



TESTIMONY OF ALLISON MAGINOT
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ON BEHALF OF
THE AIR-CONDITIONING, HEATING, AND REFRIGERATION INSTITUTE

BEFORE THE OREGON STATE SENATE
COMMITTEE ON ENERGY AND ENVIRONMENT

HEARING ON HB 3227

MAY 13, 2021

Good morning Chair Beyer, Vice-Chair Findley, and members of the Senate Committee on Energy and Environment. My name is Allison Maginot and I am Senior Director of Government Affairs for the Air-Conditioning, Heating, and Refrigeration Institute (AHRI). Thank you for allowing me to speak with you today and convey AHRI's strong support for HB 3227, as amended, which will provide the HVACR industry with the certainty needed to comply with forthcoming federal regulations phasing down the use of hydrofluorocarbons (HFCs.)

AHRI represents more than 300 manufacturers of air conditioning, heating, and commercial refrigeration equipment. Our companies produce more than 90 percent of the residential and commercial air conditioning, heating, and commercial refrigeration equipment made in North America and the annual economic activity resulting from the HVACR industry is approximately \$256 billion. In the United States alone, AHRI member companies, along with distributors, contractors, and technicians, employ more than 1.3 million people.

As members of the Committee may be aware, in December 2020, former President Trump signed into law the American Innovation and Manufacturing Act (AIM Act), which directs the U.S. Environmental Protection Agency (EPA) to issue rules that will phase down the use of HFCs and authorizes EPA to restrict the use of HFCs in certain applications, such as commercial refrigeration, chillers, and stationary air conditioning.

HFCs are chemicals, with a high global warming potential, that are typically used in refrigerants. Today, our manufacturers use HFCs in the majority of the equipment they produce. The forthcoming federal regulations will require our manufacturers to begin producing equipment that utilize new substitute refrigerants.

The passage of the AIM Act, which was strongly supported by AHRI, represents a tremendous victory for both industry and the environmental community, both of which share a mutual goal of reducing greenhouse gas emissions from HFCs. From an economic standpoint, the transition is projected to create 33,000 new manufacturing jobs and sustain 138,400 existing jobs between now and 2027. The phase down will also increase direct manufacturing output by \$12.5 billion, and total manufacturing output by \$38.8 billion between now and 2027.

From an environmental standpoint, as you will hear NRDC talk about in more detail, the federal transition will shrink U.S. annual greenhouse gas emissions by the equivalent of around 2.4 billion metric tons of carbon dioxide over the next 15 years. The global warming potential of the new refrigerants is approximately 75 percent lower than the global warming potential of the HFC refrigerants currently being used.

However, in order to achieve both the economic and environmental benefits of the phasedown of HFCs, building codes in all fifty states must be updated to allow for the use of the substitute refrigerants in chillers, air conditioning and commercial refrigeration equipment. HB 3227

provides that update by clarifying that building codes in Oregon cannot prohibit the use of a substitute refrigerant allowed by EPA. HB 3227 is the key to ensuring the phase down of HFCs can happen in an orderly, efficient way by providing the entire industry with the certainty needed to move forward with the design, testing, certification, production, and installation of new equipment that complies with federal regulations.

Thank you again for the opportunity to present testimony at this hearing. AHRI looks forward to continuing to work with the Oregon State Legislature to achieve both the economic and environmental benefits of the phase down of HFCs.