



Legislative Update

Rheem Government Affairs

May 26, 2023

U.S. State Legislative Update

As of May 26th, thirty of the fifty U.S. State Legislatures completed the 2023 session. This *U.S. State Legislative Update* provides a snapshot of key legislative actions affecting Rheem in the areas of **building codes, natural gas-fired appliance installation bans and prohibitions of PFAS-containing products**. Rheem Government Affairs will distribute additional updates of relevant U.S. State Legislative activities later this year.



Key Takeaways

Precedent-setting action In New York prohibiting fossil fuel equipment installation and Infrastructure in new construction.

State legislatures implementing PFAS-Containing Product bans with potential repercussions to refrigerant use in HVAC-R/WH equipment.

Tremendous progress made to implement state-level legislation to permit the use of low-GWP refrigerants in time for AIM regulation compliance dates.



DECARBONIZATION – STATUTORY ACTIONS

New York

Enacted a first-in the-nation statutory prohibition on the installation of fossil-fuel equipment and infrastructure in buildings seven stories or less effective December 31, 2025, and for all new buildings after January 31, 2028. The near-term effect is to require electric space and water heating in residential construction and low-rise multifamily. The law does not apply to existing buildings, renovations, retrofits and fossil fuel equipment replacements.

Colorado

In precedent-setting statutory action, Colorado passed legislation establishing an Ultra-Low NOx (ULN) requirement for certain water heaters and furnaces. The legislation provides an exception from the ULN requirement if the covered equipment is certified to the most recent version of the ENERGY STAR™ Program. Also, effective January 1, 2026, electric storage water heaters must have modular demand response communications port compliant with AHRI 1430.

Colorado legislative NOx limits			
	Scope	NOx Limit	Effective Date
WATER HEATING	≤ 75,000 Btu/hr	≤ 10 (ng/J)	01/01/26
	> 75,000 Btu/hr < 2M Btu/hr	≤ 14 (ng/J)	01/01/26
FURNACES	Fan-type central furnaces	≤ 14 (ng/J)	01/01/26

PFAS AND REFRIGERANTS – STATUTORY ACTIONS

State regulation of PFAS-containing products continue to accelerate. In **Minnesota** and **Maine**, state laws include PFAS-containing scope definitions and phase out dates that include synthetic refrigerant blends used in the HVAC-R and Heat Pump Water Heater Applications.

State	Legislative Status	Scope/Phase Out Date	Exemption Process
Minnesota	Passed 2023	All Products/2032	Yes
Maine	Enacted 2021	All Products/2030	Yes

AHRI and Rheem Government Affairs are actively pursuing revision legislation and variances to exempt refrigerants.

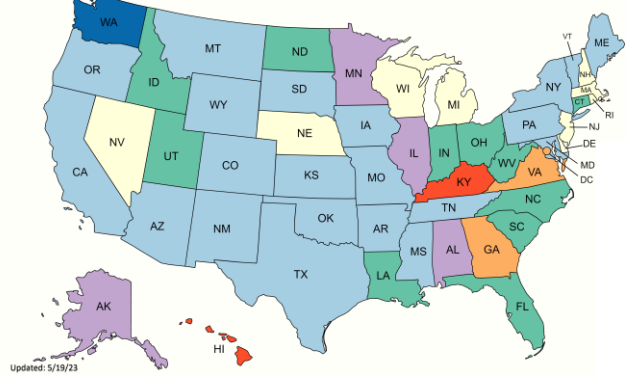
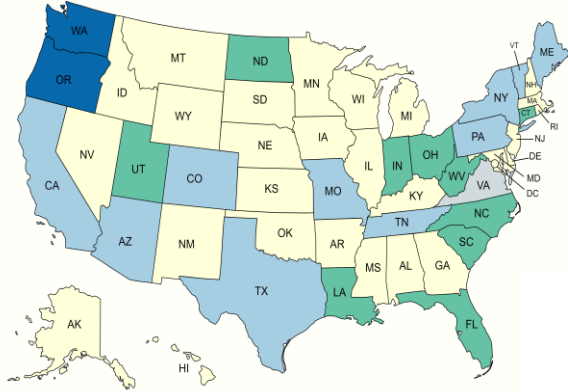


A2L BUILDING CODES – STATUTORY ACTIONS

State Legislatures Steadily Authorizing A2L Refrigerants To Meet 2025 Transition

January 24, 2023

May 19, 2023



- Building Code Legislation Signed into Law
- Legislative and/or Regulatory Efforts Underway
- Updates Made to Regulations/Codes
- Legislation and Codes Updated
- Legislation Sent to Governor
- Legislative Effort Failed, Continuing Regulatory Process
- Legislative Effort Halted in Favor of Regulatory Process

Industry remains focused on ensuring that all U.S. states and territories enable the necessary legislative, regulatory and code approval to install A2L refrigerants. Risks remain in several markets due to legislative opposition or regulatory misalignment.