment.

SECTION 5: COMPLIANCE AND REVIEW

101. What happens in case of non-compliance with the Regulation?

If an operator/company does not comply with the provisions in the Regulation and subsequent standards, they will be subject to the imposition of penalties. The level of these penalties still has to be set up by each individual EU Member State. However, the Regulation provides that these penalties must be "effective, proportionate and dissuasive".

102. Does the European Commission have a role to play to ensure compliance or are only Member States responsible for implementation and compliance?

The European Commission will be "administrating" the proper functioning of the phase-down. As such, they have a key role to play to ensure that the phase-down works properly.

103. Is the legislation now set in stone or can it still be altered at a later stage? If it can, what is the process and who determines how it needs to be changed?

No, the Regulation is not set in stone as the European Commission still has the power to amend certain non-essential elements of this Regulation to ensure that the regulation is properly implemented.

Moreover, as the European Commission has the responsibility to continuously monitor the effects of the phase-down, the European Commission will be expected to produce different reports on the availability of HFCs in the years to come.

Finally, the European Commission will carry out a comprehensive review by the end of 2022 in time to adapt the provisions of this Regulation, in the light of its implementation and of new developments and international commitments, and to propose, if appropriate, further reduction measures.

104. Can Member States introduce stricter rules at national level?

This Regulation does not prevent Member States from introducing more stringent measures at national level. Of course these measures should also be compatible with the Treaty on the Functioning of the European Union (TFEU) and the Member States should also notify the European Commission if they introduce these measures.

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EPEE – European Partnership for Energy and the Environment
Avenue des Arts, 46. 1000 Brussels
Tel: +32 (0) 2 732 70 40
Email: secretariat@epeeglobal.org
Website: www.epeeglobal.org
Follow us on Twitter @EPEESecretariat