

April 29, 2016

Manager Ozone Layer Protection and Export Controls Chemical Production Division Environment and Climate Change Canada (ECCC) Place Vincent Massay 351 Boulevard Saint Joseph, 11th Floor Gatineau, Quebec K1A 0H3

Re: Consultations on Regulatory Measures for HFCs

Dear Sir or Madam:

I am writing on behalf of the Alliance for Responsible Atmospheric Policy ("Alliance") to provide comments regarding ECCC's Proposed Regulatory Measures on Hydrofluorocarbons as part of the Department's final stakeholder consultations prior to publication in *Canada Gazette*, Part I.

The Alliance is an industry coalition organized in 1980 to address the issue of stratospheric ozone depletion. It is the leading voice of manufacturers, businesses and trade associations which make or use fluorinated gases for the global market. Today, Alliance member companies are leading the development of safe, efficient, next generation, climate- and ozone-friendly technologies and applications. The Alliance represents companies across several sectors engaged in the development of economically and environmentally beneficial international and domestic policies regarding fluorinated gases. Many of our members are active in the Canadian market. A list of Alliance member companies is attached, some of whom may also submit additional written comments.

The Alliance appreciates the opportunity to participate in the stakeholder consultation process carried out by Environment Canada since last year. In addition to an ample public comment process, the Department's genuine interest in industry-government stakeholder conversations has been notable and will hopefully result in a more environmentally and economically complementary policy.

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The most effective means of reducing the future climate change contribution of HFCs is one that is global in nature. The Alliance appreciates ECCC's recognition of this view in its current proposal and Canada's leadership in support of an HFC phase-down amendment under the Montreal Protocol. If Canada does move forward domestically on this issue before a control regime is achieved under the Montreal Protocol, the Alliance supports ECCC's intention to design its control measures with those under consideration in the Montreal Protocol.

The Alliance commends ECCC for moving to include a phase-down provision in the proposed regulatory measures. Alliance members remain supportive of the use of a phase-down schedule which reflects actual technology availability or development and accounts for the need to service the existing equipment base. On the proposed phase-down mechanism, the Alliance feels it would be helpful if ECCC could:

- Provide the aggregated data underlying its assumptions regarding future HFC consumption.
- Clarify if there is a proposed date by when companies will be required to hold HFC consumption allowances. This would presumably take place prior to reaching the start date for the 90 percent phase-down reduction step.
- Clarify whether it is possible production allowances could be issued in the future.

The Alliance notes that the subsectors included in the foam and commercial refrigeration sector controls differ from those targeted by the US EPA's Significant New Alternatives Policy (SNAP) program. ECCC could better promote harmonized markets across the Canadian-US border by more closely aligning the subsectors targeted by ECCC and SNAP where feasible.

The current proposal includes a number of provisions for exemptions. While the Alliance notes the eligibility guidelines proposed by ECCC, it would be helpful to better understand how the exemption consideration process might work in the future. As this exemption process would likely involve some form of technology review, the Alliance encourages ECCC to also include some form of technology review in its phase-down design in line with that included in the North American Amendment proposal.

In sum, the Alliance believes that a global cap and phasedown is preferable to sub-global HFC policies. However, if ECCC moves forward with a country-level phasedown of HFCs, the considerations outlined above should provide a policy which maximizes environmental benefits and market stability.

The Alliance remains available to consult directly with ECCC to answer questions of planning and implementation and to ensure that the phase-down component of the proposed domestic actions on HFCs is consistent with efforts in the Montreal Protocol to achieve such a phasedown. We are ready to work cooperatively to ensure the avoidance of the rapid global growth scenarios in the use of HFCs, and to promote the development and implementation of substitute technologies that allow for a manageable transition around the globe. April 29, 2016 Page 3

The Alliance thanks the Department for providing an opportunity to comment and looks forward to continued collaboration to address HFCs. If you have any questions, please feel free to reach me at fay@alliancepolicy.org or +1(703)243-0344.

Sincerely,

KZ

Kevin Fay Executive Director Alliance for Responsible Atmospheric Policy



Members

AGC Chemicals Americas A-Gas/RemTec Air-Conditioning, Heating & **Refrigeration Institute** Airgas American Pacific Corp. Arkema Association of Home **Appliance Manufacturers** Auto Care Association **Bard Manufacturing Company** BASF Brooks Automation, Inc. Cap & Seal Company **Carrier** Corporation Center for the **Polyurethanes Industry** Chemours **Combs** Gas **Consolidated Refrigerant Solutions** Daikin Applied Danfoss **Dynatemp International Emerson Climate** Technologies E.V. Dunbar Co. Extruded Polystyrene Foam Association **Falcon Safety Products FP** International

Golden Refrigerant Halon Alternatives Research Corporation Heating, Air-conditioning & **Refrigeration Distributors** International Honeywell Hudson Technologies Hussmann **ICOR** International **IDQ** Holdings Ingersoll-Rand **International Pharmaceutical** Aerosol Consortium Johnson Controls Lennox International Metl-Span Corporation Mexichem Fluor Inc. Midwest Refrigerants Mitsubishi Electric National Refrigerants Owens Corning Specialty & Foam Products Center Rheem Manufacturing Company **Ritchie Engineering** Solvay Sub-Zero The Dow Chemical Company Whirlpool Corporation Worthington Cylinder