



February 18, 2022

House Committee on Natural Resources, Fish, and Wildlife
115 State Street
Montpelier, VT 05633-5301

Chair Sheldon, Vice-chair McCullough, and members of the Committee,

We are writing to express our support for H.523 which will **ensure that building codes do not inadvertently prohibit next generation, low global warming potential (low-GWP) refrigerants from usage in Vermont**. We are working with Representative McCormack to amend the bill's provision on building codes so that it provides the necessary technical fix that will enable the transition from hydrofluorocarbons (HFCs) to climate-friendlier alternatives.

Stakeholders across the environmental advocacy and manufacturing communities have worked for well over a decade in support of the HFC phasedown both nationally and internationally. The Natural Resources Defense Council (NRDC), a nonprofit environmental organization with more than 3 million members and online activists and 700 lawyers, scientists and policy advocates across the U.S., has worked for several decades to reduce emissions across the economy and end the use of chemical refrigerants that deplete stratospheric ozone and cause climate change.

The Air Conditioning, Heating and Refrigeration Institute (AHRI) represents more than 330 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.

As members of the committee may be aware, in December 2020, the American Innovation and Manufacturing Act (AIM Act) was enacted, which directs the U.S. Environmental Protection Agency (EPA) to issue rules that will phase down the supply of HFCs and authorizes EPA to restrict their use in certain applications, such as commercial refrigeration, chillers, and stationary air conditioning. Ahead of EPA and several states, Vermont took ambitious climate action by enacting restrictions for some of these applications through S.30 (Act 65) in 2019. The proposed technical fix on the building codes is the next step to ensure that those applications have access to alternative refrigerants.

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 GWP of the new refrigerants is approximately 75 percent lower than the GWP of the HFC refrigerants currently being used. The transition is also projected to create 33,000 new manufacturing jobs nationally and sustain 138,400 existing jobs between now and 2027. The phasedown will also increase direct manufacturing output by \$12.5 billion, and total manufacturing output by \$38.8 billion between now and 2027.



However, the transition to climate-friendly refrigerants faces a pressing challenge. **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. H.523 once amended will clarify that building codes in Vermont cannot prohibit the use of substitute refrigerants approved by EPA.** H.523 is the key to ensuring the phasedown 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.

Our organizations agree that once amended, H.523 will be essential to the orderly and effective phasedown of hydrofluorocarbons and we urge you to vote favorably on it. By enacting this language, Vermont will ensure a victory for the environmental community, U.S. manufacturers, and consumers by preparing for an orderly transition to next generation climate-friendly refrigerants. Please do not hesitate to contact us with any questions.

Best Regards,

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