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July 6, 2021

Cynthia Newberg  
Director, Office Air and Radiation  
Environmental Protection Agency  
1200 Pennsylvania Avenue, N.W.  
Washington, DC 20460  
Submission: [www.regulations.gov](http://www.regulations.gov)  
Docket: EPA-HQ-OAR-2021-0044

**RE: Carrier Comments on EPA Notice of Proposed Rulemaking (NOPR) on the Phasedown of Hydrofluorocarbons: Establishing the Allowance Allocation and Trading Program under the American Innovation and Manufacturing (AIM) Act**

Dear Ms. Newberg,

Carrier provides fire safety, security, building automation, heating, ventilation, air conditioning and refrigeration systems and services to promote integrated, high performance buildings that are safer, smarter and more sustainable. Carrier is the founder of the modern HVAC industry and operates across the globe. Our range of products includes unitary residential and commercial equipment, including ducted and ductless HVAC, transport refrigeration units, chillers, and related building services.

Carrier remains committed to improving the environmental performance of our products through lower GWP refrigerants and sustainable HVAC, refrigeration, and fire safety technologies. Carrier's history of driving these improvements and being an industry leader is evidence of this commitment. Carrier led the industry in phasing out ozone-depleting refrigerants more than 20 years ago and has invested significantly to support the development of A2L refrigerant standards and codes, and to introduce low-GWP refrigerants into products for this transition. Carrier supports regulation that facilitates an expedient transition while ensuring adequate supply for sectors that either do not have technically feasible alternatives or that codes do not currently allow the use of those alternatives.

Carrier supports EPA limiting the focus of this rule to the allowance allocation in years 2022 and 2023 only. This enables EPA, the regulated community, and other key stakeholders to thoughtfully consider ways to address the larger phasedowns to achieve environmental goals



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and not create market conditions that negatively impact consumers. In the proposed rule, EPA states that HFCs contained in imported products are not included in the baseline and excluded from this rule. While Carrier agrees with EPA's reasons for exclusion, it requests that EPA address this consumption in future rulemaking to ensure HFC phasedown goals are met.

Specifically, Carrier strongly urges EPA to move expeditiously on the submitted petitions from AHRI to regulate the use of refrigerants in new products, which includes imported products containing HFCs. Additionally, Carrier requests EPA consider specific use cases of HFC-227ea in fire suppression systems to ensure this fire suppressant is available for applications that do not have viable alternatives. It is Carrier's view these steps meet the intent of the AIM Act by helping facilitate an orderly transition to achieve the greatest environmental benefit. Carrier's position is explained in greater detail in the remainder of these comments.

**Carrier agrees with EPA's conclusion to exclude imported products containing HFCs in this rule because of a lack of data and potential disruption to the market.**

Carrier supports EPA's decision to exclude imported products containing HFCs in this rule because the suggested baseline does not include this consumption. EPA rightfully indicates it would need to gather the data necessary to adjust the baseline accordingly. Carrier also agrees the regulated community would be much greater without this exclusion and is uncertain if EPA could collect sufficient data from these entities to accurately adjust the baseline in this proposed rule. Without an accurate adjustment, there is significant risk the demand for products will far exceed supply of HFC chemicals. This situation could lead to excessive price inflation or a shortage of products, some of which are lifesaving systems such as fire suppression equipment. This harms consumers which is not the intent of the AIM Act. Therefore, Carrier agrees imported products containing HFCs should not be addressed in this rule.

**Carrier recommends EPA move expeditiously upon completion of this rule to phasedown the use of HFCs in imported products using sector-based restrictions.**

As stated, Carrier believes EPA should use future regulation to control the use of HFCs in imported products. Otherwise, the environmental benefit of the AIM Act could be delayed or diminished. It is Carrier's view that sector-based restrictions are the most effective method for EPA to regulate the phase down of HFCs used in new products. These restrictions should include imported products, and therefore provides a means to control HFC use in them. Carrier believes this regulatory approach is beneficial to all stakeholders. The agency can better



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forecast sector emissions, accelerate the transition in sectors with viable refrigerant options, and easily enforce the restrictions. For producers and manufacturers, it creates certainty which helps drive efficiency in product lifecycle management. This benefits consumers by reducing the potential for disruption in product availability in the market while advancing environmental concerns.

If EPA should choose to regulate imported products using the allocation of allowances, Carrier strongly urges EPA to do so in steps to avoid significant market disruption. EPA could first lower the emission threshold for annual reporting of products imported into the United States containing regulated HFC substances. This would provide a transparent assessment of the amount of HFC refrigerant contained in imported products that are not included in the baseline. Additionally, in this rule, EPA could prohibit, effective January 1, 2025, the import of products containing HFCs from countries that do not have programs equivalent to the AIM Act without required allowances. With the additional data collected and input from key stakeholders, EPA can then define in a future rule an effective process for allowance allocation to a large set of companies traditionally not given allowances. This will ensure an orderly transition during the larger phasedown years.

**Carrier requests EPA ensure fire suppression systems in specific commercial and industrial applications have access to HFC-227ea until viable alternatives exists.**

In total flooding fire suppression systems, FK-5-1-12 and Inert Gases (such as IG-100, IG-01, IG-55 and IG-541) are often good alternatives to HFC-227ea. Therefore, Carrier has promoted the use of several of these alternatives for many years. However, there are select applications that require the use of HFC-227ea for the fire suppression system to be effective. These include confined spaces, low temperature environments, or when a fast discharge of the agent is needed. End uses with these application requirements can include power generation and transmission, data centers, healthcare facilities, mass transit, marine vessels (ships and cargo vessels) and oil and gas refineries, all of which have significant societal importance. Therefore, Carrier requests EPA work with industry to ensure, through allowance allocation or other means, these limited applications have adequate access to HFC-227ea until viable alternatives are identified, properly tested, and certified for use, as these systems function to protect life and infrastructure in the event of a fire.

In closing, Carrier appreciates the opportunity to provide comments on this proposed rule. As strong supporters of the AIM Act, Carrier supports EPA's decision to move swiftly and only address the 2022 and 2023 allowance allocation in this rule. As stated previously, Carrier



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understands and supports EPA's reasons for not including imported products containing HFCs in this rule, but strongly urges EPA to address them in future rulemaking using sector-based restrictions as the primary regulatory method. Carrier also requests EPA to consider ensuring HFC-227ea is available for the narrow use cases outlined in these comments until viable alternatives are available. It is Carrier's view taking these steps will ensure an orderly transition, which will maximize the environment benefits of the AIM Act.

If you have questions regarding these comments, please reach out to me for further discussion.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Jason Thomas".

Jason Thomas

Director, Regulatory Affairs

Carrier

CC: John Monsif, Director of Government Relations