

**Presentation to the Office of Information and
Regulatory Affairs (OIRA)**
on behalf of
**iGas Holdings Inc., Lenz Sales & Distribution, Inc.,
and Combs Gas**



August 22, 2022

Who we are

- Three HFC Importers serving the refrigerant after-market
 - iGas Holdings, Inc.
 - Lenz Sales & Distribution Inc
 - Combs Gas
- Focused primarily on supplying after-market distributors

The HFC Phasedown

We fully support EPA's efforts under the AIM Act and appreciate the challenges EPA is facing

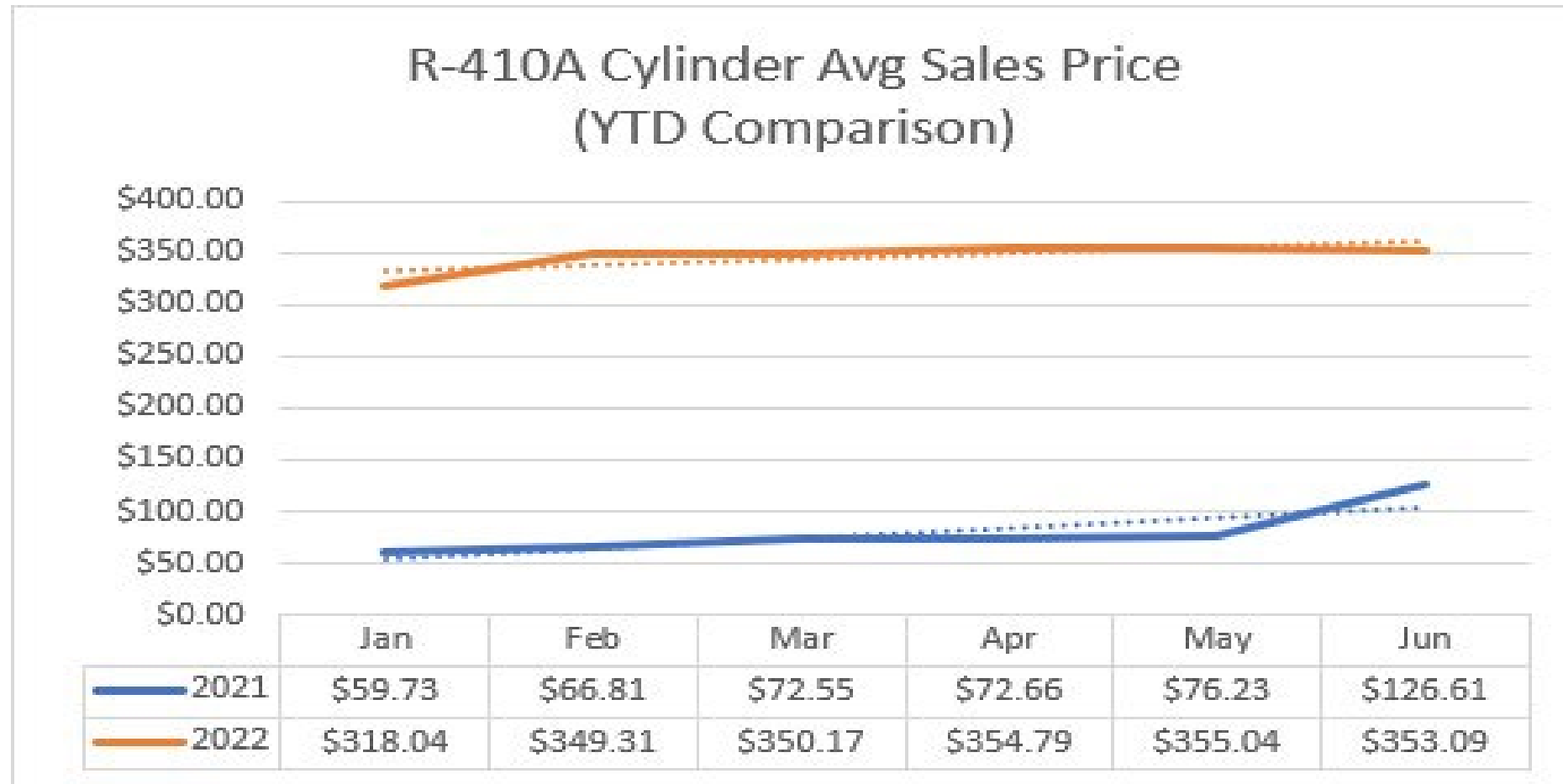
Why we are here

- The selection of a 2011 through 2019 baseline for allowance allocation did not reflect the HFC market as it existed in 2021 and reallocated market share away from the competitors most successful in the 2021 time frame
- The unintended consequence was a huge disruption in the market
- We are here to advocate for regulatory reforms in the 2024 allocation methodology that can minimize or mitigate those consequences

Market Disruption

- The inclusion of earlier years back all the way to 2011 was disruptive
 - It disproportionately allocated allowances to companies that had been losing market share for ten years
 - It provided companies allowances based on uses that have since been banned, providing these companies with a windfall
 - It penalized companies that have seen recent growth due to new distribution models and innovation
 - The innovation drove down prices substantially
 - A whole new supply chain was developed, including new distributors
 - The 2022 allocation took market share away from the most successful competitors and reallocated it to companies that had lost market share because they were not serving the after-market very well

HFC Prices



Consumer Impacts

- Substantial price increases are disproportionately affecting low-income consumers
- HFCs are much less affordable and difficult to obtain
 - This is an expected phasedown impact, but not to this degree this early in the process
- Availability of HFCs in small communities is diminishing
- Many of the small distributors that had supplied HFCs are now leaving the market

The Solution

- Baseline years for the 2024 allocation should reflect the existing market to minimize shortages and price disruptions
 - For 2024 the baseline should be 2015 through 2022
 - Allowances should reflect the most recent years moving forward

Thank you

**Please contact amy.wachs@huschblackwell.com
with any questions**