

## POSITION PAPER

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### European HFC Producers support action under the Montreal Protocol for a consumption cap and reduction of HFCs

The European Fluorocarbons Technical Committee (EFCTC)<sup>1</sup> encourages Parties to the Montreal Protocol to move forward with a constructive dialogue to achieve an agreement for a global cap and reduction for HFC consumption on a GWP-weighted basis, building on the discussions in Geneva in April 2016 at the 37<sup>th</sup> Open-ended Working Group of the proposals for an amendment to the Montreal Protocol to reduce the production and consumption.

The Montreal Protocol has played a critical role in successfully controlling consumption of CFCs and HCFCs and can provide the necessary expertise to effectively implement a similar system for HFCs. In addition, we believe that including provisions for controlling the placing on the market of HFCs under the Montreal Protocol would complement and strengthen the HFC emissions provisions of the UNFCCC and its Kyoto Protocol.

The overall global warming impact of HFC emissions worldwide is currently estimated to represent less than 2% of the total global greenhouse gases emissions. Nevertheless, as HFCs are the preferred solution for many societal needs because of their safety and performance advantages, without action the demand for HFCs could grow due to the replacement of HCFCs as well as the increasing demand for refrigeration and air conditioning, especially in developing countries. Such growth would result in the use of HFCs becoming a more significant source of emissions in the future, despite any emission reduction measures already taken. In fact recent emissions data suggests the EU F-Gas Regulation is serving to reduce HFC emissions overall, to the point where they are almost stable,<sup>2</sup> even as the HCFC phase-out was completed in the EU.

The consolidated document of the amendment proposals submitted by Parties for a cap and reduction of HFC consumption on a GWP-weighted basis, in our opinion forms a good initial framework for a dialogue, recognizing that any final agreement needs to be balanced, flexible and fair, meeting the needs of Parties, whilst remaining realistic.

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<sup>1</sup> A sector group of the European Chemical Industry Council (CEPIC)

<sup>2</sup> See Table ES.4, p.10 of EEA Report No 15/2016 'Annual European Union greenhouse gas inventory 1990–2014 and inventory report 2016', <http://www.eea.europa.eu/publications/european-union-greenhouse-gas-inventory-2016> (consulted June 2016)

Therefore, a clear long-term regulatory framework and time frame is needed for research, development and deployment to progress at the required speed and for allowing industry to build the capacity to invest in new lower GWP products and applications.

Encouraging progress is already being made by HFC producers to find low GWP alternatives for a range of applications including technical aerosols, mobile air-conditioning, insulating foams and commercial refrigeration. Already a number of alternative fluids have been identified and are already in use; for example, for mobile air-conditioning, an alternative has a GWP of less than 1 compared to a GWP of 1300 for the HFC currently being used<sup>3</sup>.

Finally, EFCTC considers that any final agreement should focus on consumption, which determines use leading to reduced emissions. On this basis, legislative control of production is not necessary as the consumption cap will maintain the required high level of environmental ambition. Furthermore, there should also be a requirement for production reporting from 2016. We recommend that the OEWG considers if it is appropriate to amend the proposal in such a way that developing nations commit to take on legally binding reduction targets as early as feasible based upon the experiences gained during the transition to low GWP technologies.

We believe that this approach will allow HFCs to be used for their safety and performance where appropriate, encourage innovation for the use of lower GWP alternatives and applications, but without significant disruption to the industries that use HFCs.

We look forward to a constructive dialogue at the resumed 37<sup>th</sup> meeting of the Open-ended Working Group of the Parties to the Montreal Protocol in Vienna, July 15<sup>th</sup> - 16<sup>th</sup>, 2016 and the subsequent 38<sup>th</sup> meeting on 18<sup>th</sup> - 21<sup>st</sup> July followed by the 3<sup>rd</sup> Extraordinary Meeting of the Parties on 22<sup>nd</sup> - 23<sup>rd</sup> July 2016.

The European FluoroCarbon Technical Committee is a Cefic Sector Group that monitors the constantly changing legislation related to HFCs (hydrofluorocarbons), PFCs (perfluorinated carbons) and SF<sub>6</sub> (sulphur hexafluoride), CFCs (chlorofluorocarbons), HCFCs (hydrochlorofluorocarbons), in the EU and at global level. Fluorocarbons are used as feedstock, as refrigerants, as solvents and as blowing agents for insulation plastic foams.

Contact: EFCTC Chairman: N. Campbell, [nick.campbell@arkema.com](mailto:nick.campbell@arkema.com)  
EFCTC Secretariat: M. Pauwels, [mpa@cefic.be](mailto:mpa@cefic.be).

<sup>3</sup> GWP values taken from the IPCC Fifth Assessment Report (AR5) - Climate Change 2013: The Physical Science Basis, available through <http://www.ipcc.ch/report/ar5/wg1/>