



TESTIMONY OF ALLISON MAGINOT
SENIOR DIRECTOR OF GOVERNMENT AFFAIRS

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

BEFORE THE VERMONT HOUSE COMMITTEE ON NATURAL RESOURCES, FISH, AND
WILDLIFE

HEARING ON H 523

MARCH 9, 2022

Good morning Chair Sheldon, Vice-Chair McCullough, Ranking Member Smith, and members of the House Committee on Natural Resources, Fish, and Wildlife. My name is Allison Maginot and I am Senior Director of Government Affairs for the Air-Conditioning, Heating, and Refrigeration Institute (AHRI). Thank you for allowing me to speak with you today regarding H. 523, legislation that is intended to provide the HVACR industry with the certainty needed to comply with forthcoming federal and state regulations phasing down the use of hydrofluorocarbons (HFCs.)

AHRI represents more than 300 manufacturers of air conditioning, heating, and commercial refrigeration equipment. Our companies produce more than 90 percent of the residential and commercial air conditioning, heating, and commercial refrigeration equipment made in North America and the annual economic activity resulting from the HVACR industry is approximately \$256 billion. In the United States alone, AHRI member companies, along with distributors, contractors, and technicians, employ more than 1.3 million people.

By way of background, in December 2020, former President Trump signed into law the American Innovation and Manufacturing Act (AIM Act), legislation that directs the U.S. Environmental Protection Agency (EPA) to regulate the production and consumption of HFCs. Between the passage of the AIM Act at the federal level, and the passage of Vermont S. 30 (Act 65) in 2019, industry will be required to comply with federal and state regulations that require manufacturers to begin utilizing low global warming potential (GWP) substitute refrigerants in new commercial refrigeration, chillers, and stationary air conditioning equipment.

Passage of both Vermont S. 30, and the federal AIM Act, were supported by AHRI, and these bills represented a tremendous victory for both industry and the environmental community, who share a mutual goal of reducing greenhouse gas emissions from HFCs. From an economic standpoint, the transition is projected to create 33,000 new manufacturing jobs and sustain 138,400 existing jobs between now and 2027. The phase down will also increase direct manufacturing output by \$12.5 billion, and total manufacturing output by \$38.8 billion between now and 2027.

From an environmental standpoint, the federal transition will shrink U.S. annual greenhouse gas emissions by the equivalent of around 2.4 billion metric tons of carbon dioxide over the next 15 years. The global warming potential of the new refrigerants is approximately 75 percent lower than the global warming potential of the HFC refrigerants currently being used.

However, in order to achieve both the economic and environmental benefits of the phasedown of HFCs, building codes in all fifty states must be updated to allow for the use of the substitute refrigerants in chillers, air conditioning and commercial refrigeration equipment. **If Vermont H. 523 is amended to achieve its stated legislative intent, it will clarify that building codes in Vermont cannot prohibit the use of a substitute refrigerant allowed by EPA.**

To that end, AHRI strongly supports amending the bill by striking the existing language in Sections 3 and 4, and replacing the language as follows:

Sec. 3 Subchapter 002 of Chapter 173 of Title 20 of Vermont Statutes Annotated is amended by inserting the following as subsection (m):

"(m) Refrigerants.

"(1) No rule adopted under this section, or any other law, regulation, or other requirement in the State of Vermont, may prohibit or otherwise limit the use of a refrigerant designed as acceptable for use pursuant to and in accordance with 42 U.S.C. 7671k, provided any equipment containing such refrigerant is listed and installed in accordance with safety standards and use conditions imposed pursuant to such designation."

Should H. 523 be amended as recommended above, the legislation will allow Vermont to maintain its climate leadership by joining a growing list of states that have enacted similar legislation or regulations, thereby ensuring the phase down of HFCs can happen in an orderly, efficient way by providing the entire industry with the certainty needed to move forward with the design, testing, certification, production, and installation of new equipment that complies with federal and state regulations, as well as state and local building codes.

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