European Commission attn. Mr M. Šefčovič, Vice-President for Interinstitutional Relations and Foresight Wetstraat 200 1049 Brussels Belgium

date 16 June 2022

subject Fluorinated greenhouse gases

our reference 171504.02U

Courtesy Translation

Dear Mr Šefčovič,

The members of the standing committees for Economic Affairs and Climate Policy / Agriculture, Nature and Food Quality and for Infrastructure, Water Management and Environment of the Senate of the States General have taken note with interest of the proposal for a regulation on fluorinated greenhouse gases,¹ and the accompanying assessment of the proposal (assessment by the Working Group for the Assessment of New Commission Proposals / *BNC-fiche*).² The members of the GreenLeft (**GroenLinks**), Labour (**PvdA**) and Animal Rights (**PvdD**) parliamentary parties have a number of questions they wish to raise about this proposal in the context of the political dialogue.

Questions and comments of the members of the GreenLeft, Labour and Animal Rights parliamentary parties

The European Commission has decided against adopting the policy option that would achieve maximum emission reductions (i.e. option 3: maximum feasibility and implementation improvements)³ owing to the high additional costs. Does the European Commission agree with the members of the GreenLeft, Labour and Animal Rights parliamentary parties that banning fluorinated greenhouse gases is an effective and simple way of reducing total greenhouse gases (GHG) in the European Union by 2.5 percent? Does the European Commission also share the view of these members that a further reduction than strictly agreed in the European climate objectives and the Montreal Protocol would – if feasible – be desirable and consistent with the precautionary principle, given the high global warming potential of hydrofluorocarbons (HFC) and the fact that HFC consumption was 7 percent higher in 2020 than 2019?

The European Environmental Bureau (EEB) recommends an accelerated phase-out of HFCs and a ban on HFCs with an exceptionally high global warming potential. The members of the GreenLeft, Labour and Animal Rights parliamentary parties wish to know whether the European Commission is

² Parliamentary Papers, Senate, 2021/22, 36114, A.

¹ COM(2022) 150.

³ COM(2022) 150.

date 16 June 2022 our reference 171504.02U

aware of this report.⁴ And if so, what is the Commission's assessment of the EEB's argument that these steps are technically feasible and cost-effective, more consistent with the European climate objectives goals and recent recommendations of the Intergovernmental Panel on Climate Change,⁵ undermine the illegal trade in HFCs and also give Europe the advantage of leading the way in the negotiations on the Montreal Protocol? The members of the GreenLeft, Labour and Animal Rights parliamentary parties would also like to know what advantages policy option 3 would have over policy option 2 in the long term. Has the Commission considered introducing policy option 3 in combination with measures to mitigate the additional costs in the short term? This could be done, for example, by creating an exemption under Article 16(4) for applications with exceptionally high marginal abatement costs or by supporting sub-sectors with exceptionally high innovation costs.

These members wonder whether the present proposal also offers scope for generic and/or concrete changes that would allow the incorporation of progressive innovation and new alternatives, for example by accelerating the phasing out or increasing the price per tonne of CO2. Can the European Commission clarify how it will ensure that future changes do not hold back investment in innovation in the present due to a lack of clear standards? These members request the Commission to inform the Senate of what efforts it is making to remove obstacles to the adoption of 'natural refrigerants' in European and national standards and to bring them into line with IEC 60335-2-89, IEC 60335 -2-40 and the EN378 series, as advised by the EEB? In what ways or other ways does the Commission promote research into and development of alternatives to fluorinated GHGs, in particular for applications in heat-pump equipment? What, above all, will the Commission do to promote the availability, production capacity and use of natural refrigerants in heat-pump equipment and by when? The members of the GreenLeft, Labour and Animal Rights parliamentary parties would like to receive information about this.

The members of the GreenLeft, Labour and Animal Rights parliamentary parties also have some questions about Europe's strategic position. What are the main countries of origin of the feedstocks for HFCs and what is the analysis of the risks of this concentration by the Netherlands Authority for Consumers and Markets? Can the European Commission give an indication of the market shares of the largest producers and importers of HFCs? What are the risks of market concentration for applications of fluorinated GHGs that are essential or important to the green transition, for example food refrigeration systems and heat pumps? The members of the GreenLeft, Labour and Animal Rights parliamentary parties have also noted that importers and producers must have at least three years' experience in chemical trading activities before they can apply for a quota allocation (Article 18(2)). Why was this period chosen? Doesn't this provision prevent competitors from entering the market and thus undermine the level playing field and innovative capacity of the market? How many new applications does the Commission receive annually and how is the current proposal expected to affect these numbers? What steps is the Commission taking to maximise transparency in the allocation of quotas to new and existing players in order to enhance (public) monitoring and enforcement?

The members of the GreenLeft, Labour and Animal Rights parliamentary parties are concerned about the smuggling of and illegal trade in HFCs, which, according to the EEB, exists partly because the

⁴ https://www.eea.europa.eu/publications/fluorinated-greenhouse-gases-2021

⁵ Climate Change 2022: Mitigation of Climate Change. IPCC

date 16 June 2022 our reference 171504.02U

market is not transparent. What steps is the European Commission taking to prevent this illegal trade and enhance monitoring and enforcement? These members would like to receive information about this.

Finally, 20 to 40 percent of HFCs used in refrigeration and heating equipment can leak. What steps is the European Commission taking to facilitate research into and prevention of the loss of HFCs in refrigeration and heating equipment?

The members of the standing committees for Economic Affairs and Climate Policy / Agriculture, Nature and Food Quality and for Infrastructure, Water Management and Environment await your reply with interest and would be grateful to receive it within three months of the date of this letter at the latest.

Yours sincerely,

L.P. van der Linden

Chair of the standing committee for Economic Affairs and Climate Policy / Agriculture, Nature and Food Quality

H.J. Meijer

Chair of the standing committee for Infrastructure, Water Management and Environment