



**Testimony
of
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**Before the
Environment & Public Works Committee
U.S. Senate**

**Hearing on
S. 2754, the American Innovation and Manufacturing Act
March 25, 2020**



Air Conditioning Contractors of America

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April 7, 2020

The Honorable John Barrasso
Chairman
Committee on Environment & Public Works
United States Senate
Washington, DC 20510

The Honorable Thomas Carper
Ranking Member
Committee on Environment & Public Works
United States Senate
Washington, DC 20510

Dear Chairman Barrasso and Ranking Member Carper:

Thank you for your leadership and public service in the United States Senate and on the Senate Environment & Public Works Committee. We appreciate the opportunity to share the Air Conditioning Contractors of America's (ACCA) views on the American Innovation and Manufacturing (AIM) Act.

ACCA is the national association of heating, ventilation, air conditioning, and refrigeration (HVACR) contractors. ACCA members are a backbone of the American economy and way of life. Contractors are responsible for designing, installing, and maintaining HVACR systems that protect our food supply, ensure modern medicine is possible, enable data centers to operate, and provide essential comfort and air quality needs to every home, healthcare facility, and office building in the country.

ACCA members are recognized as the industry's leaders and are responsible for more than \$22,000,000,000 in annual sales. According to the Environmental Protection Agency (EPA), ACCA members are responsible for nearly 80 percent of the HVAC installations in the EPA Energy Star New Homes Program.

As a leader in the HVACR industry, ACCA was proud to support the introduction of the AIM Act. It is essential that Congress take action to ensure America's HVACR industry can safely adopt and implement a phasedown of hydrofluorocarbon (HFC) refrigerants.

ACCA supports a federal approach to an HFC phasedown because we need a uniform phasedown schedule rather than a state-by-state approach which could lead to competing phasedown schedules. It is also essential that the EPA have the proper authority to regulate HFCs and next generation refrigerants, which will include ASHRAE-designated A2L mildly flammable products. If Congress does not provide the EPA the authority to regulate and implement an HFC phasedown, then the EPA may not be able to implement training and certification programs or restrict the sale of dangerous products to unqualified people.

Regarding a uniform phasedown schedule, the AIM Act would provide for a framework that states would be encouraged, but not required to follow. Some states will likely not have the capacity to

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enact their own phasedown schedule and would follow the federal framework. However, other states, especially California, would likely not follow the federal framework. In fact, California is already moving aggressively to implement a phasedown schedule before the building codes, safety standards, and training requirements, as determined by the industry, are complete. These items are all necessary to allow for the safe adoption of new refrigerants.

Therefore, ACCA requests that Congress include preemption language that would require states to follow a federal HFC phasedown schedule for the residential HVACR market.

ACCA is less concerned about the commercial and industrial markets transitioning because those markets have been using flammable refrigerants for many years. The residential market, however, does not currently allow for the use of flammable refrigerants because the building codes and safety standards, which will provide for a safe transition from HFCs to flammable refrigerants, are in the process of being updated. ACCA is playing an active role to ensure this transition can occur safely and in a timely manner.

Preventing states from implementing their own HFC phasedown schedules for the residential HVAC market is critical. Some states have a poor track record of enforcing their existing laws and regulations. For instance, we know that in California only about 10 percent of HVACR installations in the residential market are permitted. How can California policy makers ensure that there will be a safe transition when about 90 percent of all residential HVACR systems have not been permitted and therefore have not been inspected to ensure they were installed properly? It is impossible. ACCA is not convinced that California can safely implement the introduction of A2L refrigerants in the residential market.

In addition to the permitting challenges in California, and other states, across the U.S. only about half of all HVACR systems are installed according to manufacturer requirements¹. These poor installation practices increase opportunities for refrigerant leaks, cause systems to operate at only 60-70 percent of their labeled efficiency and contribute to poor indoor air quality and mold and mildew growth. We must do more to support EPA programs, like the ENERGY STAR Verified Installation Program, which provide assurances to homeowners that their highly efficient HVACR system was installed correctly.

ACCA also supports including preemption for the residential market because consumers need certainty as we implement another refrigerant transition. This year the US implemented the phaseout of the production and import of R22, an ozone depleting refrigerant. Although the production and import of R22 is illegal, contractors and consumers are still able to use R22 that has been stockpiled or reclaimed. However, there is significant misinformation in the market and many bad actors are telling consumers that they are being forced to replace their R22 systems.

The EPA and the HVACR industry leaders are working to combat this misinformation, but it is still widespread and many consumers could be taken advantage of. This is happening with a uniform

¹ https://www.energystar.gov/campaign/heating_cooling/esvi



national phasedown. If we don't have a uniform phasedown when we transition from HFC refrigerants – like R410a to mildly flammable refrigerants - then we will see this type of misinformation amplified because some states will set their own phasedown schedules. There will be contractors who work across state lines who will have trouble keeping track of which jurisdictions are following the federal or state phasedown schedule. And that misinformation will lead to consumers being told they have to switch to new products prematurely.

ACCA applauds Senators Kennedy and Carper for their work on the safety and certification language in the AIM Act, specifically *Section 9 Management of Regulated Substances*. As the Committee reviews the AIM Act, ACCA supports including language that would require the EPA to work with the contracting industry to strengthen certification programs and restrict the sale of HVACR systems and refrigerants to only trained and certified individuals.

HVACR professionals are required to maintain their EPA Section 608 certification to purchase and handle ozone depleting refrigerants. However, the 608 Certification is not required to purchase some products that are shipped with HFC refrigerants already in them – i.e. multi-split units with quick connect hoses. In addition, it is well known that non-certified and unqualified individuals are easily able to purchase refrigerants and HVACR equipment from supply houses and online retailers. ACCA supports adding language to the AIM Act that would restrict the sale of refrigerants and HVACR systems to EPA certified individuals. Too many individuals who are untrained on the environmental and safety issues of refrigerants and HVACR systems can purchase these products and they cause serious harm to the environment, the efficiency of HVACR systems, and likely the lifespan of the equipment.

Regarding EPA certification programs, ACCA would like Congress and the EPA to give strong consideration, after significant outreach to the contracting industry, for requiring EPA's refrigerant certifications to be periodically renewed by anyone who purchases and handles refrigerants. Currently, the 608 certification program is a lifetime certification, but refrigerants have changed since the program was initiated, and they will continue to change. ACCA believes it is important that contractors be knowledgeable and trained on new refrigerants entering the marketplace and supports requiring EPA's refrigerant certifications to be periodically renewed – possibly every 5 years. However, ACCA also acknowledges that this is not a universally accepted position amongst contractors, including ACCA's Board of Directors. Some contractors believe that certification renewals would be an additional burden on professional contractors while doing little to hold the bad actors in our industry accountable, and we believe that the Committee should be aware of this position. It should also be acknowledged that ACCA strongly supports efforts to keep unqualified and untrained individuals from purchasing and handling refrigerants and policy makers should do more to address the dangers of these individuals from handling dangerous products, which will include flammable products in the near future.

ACCA also supports direction from Congress to the EPA that would ensure the appropriate bodies are conducting training on A2L refrigerants. The introduction of A2L refrigerants in the residential market will require new training programs, and ACCA wants to ensure that the EPA recognizes entities who maintain the highest standards for these training programs. For instance, ACCA would



support requiring training to be conducted by standard development organizations as recognized by the American National Standards Institute. This would enable the industry to have minimum standards that must be met before individuals could purchase and handle A2L refrigerants.

Lastly, ACCA is not opposed to the introduction of A2L refrigerants. Professional contractors will be well trained when ACCA's training is complete, but there will be many unqualified installers operating in the market. ACCA's fear is that unqualified installers will mix refrigerants in peoples' homes and cause serious problems for professionals who are called into diagnose problems caused by these individuals. We must do all that we can to ensure bad actors are not able to purchase and handle these products, and **ACCA believes that providing EPA with the appropriate authorities, through the AIM Act, will help address these very serious issues.**

Thank you for the opportunity to share our views with the Committee. ACCA looks forward to any questions that Committee Members have, and we look forward to the AIM Act being updated to include these contractor priorities and advancing through the legislative process in a timely manner.

Sincerely,

A handwritten signature in blue ink that reads "Barton C. James". The signature is fluid and cursive, with the first name "Barton" being the most prominent.

Barton James
President and CEO
Air Conditioning Contractors of America

cc:

The Honorable James M. Inhofe
The Honorable Shelley Moore Capito
The Honorable Kevin Cramer
The Honorable Mike Braun
The Honorable Mike Rounds
The Honorable Dan Sullivan
The Honorable John Boozman
The Honorable Roger F. Wicker
The Honorable Richard Shelby
The Honorable Joni Ernst

The Honorable Benjamin L. Cardin
The Honorable Bernard Sanders
The Honorable Sheldon Whitehouse
The Honorable Jeff Merkley
The Honorable Kristen Gillibrand
The Honorable Cory A. Booker
The Honorable Edward Markey
The Honorable Tammy Duckworth
The Honorable Chris Van Hollen