



AMERICAN INNOVATION AND MANUFACTURING (AIM) ACT OVERVIEW

June 23, 2021

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CONTENT



- 1). AIM Act Overview
- 2). Allocation Rule Overview
- 3). Regulated Substances
- 4). Sector-Specific Bans

U.S. AMERICAN INNOVATION AND MANUFACTURING ACT



The bipartisan American Innovation and Manufacturing (AIM) Act was included in the Omnibus spending bill/COVID relief package recently signed into law in December of 2020.

The AIM Act mandates a 15-year phase-down of HFCs at a national level, administered by the US Environmental Protection Agency (EPA), and aligned with the Kigali schedule.

It requires the EPA to implement a phase-down to reduce US HFC production and sales by 85% of a 2011 – 2013 baseline* by 2036.

It also authorizes EPA to adopt sector-specific use restrictions.

The US EPA will implement the HFC phase-down, and will release a series of rules to outline details of implementation, including specifics on allocation methodology, enforcement, compliance, and future considerations.

Newly enacted US federal legislation to phase-down HFCs

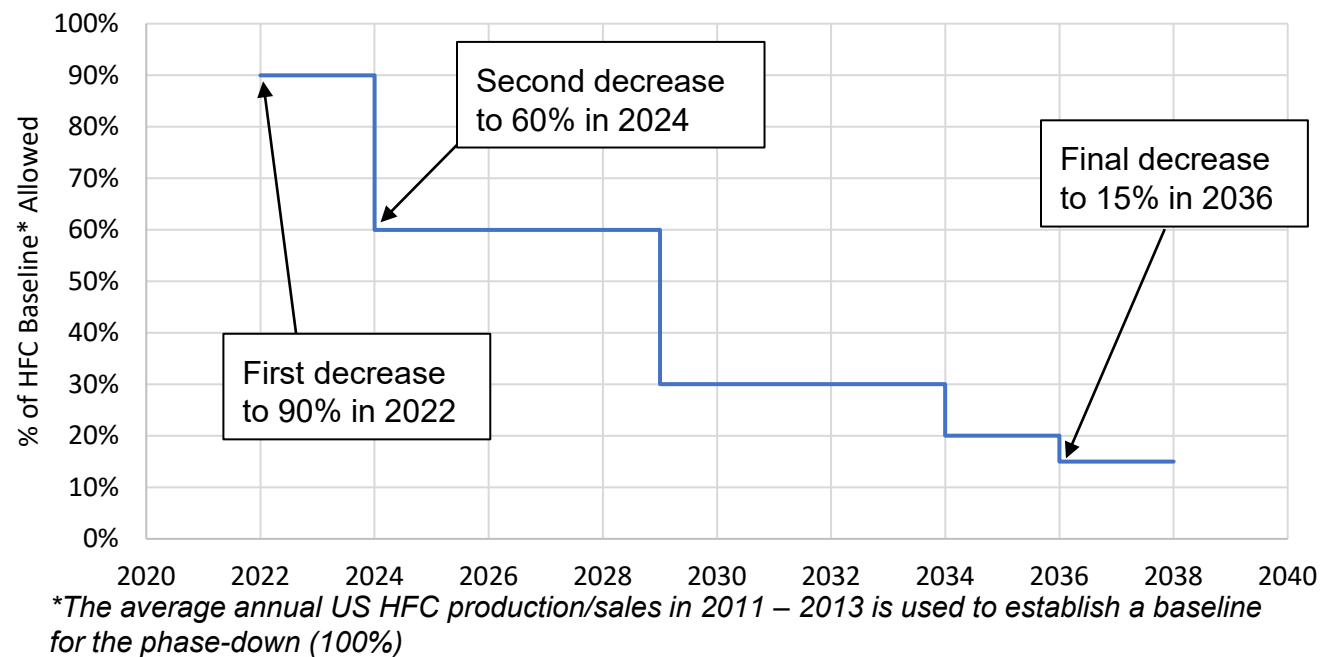
EPA-PROPOSED AIM ALLOCATION RULE



First of a series of EPA regulations - proposes a framework and allocates rights to produce and sell HFCs in the US

1. **Allowance Allocation & Trading:** EPA gives producers and HFC importers the right to manufacture and sell a limited quantity of HFCs
2. **Phase-Down:** The allocation given to these players decreases over time to effectively decrease production/sales per schedule to the right
3. **Content:** Current proposed rule only establishes allowance allocation for 2022-2023
4. **Future:** Proposals to define allocation for 2024 and beyond, application-specific limits, etc

Figure 1: US AIM HFC Phase-down Schedule



Enables EPA implementation of Kigali – more proposed rules to follow

REGULATED SUBSTANCES



AIM Act lists 18 common HFCs to be regulated by EPA

Figure 1: AIM Act Published Regulated Substances

Chemical Name	Common Name	Exchange Value
<chem>CHF2CHF2</chem>	HFC-134	1100
<chem>CH2FCF3</chem>	HFC-134a	1430
<chem>CH2FCHF2</chem>	HFC-143	353
<chem>CHF2CH2CF3</chem>	HFC-245fa	1030
<chem>CF3CH2CF2CH3</chem>	HFC-365mfc	794
<chem>CF3CHF2CF3</chem>	HFC-227ea	3220
<chem>CH2FCF2CF3</chem>	HFC-236eb	1340
<chem>CHF2CHF2CF3</chem>	HFC-236ea	1370
<chem>CF3CH2CF3</chem>	HFC-236fa	9810
<chem>CH2FCF2CHF2</chem>	HFC-245ea	693
<chem>CF3CHFCHFCF2CF3</chem>	HFC-43-10mee	1640
<chem>CH2F2</chem>	HFC-32	675
<chem>CHF2CF3</chem>	HFC-125	3500
<chem>CH3CF3</chem>	HFC-143a	4470
<chem>CH3F</chem>	HFC-41	92
<chem>CH2FCH2F</chem>	HFC-152	53
<chem>CH3CHF2</chem>	HFC-152a	124
<chem>CHF3</chem>	HFC-23	14800

General Notes

- Exchange values represent each molecule's Global Warming Potential (GWP)
- Fluorocarbon blend exchange values are calculated as the composition-weighted exchange value of each regulated component
- **Example: 410A Exchange Value = $0.5 \times 3500 + 0.5 \times 675 = 2088$**
- Sector-specific use restrictions could further designate restrictions on a per-substance basis

SECTOR-SPECIFIC BANS



The AIM Act authorizes the EPA to adopt sector-specific limitations

1. **Authority:** Congress gives EPA the authority to grant or deny industry petitions requesting sector-specific prohibitions
2. **Timing:** EPA has 180 days after receipt of petition to grant/deny, and can then take up to 2 years to implement the petitioned bans (if approved)
3. **Petitions:** First 5 petitions were submitted to EPA on April 13, 2021, requesting implementation of SNAP 20/21, and additional prohibitions, e.g. like CARB rule on a/c and commercial refrigeration
4. **Future:** EPA will likely receive more petitions and will need to approve/deny current 5 by Oct '21

Figure 1: Example Petitioned Prohibitions submitted April 13, 2021

End-Use	Substances Banned	Effective Date
Propellants	125, 134a, 227ea and 227ea/134a blends	January 1, 2023
Polystyrene Extruded Boardstock and Billet	134a, 245fa, 365mfc, and blends thereof, Formacel TI, Formacel B, Formacel Z-6	January 1, 2023
Standalone Food Refrigeration Equipment (retrofit)	404A, 507A	January 1, 2023
New Light Duty System for Mobile Air Conditioning	134a, 406A, 414A, 414B...	January 1, 2023*

The above examples were included in the NRDC/CDPHE/IGSD petition submitted to the EPA on April 13, 2021. This petition largely requested the re-implementation of SNAP 20/21 rulings at a federal level.

The above are examples taken from the full list of petitioned bans submitted April 13, 2021

AIM Act authorizes EPA to implement national sector-specific transitions



THANK YOU

➤ For more information, please see [this link](#) (EPA HFC Phase-Down Informational Web Page)