



Breaking News

Rheem Government Affairs

October 11, 2023

EPA Final Rule on AIM Technology Transitions

GWP Limits Finalized for HVACR Applications

On October 6th, the U.S. EPA pre-published a final rule outlining global warming potential (GWP) limits in various applications that use hydrofluorocarbons (HFCs). This action is expected as part of the American Innovation and Manufacturing (AIM) Act of 2020.

There are changes from the December 2022 proposal that pose significant challenges for industry. EPA has the opportunity to make final text corrections before official publication in the Federal Register, and Rheem will pursue all avenues to appeal for improvements.

In summary:

- The rule affirms 2025 compliance date for AC/HP and 2026 for VRF and delays certain compliance dates for refrigeration.
- EPA establishes an installed-date compliance for split air conditioning and heat pumps, requiring all existing inventory to be installed by January 1, 2025.
- Components are exempt from rule prohibitions, allowing manufacture to continue for R-410A compressors, condensing units, etc. as long as they are intended for service of existing systems. **MAJOR CHANGES**
- No exemptions for export of non-compliant equipment.

Rheem has been in contact with the EPA regarding the rule language and the untenable inventory challenge it presents, which requires the channel to eliminate all legacy split system inventory by 2025 and to fully stock A2L equipment ahead of market readiness. In addition, the component provisions lack enforceability and could lead to misuse in the market.

Rheem is actively meeting with all industry partners and government entities to get these concerns heard and changed in the rule publication and guidance. We do expect additional EPA guidance and will share new information via *Breaking News* alerts as appropriate.

Key Takeaways

EPA finalizes GWP limits for HVACR applications and establishes install-date compliance for unitary AC/HP.

Rule sets compliance dates of 2025 for AC/HP, 2026 for VRF, and 2025-2028 for refrigeration applications that vary by subsector.

Components are exempt from prohibitions, but EPA requires labeling and reporting for their continued manufacture and use.

For more information on the final rule, including EPA fact sheet and FAQs, see the rulemaking page: <https://www.epa.gov/climate-hfcs-reduction/regulatory-actions-technology-transitions>



Overview of Rule Provisions*

- Rule affirms 2025 compliance date for AC/HP and 2026 for VRF and delays certain compliance dates for refrigeration.
- Split AC/HP systems must comply based on the date of installation, which is a departure from the original rule proposal. This also applies to field-installed refrigeration.
 - *Category includes mini-splits, ducted unitary splits, and VRF*
- Self-contained and packaged products must comply based on date of manufacture or import. No sale, distribution, import, or export 3 years after compliance date. This is an extension from the 1-year sell-through originally proposed.
 - *Category includes room and portable AC, PTAC, PTHP, and some rooftop AC*
- Specified components can continue to be manufactured, sold, imported and exported, on the condition that they only be used to service existing equipment and are subject to labeling and reporting requirements
 - *Components include condensing units, condensers, compressors, evaporator units, and evaporators*
- No exemptions for export of non-compliant equipment.

Note! The official text is not yet published in the Federal Register. The Federal Register version could incorporate additional edits to correct the pre-publication draft.

Key Definitions*

Install means to complete a field-assembled system's circuit, including charging with a full charge, such that the system can function and is ready for use for its intended purpose.

Manufacture means to complete the manufacturing and assembly processes of a product or specified component such that it is ready for initial sale, distribution, or operation.

Product means an item or category of items manufactured from raw or recycled materials which performs a function or task and is functional upon completion of manufacturing. The term includes, but is not limited to: appliances, foams, fully formulated polyols, self-contained fire suppression devices, aerosols, pressurized dispensers, and wipes.

System means an assemblage of separate components that typically are connected and charged in the field with a regulated substance or substitute to perform a function or task.

Specified component for purposes of equipment in the refrigeration, air conditioning, and heat pump sector means condensing units, condensers, compressors, evaporator units, and evaporators.

Rheem is seeking further guidance from EPA on the installed vs. manufacture compliance basis for split systems as well as applicability of the three-year sell through period.

GWP Limit Restrictions on HFCs by Application*

Equipment Subsector	GWP Limit	Manufacture and Import Compliance Date
Self-contained residential and light commercial air conditioning and heat pumps (e.g. window units, PAC)	700	January 1, 2025
Residential dehumidifiers	700	January 1, 2025
Retail food refrigeration – standalone units	150	January 1, 2025
Cold storage warehouse package products with refrigerant charge \geq 200 lbs	150	January 1, 2026
Cold storage warehouse package products with refrigerant charge <200 lbs	300	January 1, 2026
Self-contained industrial process refrigeration with refrigerant entering the evaporator between -58 °F and -22 °F	700	January 1, 2028

Equipment Subsector	GWP Limit	Installation Compliance Date
Residential and light commercial air conditioning and heat pump systems (e.g. central ducted AC/HP, mini-splits)	700	January 1, 2025
VRF	700	January 1, 2026
Retail food refrigeration – remote condensing units with refrigerant charge \geq 200 lbs	150	January 1, 2026
Retail food refrigeration – remote condensing units with refrigerant charge <200 lbs	300	January 1, 2026
Cold storage systems with refrigerant charge \geq 200 lbs	150	January 1, 2026
Cold storage systems with refrigerant charge <200 lbs	300	January 1, 2026
Retail food – supermarket systems with refrigerant charge \geq 200 lbs	150	January 1, 2027
Retail food – supermarket systems with refrigerant charge <200 lbs	300	January 1, 2027

