ECSLA
European Cold Storage and Logistics Association

Brussels, February 21, 2013

Dear Member of the European Parliament
Dear Member of the Committee on the Environment, Public Health and Food Safety

POSITION PAPER

INTRODUCTION

The European Cold Storage and Logistics Association (ECSLA) is the voice of the European cold storage industry.

ECSLA's mission is to represent the interests of refrigerated logistics operators at the level of European and international institutions, in order to contribute to the development of a legislative and economic framework which addresses

- the competitiveness of industry,
- food quality and safety,
- consumer protection
- and respect for the environment.

ECSLA in principle supports the aims of the European Commission's proposal for a Regulation on fluorinated Greenhouse gases (F Gas) with the aim to reduce the emissions of F Gases on a middle and long term perspective.

Therefore members of ECSLA, when investing in the construction of new Cold Stores and cooling systems, are opting wherever possible for cooling systems that operate with so called natural refrigerants like ammonia or CO2.

This fact notwithstanding and following the concept of sustainable development, it is essential to not only take environmental aspects but also economic facts into consideration when setting reduction targets especially for existing cooling systems.

In this context, ECSLA especially welcomes the reporting of leak rates as proposed in Article 5d and the request for a certification to handle other refrigerants.

BAN ON THE USE OF CERTAIN F GASES FOR MAINTENANCE PURPOSE

ECSLA considers a ban on the use of HFC refrigerants or cooling gases for maintenance, as proposed in Art.11 paragraph 3 of the proposed Regulation as of January 1 2020 as disproportionate and, considering available technologies, as not feasible.

From an economical and entrepreneurial point of view, ECSLA asks you to take into consideration the fact that a Cold Store has a lifetime of more than 25 years. As stipulated in the Montreal protocol, many companies have replaced their HFCF (R22) with HFCs according to existing laws with the perspective to use these refrigerants in their Cold Stores.

ECSLA would like to draw your attention to the fact that until recently and due to security considerations, national regulations in various Member States did not allow the use of certain natural refrigerants such as ammonia.

For ECSLA and its members a ban on the use of F Gases with a GWP > 2500 is therefore not acceptable. As alternative solution ECSLA could envision banning the use of *virgin* gases as of 2025 but to allow the use of regenerated, recycled or reclaimed gases in order to allow Cold Store operators who have made significant financial investments recently to continue their businesses.

ECSLA proposes a timetable for the reduction of the use of F Gases that has a more long term horizon. Such an approach would clearly take into consideration the fact that alternative technologies to be used in Cold Stores simply are not always available or are not technically applicable to the application considered.

REQUIREMENTS FOR THE USE OF ALTERNATIVE COOLING LIQUIDS

ECSLA supports the aim of the European Commission to replace F Gases with technically safe alternatives with no or a very low impact on the climate. A prerequisite for this replacement, however, is the availability of energy efficient and safe alternatives for the refrigerants currently used.

The Commission's proposal is based on the assumption that "today it is possible, in almost all sectors in which F-gases are used, to fully or partially replace them with alternatives that are safe and at least as energy-efficient" (p3 of the proposal).

ECSLA would like emphasize that this statement by the Commission in this form is misleading.

Contrary to what the Commission implies, for ECSLA and its members, it is clearly not enough that "more adequate and energy efficient drop-in refrigerants of lower GWP are already widely available on the market". The fact remains that these alternative refrigerants not only need to be available on the market, they also need to be compatible with the technical specifications of existing cooling systems that were originally built and installed for the use of F Gases.

So-called drop in solutions have not demonstrated that they can indeed be dropped into existing equipment. The question of oil compatibility, of energy efficiency makes these "solutions" far from applicable in existing systems.

Existing cooling systems that were originally built to be operated with F Gases cannot easily be re-equipped and re-built in order for them to run on alternative refrigerants. This option is not only technically unfeasible but also economically unsound. It has been determined that a complete make-over of an industrial refrigeration system can cost up to one year's turn over.

Expressed in numbers, this would mean an investment of € 1.000.000 for a medium sized Cold Store (15.000 pallet places) and for a big Cold Store (100.000 pallet places) an investment of up to € 7.500.000.

To support this statement, ECSLA asks you to consider the following:

1. The natural refrigerant ammonia is not a drop-in solution for F gases because the components of an existing F Gas installation are not ammonia resistant. A complete replacement of the cooling installation and its components would be economically equal to the demolition and subsequent new construction of the cooling installation.

2. The use of CO2 as an alternative refrigerant requires that the pressure to be applied to CO2 to attain the needed temperatures be many times higher than the pressure needed for all currently used variants of F gases and the components used today in F Gas cooling installations will not resist such pressures.

3. Propane and Butane cannot be considered as alternatives due their high flammability and the risk they imply when used in large quantities in industrial refrigeration systems.

4. From a legal point of view, if the currently proposed F Gas maintenance ban would apply from January 1 2020 and without technical feasible or economically viable alternatives for the F Gases, complying with the Regulation would equal a dispossession of property backed by law.

PROPOSED PHASE DOWN

The phase down schedule proposed in Annex V does not take into account the financial and technical efforts which have been carried out by many operators in view of their obligations regarding protecting the ozone layer.

Considering the deadline of January 1st 2015 fixed by Regulation 1005/2009, many operators have anticipated their obligation of moving away from ODS and particularly HCFC R22. Technical and local regulatory constraints have not always allowed them to consider natural refrigerants (NH3 or CO2) as an option and they opted for an HFC solution.

In Industrial refrigeration, an average amortization period of 25 to 30 years is the norm.

Operators who converted to HFCs in 2008-2010 cannot be requested to consider a new conversion in such a short transition period of 6 – 7 years. This point is especially critical because currently running Cold Stores have been built according to existing legal obligations and have obtained their operation permit from the competent authorities without any limitation to their possible time period of operation.

Therefore ECSLA considers the baseline 2008 – 2011 to be significantly too small and suggests, also in order to work with a more realistic reference period, to extend the baseline until the year of entry into force of the current proposal.

At the same time, the phase down schedule as proposed in Annex V begins too soon and is too short. ECSLA suggests it to begin no sooner than 2021 and end around 2040 to avoid for the phase down being too abrupt.

In this context, we would like to emphasize the fact that national competent authorities from the beginning of 2000 until as recently as 2012 recommended the unrestricted use of HFC R 404a as alternative refrigerant and therefore as a perfectly suitable long term solution for the use in Cold Stores.

Therefore ECSLA would like to suggest the following phase down scenario:

Year	PLACING ON THE MARKET IN % OF BASELINE	ECSLA
2015	100 %	100 %
2016-2017	93 %	100 %
2018-2020	63 %	100 %
2021-2023	45 %	90 %
2024-2026	31 %	70 %
2027-2029	24 %	50 %
2030-2032	21 %	30 %
2033-2035		20 %

EMISSION REDUCTION AND CERTIFICATION

ECSLA expressly welcomes that the Commission maintains the current practice that qualified Cold Store personnel can undertake maintenance, service and repairs of cooling systems running on F Gas. This provision, laid down in the existing Regulation has proved to work very well.

Against this background ECSLA agrees in principle to an appropriate and practicable certification system.

Today, installing and servicing (including pressure requirements) refrigeration systems is commissioned to experts and maintenance (including leak checks) is carried out by certified personnel.

ECSLA also supports the principle of requesting that personnel handling alternative refrigerants such as CO2, NH3, or other, so far unknown refrigerants, also be submitted to certification.

We question however the pertinence of linking the certification of personnel to handle alternatives to F Gases with a regulation on F Gases. We recommend that this subject be removed from the proposed review of Regulation 842/2006 and be drafted separately.

CONCLUSION

ECSLA supports, in principle, the goal of the European Commission to step by step phase down the use of F Gases.

However, the proposed timeframe to achieve this by January 1 2020 is technically and economically not feasible for our members and therefore considered to be significantly too short.

ECSLA therefore calls on you as a Member of the Committee on the Environment, Public Health and Food Safety to take these concrete arguments into consideration and respect and uphold the legal certainty for existing Cold Stores operating with F Gases as cooling agents until at least 2025.