Refrigerants Update

Presented by Ted Gartland Allied Representatives 585-738-8334 www.Allied-Reps.com

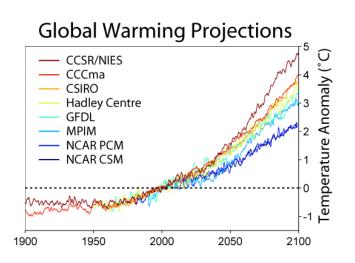




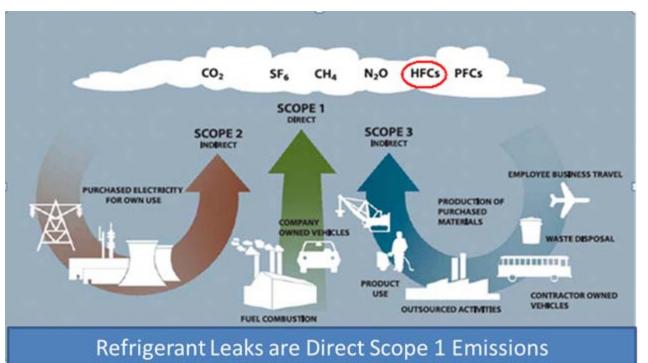


Global Climate Change - Crash Course

- Theory that CO2, HFCs and other gasses introduced into the atmosphere through industrialization is causing irreparable harm
 - UN-IPCC projects a 2°to 11° increase the century
 - Melting ice will displace many
 - Famines and general desolation
 - Huge costs



HFCs & Carbon Footprint







Leaks are Direct Scope 1 Emissions

One 100 pound cylinder of R-404A leaked to atmosphere equates to the tailpipe emissions of 28 - 4x4 Chevy Suburban's travelling 12,000 miles each!

TEWI - Refrigeration

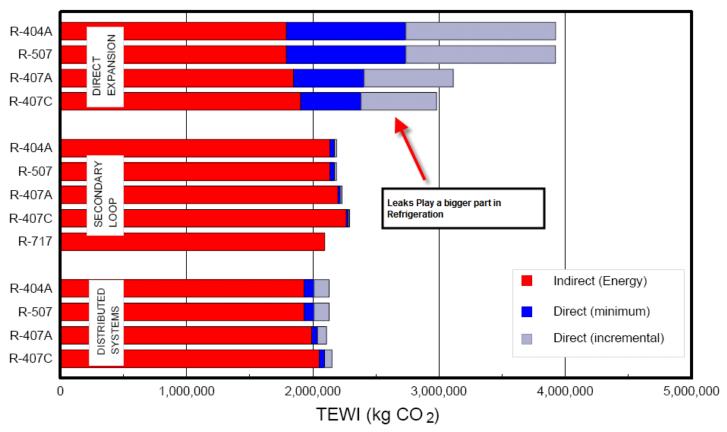


Figure 44. Low temperature refrigeration in North America.

Source http://www.afeas.org/tewi/tewi-iii.pdf

Kyoto Protocol

- International treaty to reduce total GHGs in developed nations to 1995 levels by 2012
- Industrialized nations cut emissions, Lesser Developed Nations including China & India don't have cap
- Created the Clean Development Mechanism (CDM) as cap & trade
- Phase I ended 12/31/2007
 - Set up carbon markets
 - Established emissions goals
- Phase II 2008-2012
 - Cap reductions begun
- Post 2012 ?





American Clean Energy & Security Act of 2009

- Aggressive bill introduced in 111th United States Congress
- June 26, 2009- Passed House by a vote of **219-212**
- No Vote planned in Senate Scheduled (likely dead for 111th Congress)

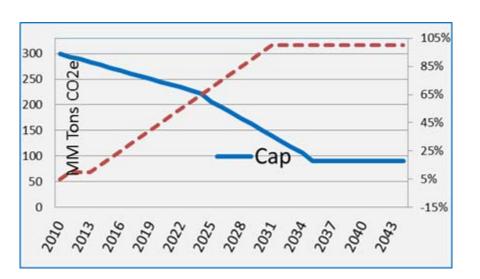
Year	Reduction	
2012	3.0	
2020	17.0	
2030	42.0	
2050	83.0	

Based on 2005 total emissions

Furthest any climate related bill has progressed

American Clean Energy & Security Act of 2009 Regarding HFCs

- HFCs carved out for separate cap & trade for importers, exporters & producers
 - Rights initially allocated to producers & importers of record in 2006
 - provisions for \$1/MT "buy in" For Example:
 R404A = \$1.78, R-407A = \$0.97



IPCC-4 global warming values

US- Climate Change Legislation

- EPA Endangerment Finding
 - CO2 and other high GWP gasses found to be hazardous to the health and welfare of humans
 - Authorizes the use of the Clean Air Act (CAA) to manage pollutants
 - Not ideal
- 2 New Rules
 - Lite Duty Motor Vehicle Rule
 - Tailoring Rule



Backlash

- Failure to come to consensus on a post Kyoto agreement scuttles COP 15
 - Non-binding Copenhagen accord is result
- California Prop 23 Ballot initiative freezes AB32 until unemployment rate <5.5% for 4 consecutive Qs.
 - California's ~12%
 - August 2010- U.S. Chamber of Commerce Sues
 EPA Over Greenhouse Gas 'Endangerment' Decision

CONG.*

255

178

DEMS

GOP

TOSS

LIKELY

20

SAFE

169

168

PROJECTED

GAINS*

4

PRO.I

219

180

36

LEANS

House of Representatives expected to shift to the right in mid-term elections

Balance of Power Scorecard
111th

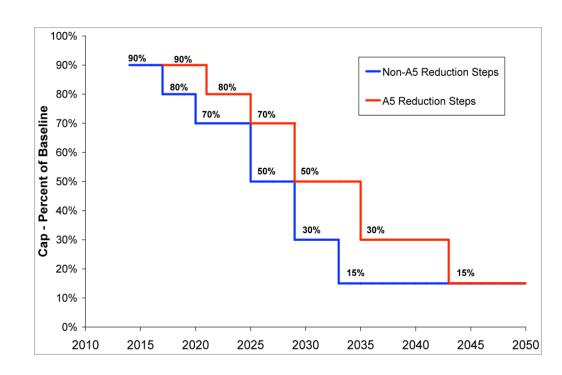
Source CQ Politics September 2, 2010

Large Companies Must Report 2010 GHG Emissions

- H.R. 2764- Passed in 2008 Required EPA to issue mandatory reporting of greenhouse gas emissions
 - October 30, 2009 under Docket ID No. EPA-HQ-OAR-2008-0508-2278. Part 98
 - Became effective 12/29/2009
 - Affects 10,000 largest emitters
 - 25,000MT Threshold

Montreal Protocol & HFCs

- Amendment advanced by US, Mexico, Canada control HFCs
- Calls for phasedown –
 not phaseout
- Next Meeting 12/2010
 - China, India and Brazil oppose



State "Patch Work" Initiatives

WCI Participants

WCI Observers

RGGI Participants

Western Climate Initiative

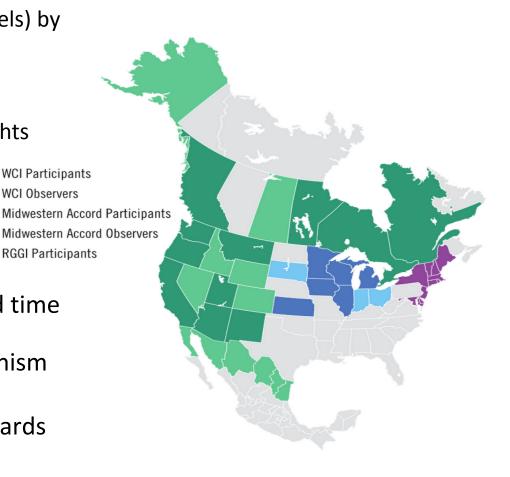
- Reduction Goal of -15% (2005 Levels) by 2020
- Cap & Trade

RGGI

- Auctions at Utility for Pollution rights
 - Plants >25MW
- 188 M Shot Ton cap
- -2.5% /year beginning 2015
- Proceeds to energy projects

Midwestern GHG accord

- Establish reduction targets and time frames
- Develop cap-and-trade mechanism
- Establish a tracking system
- Develop low-carbon fuel standards



States- California AB32

- Climate change law
 - 1990 Levels by 2020
- Cap & Trade to begin in 2012 but early actions in 2010
 - Refrigerant Rule (early action)
 - Adopted by CARB 12/9/2010
 - Effective 1/1/2011
 - Mandatory detailed facility reporting
 - Permits etc.
 - 2011 Records required April, 2012

States-California Title 24

Building and Energy Efficiency Standards for Residential and Nonresidential Buildings

•Effective - 1/1/2010

•2011 code update

States- California AB32

Refrigeration System	Registration Date	Reporting Date (for Prior Year)	Fees	Inspections
>2,000 Pounds	1/1/2012	2012	\$370	Stationary Leak Detection Systems
>200 Pounds	1/1/2014	2014	\$170	Quarterly or Leak Detection System
>50 Pounds	1/1/2016	N/A	\$0	Annually or Leak Detection

All service practices including record keeping, leak detection, leak repair, retrofit & retirement plans, **begin in 2011**

Other new record keeping requirements on Wholesalers & Distributors and Reclaimers

States- Other

- NJ GW Rule
 - Jan 2009 proposal to require addition of HFC refrigerants to existing community right to know (CMRTK) inventory law
 - Only specific NAIC Codes (not retail)
 - Annual release reporting if exceeds threshold by site
 2,500 short tons (example ~1,300 lbs of R-404A)
 - Looking to follow CARB refrigerant rule
- MN Rule Refrigerant Reporting
- MA & CT 2008 Rule Reporting for large emitters



Refrigeration Energy Initiatives

- Energy Policy Act of 2005
- Mandates maximum energy limits for display cases and storage cabinets
 - Energy Limits on Closed, Self-ContainedCases are set [Jan 1, 2010]
 - DOE was mandated to set energy limits for remaining products by 1/1/2009 [effective Jan 1, 2012]

DOE Product Family Definitions – Standards

- Vertical Open (VOP)
- Semi-vertical Open (SVO)
- Horizontal Open (HZO)
- Vertical Closed Transparent (VCT)
- Horizontal Closed Transparent (HCT)
- Service Over Counter (SOC)









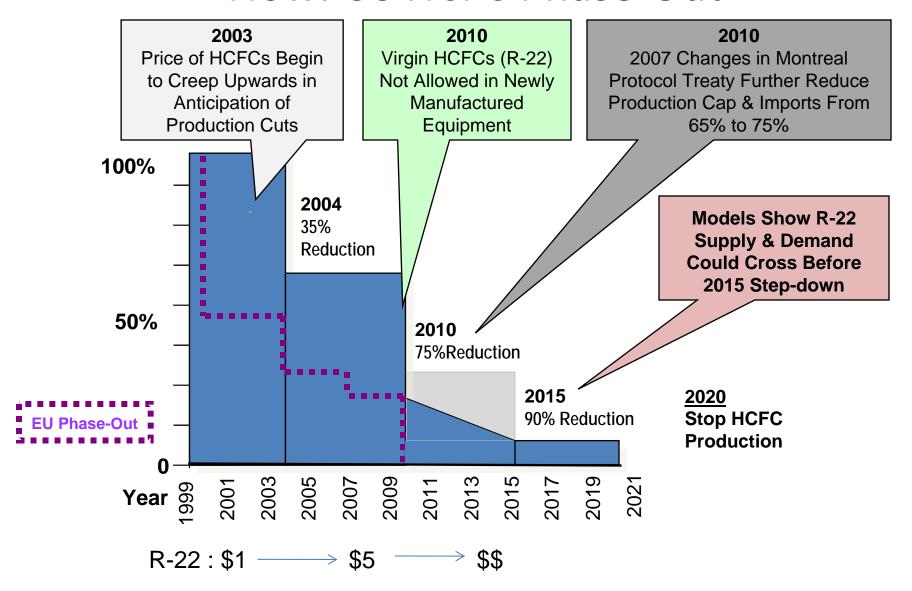


Equipment class ²	Standard level* ** (kWh/day) ***	
VOP.RC.M SVO.RC.M HZO.RC.M VOP.RC.L HZO.RC.L VCT.RC.M VCT.RC.M VOP.SC.M SVO.SC.M HZO.SC.M HZO.SC.L VCT.SC.I VCT.SC.I SVO.RC.L SVO.RC.L	0.82 × TDA + 4.07 0.83 × TDA + 3.18 0.35 × TDA + 2.88 2.27 × TDA + 6.85 0.57 × TDA + 6.88 0.22 × TDA + 1.95 0.56 × TDA + 2.61 0.51 × TDA + 0.11 1.74 × TDA + 4.71 1.73 × TDA + 4.59 0.77 × TDA + 5.55 1.92 × TDA + 7.08 0.67 × TDA + 3.29 0.38 × V + 0.88 0.56 × TDA + 0.43 2.27 × TDA + 6.85 2.89 × TDA + 8.7 2.89 × TDA + 8.7	
HZO.RC.I	0.72 × TDA + 8.74	

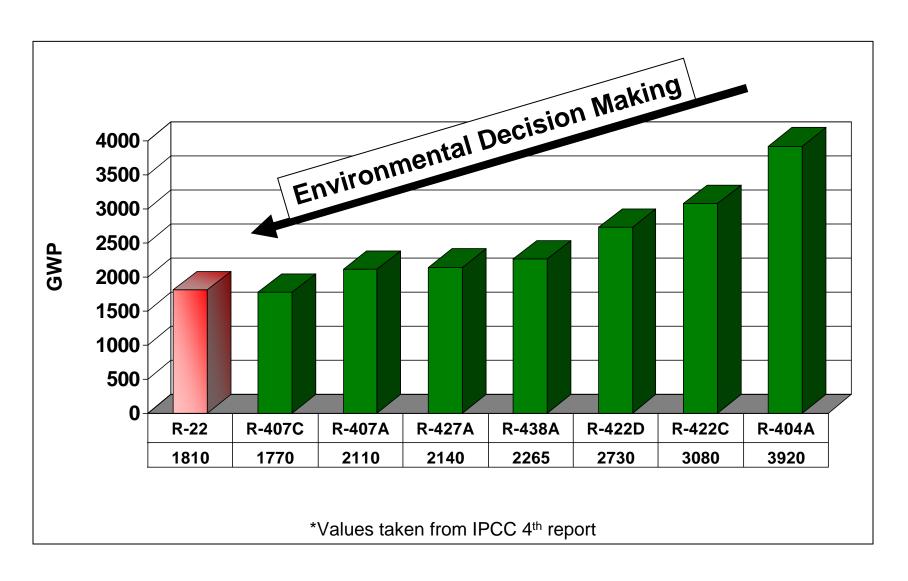
Manufacturer / Customer can choose **how** the energy limit is met!



Now: US HCFC Phase-Out



Global Warming Potential



What can I do Now?

- Lower Leak Rates
 - See issues and problems instantly
- Lower Refrigeration System's Full Charge
 - Secondary Loop- with glycol or CO2
 - Loop Piping- case control (less piping)
 - Distributed- move systems closer to cases
- Use lowest GWP refrigerant w/best capacity & energy efficiency in new systems & retrofits





