Brussels, November 18 2013

Dear,

Providing safe, secure and energy efficient service is at the core of ECSLA members’ businesses and therefore they do – in principle - support the provisions contained in the F Gas Regulation, namely the aim to reduce the emissions of F Gases in a middle and long term perspective.

ECSLA, however, urges you to consider not only environmental aspects as guiding principle when taking your decisions but also economic facts when setting reduction targets especially for existing cooling systems.

The European Cold Storage and Logistics Association (ECSLA)is the voice of the European cold storage industry. Food quality and safety, consumer protection and respect for the environment are the guiding principles for ECSLA members.

What is cold storage?

As third party logistics companies, providing the temperature controlled storage capacity needed to safely store & distribute frozen food like ice-cream, fresh food like fruits and vegetables but also milk products as well as meat and fish products, ECSLA Member companies are a crucial link in the food supply chain. In providing storage & transport for temperature sensitive products they are a vital link in the cold supply chain connecting producers and processing companies with retailers and ultimately with the consumer.

What is at stake?

In order to be able to deliver this state of the art services also in the future, proper service and maintenance of existing refrigeration systems must be guaranteed and cooling refrigerants must remain available at reasonable prices. ECSLA Members therefore would like to draw your attention to some details critical for the continued safe running of their cooling and freezing facilities.

**Service & maintenance ban***(Article 11, para 3)*

ECSLA considers a ban on the use of HFC refrigerants or cooling gases for maintenance, as proposed in Art.11 paragraph 3 of the Commission proposal as of January 1 2020 as disproportionate and, considering available technologies, as not feasible.

**Requirements for the use of alternative cooling liquids – economic implications**

ECSLA member consider that it is clearly not enough that “more adequate and energy efficient drop-in refrigerants of lower GWP are already widely available on the market”. These alternative refrigerants not only need to be available on the market, they also need to be compatible with the technical specifications of existing cooling systems that were originally built and installed for the use of F Gases.

Existing cooling systems that were originally built to be operated with F Gases cannot easily be re-equipped and re-built in order for them to run on alternative refrigerants. This option is not only technically unfeasible but also economically unsound. Investments would add up to between € 1.000.000 for a medium sized Cold Store (15.000 pallet places) and € 7.500.000 for a big Cold Store (100.000 pallet places).

**Phase Down**

The phase down schedule proposed in Annex V does not take into account the financial and technical efforts which have been carried out by many operators in view of their obligations regarding protecting the ozone layer under the Montréal Protocol.

Cold Stores that currently run on HFCs because they were retrofitted in 2008 – 2010 cannot be requested to consider a new conversion in such a short transition period. In industrial refrigeration an average amortization period of 25 to 30 years is the norm.

**Quotas**

ECSLA members feel the urgent need to express strong concern regarding the **consequences**of the **free****allocation of quotas** as suggested by the European Commission**.** 91% of the whole quantity placed on the EU market in 2008 – 2011 were produced or manufactured by 5 companies alone. The Commission’s proposal to allocate – for free – all quotas except 5% which will be set aside for new entrants – to the same players, could lead to an uncontrollable inflation in price of HFCs.

**Auctioning system**

ECSLA therefore supports the idea of introducing an auctioning scheme instead of distributing quotas to those players in the market who have been dominant already in the past.

The suggestion to submit these quotas to an ***auctioning procedure*** open to any operator who wished to join seems to be a better solution.

ECSLA therefore supports any alternative to the free allocation of quotas of fluorinated greenhouse gases which could limit the financial side effects of the proposed phase down.