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Sent: Tuesday, May 07, 2019 2:14 PM

To: Laura Bozarth <LBozarth@leg.state.vt.us>

Cc: Chiang, Amy <Amy.Chiang@Honeywell.com>; Larissa Martin <lmartin@50-state.com>; Walke, Peter <Peter.Walke@vermont.gov>

Subject: S 30-HFCs

Dear Laura,

We noted that the Committee scheduled a hearing on S30, related to adoption of transition dates for hydrofluorocarbons (HFCs) uses in VT. Honeywell supported adoption of similar legislation in CA and WA.

Honeywell similarly supports S30, which supports adoption of advanced US technologies by businesses. HFCs are used throughout the world as refrigerants in air conditioning to cool cars, homes and buildings, in home and commercial refrigeration, in foam insulation, and as propellants and solvents. While efficient, many HFC products have high global-warming-potential. Because HFCs are used in everyday life, replacing these products with next-generation alternatives can make a positive impact on the environment and human health. Replacing HFCs with environmentally preferable alternatives is key to achieving Vermont's environmental goals. Globally, replacing HFCs with low-global-warming-potential alternatives could avoid up to 0.5 degrees Celsius of warming by the end of the century.

American industry has invested well over \$1 billion domestically and employed more than 700,000 US workers to research, develop and create alternative solutions to HFCs. This includes newly constructed manufacturing hubs in the United States to produce these alternatives. This bill will help drive a transition to these alternatives, and will also bolster US innovation and manufacturing leadership.

Because of this investment, **cost-effective, near drop-in alternatives to HFCs are commercially available today and are ready for widespread adoption.** Therefore, we need to transition from HFCs on a reasonable and practical schedule and incentivize equipment makers to adopt readily available sustainable technologies now to accelerate the transition. Technologies using environmentally preferable HFC alternatives are often also more energy efficient than traditional systems, and thus lower customer costs and increase competitiveness. Honeywell will continue to work with our customers to ensure a smooth transition to these advanced technologies.

In 2015 and 2016, under the Significant New Alternatives Policy (SNAP) program US EPA established clear timelines that would transition the industry from outdated HFCs to safer next-generation alternative solutions. Recent litigation has brought uncertainty to the SNAP program.

States must take a lead on this essential initiative. States like Vermont are seizing the opportunity to build upon growing state-level efforts aimed at protecting the environment by adopting programs similar to SNAP that will achieve the environmental imperative to replace high-global-warming potential HFCs with alternatives that are better for human health and the environment.

California has already adopted SNAP phase out dates, which took effect on Jan. 1 of this year. SB 30 has dates that are consistent with the SNAP deadlines and states like California and Washington. New York, Connecticut, and Maryland have committed to similar actions. By passing this bill, Vermont can take

meaningful action to meet its environmental goals while also supporting American innovation and job creation within the United States.

For these reasons, Honeywell supports the bill. However, some minor adjustments would help align S30 with existing state programs in CA and WA. We offer these suggestions in the attached document and provide an explanation of the changes below.

We look forward to working with you on this important effort.

Best,
Jessica Olson
Director, Environmental Policy
Honeywell Fluorine Products

Explanation of changes in attached redline:

- Section 586(a)(4) - The bill departs from CA and WA by defining substitutes as "new or retrofit" rather than "existing or new" (as in CA, WA and under the federal definition). For consistency, we suggest changing back to "existing or new".
- Section 586(b)(1) – We suggest a modification to conform to the California adoption of SNAP 20 & 21, which surgically "applied" all prohibitions within the specified appendices, rather than prohibiting "use" of substances identified within those appendices. As currently in the bill, the language would arguably not pick up acceptable uses and other important nuances of the federal SNAP program, such as the sell-through permissions.
- Section 586(b)(2) – We suggest modifying the language on later-approved foam-blowing agents to conform to the way it is worded in WA (i.e., propose rules to conform the VT program to the federal action, rather than simply "adopt rules").
- Section 586 (b)(3)(A) and (b)(3)(B) – Added a dependent clause to each to clarify by specific reference the relevant portion of Appendix V wherein the refrigerant prohibitions appear.
- Section 586(c)(1) - It appears there is a clerical mistake: in modifying the CA version, the reference in the CA version to subsection (c) was changed to "this subsection". Rather, it should have changed the reference to "subsection (b)", which is the corresponding subsection in the CA version.
- (NEW) Section 586(c)(4) – Language regarding mobile a/c is added consistent with the WA bill.
- Sec. 2(a) – We suggest deleting the language requiring that implementing rules be adopted removed, so the transition dates in bill are self-effectuating.