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To: Member States' environmental experts and Permanent Representatives

From: Paolo Falcioni
Director-General, APPLiA

Subject: F-Gases Regulation Proposal - COREPER 29th of September 2023 - **No F-Gas ban on splits below 12 kW**

Dear Sir, Madam,

By this letter, home appliances manufacturers, represented by its European association APPLiA, would like first to stress on the ongoing efforts and commitments to provide solutions that can mitigate climate change and reduce carbon emissions, including transitioning toward non-synthetic alternative refrigerants where possible in our products. That goes in line with the recently adopted Energy Efficiency First Principle, and our willingness to contribute to a Hydrofluorocarbons (HFCs) phase-down for 2050.

However, concerns still exist regarding the ongoing development of the inter-institutional negotiations on the F-Gases Regulation Proposal, particularly on the proposed bans in Annex IV point 18 (split air-conditioners and heat pumps). Indeed, current arguments are pleading in favor to ban all F-Gases claiming that all products splits (both single and multi) up to 12 kW could use propane using for instance the GiZ report as an argument.

We would like to insist that many flaws and gaps are existing in the GiZ report used by the European Parliament and the European Commission in which the heating capacity and efficiency are not properly analysed and wrong estimations are done for refrigerant charges: costs for additional safety measures, piping diameters and resulting product size and servicing costs. Furthermore, no analysis was done for the growing share of multi-split systems. Realising the need to rectify the shortcomings, a new version of the GiZ report was recently published that does not see the possibility for all capacities.

Moreover, the latest IEC 60335-20-40 (ed. 7) standard is not yet harmonised at European level and would take many years to do it, letting existing national barriers and limitations in terms of installation and safety. Indeed, it cannot be assumed that all split units on the European market between 0 kW and 12 kW can transition to highly flammable refrigerants such as R-290, nor to be installed in a cost-effective manner and in line with safety obligations applicable in many European buildings. Thus, this situation is leaving European buildings with limited choices of



alternatives that are less efficient and more costly. Again, there is no one-size-fits-all solution, such as propane, for all single and multi splits products.

In addition, banning all F-Gases will hamper innovation for those products and also lead to consumers looking at alternatives' equipment that are much less efficient and convenient for their needs. The European Parliament is asking the industry to invest millions of euros to develop new products, in response to bans, for which an impact assessment will be carried out a posteriori only later in 2030. Consumers, especially in countries requiring affordable cooling and heating solutions, will end-up carrying the burden of such a decision. This is the reason why **we would strongly recommend proceeding with a proper impact assessment first and only then discussing the possibility to have a ban for products covered under Annex IV point 18.**

Recommendation: removing the full F-Gas ban on split AC and heat pumps from Annex IV, and include a review-clause in Article 35

(18) Split air-conditioning and heat pump equipment:	Split systems of a rated capacity up to and including 12 kW, containing, or whose functioning relies upon, fluorinated greenhouse gases, except when required to meet safety requirements;	1 January 2035
		<p><i>No later than 1 July 2030, the Commission shall publish a report assessing whether for products covered by point 18 of Annex IV are:</i></p> <ul style="list-style-type: none">- <i>cost-effective, technically feasible, energy-efficient and reliable alternatives exist, which make the replacement of fluorinated greenhouse gases possible in stationary split air conditioning and split heat pump equipment up to and including 12kW;</i>- <i>cost-effective, technically feasible, energy efficient and reliable alternatives exist which makes a GWP150 limit possible in stationary split air conditioning and split heat pump equipment above 12kW.</i>

Finally, one of the main arguments used by the European Parliament is that all F-Gases are PFAS, which is not the case. We fear that this type of reasoning would furthermore prevent innovation of refrigerants that are not under the scope of the PFAS restriction proposal. Indeed, the presence of a fluor atom is not equivalent to PFAS. Even more, from a legislative procedural stand point, the ongoing F-Gases Regulation Revision is distinct from the restriction process under REACH and it should not anticipate or contradict any outcomes that would take time, if not years, to conclude.

For these clear and sound reasons, we are calling on the Member States' experts/representatives to carefully consider the arguments presented as existing flaws and dangerous assumptions would simply put into jeopardy the investments' certainty that manufacturers need to continue producing in Europe.

Sincerely,

Paolo Falcioni