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Regional Standards Settlement Approved by Court

Yesterday the US District Court of Appeals approved a settlement in the long-running Regional Efficiency Standards lawsuit. The settlement was presented to the court in March after more than two years of litigation. Following the settlement, HARDI COO/EVP Talbot Gee stated "We are pleased to see the court accept this settlement and officially provide HVACR distributors with the relief HARDI fought so hard for." He added, "Now, our attention turns to working with our industry partners and the DOE to reform the processes that led to the lawsuit and to find a common-sense solution to enforcing the standard."

As part of the settlement:

- DOE has withdrawn the residential gas furnace standard and will draft a new standard, which will likely not take effect until 2021 or 2022.
- Distributors in the South and Southwest will have 18-months (July 1, 2016) to sell any 13-SEER equipment which is manufactured by the end of 2014.
- DOE has agreed not to assess civil penalty upon distributors as part of the enforcement of the new standard.

DOE will now begin the process for developing an enforcement scheme for the regional standard via a negotiated rulemaking process as well as conducting an evaluation to the regulatory process which led to the lawsuit, both terms of the settlement.

A question that has been regularly asked in regards to the settlement is the status of the nationwide heat pump standard. The national heat pump efficiency standard will move to 14 SEER and 8.2 HSPF for split-system heat pumps; 14 SEER and 8.0 HSPF for single-package heat pumps on January 1, 2015. However, because heat pumps have a single national standard, the sell-through period will not be limited to 18-months, as it is for central and single-package air conditioners.

Additional Comment Period on R-22 Rule Sparks Interest

Following EPA's release of an R-22 inventory survey held between 9 anonymous companies, EPA reopened the regulatory docket to accept more stakeholder input. The reopened docket provided another opportunity for a group of companies (primarily refrigerant reclaimers) to reiterate their position that EPA should not allow any refrigerant allocation in 2015 and beyond. HARDI has opposed these efforts for a variety of reasons.

- To accommodate the wishes of many of these commenter's, EPA would attempt to conduct a broader inventory survey. If that data showed that a lower allocation may be warranted (strong chance that it would not), the 2015-2019 allocation rule would need to be rewritten and opened for public comment. This would likely result in an allocation rule not being completed until sometime in 2016 at the earliest and the industry being governed by non-enforcement fiats from the EPA. Quite simply, this effort prolongs uncertainty.

- If EPA were to attempt to move to a zero allocation in the context of this current rulemaking, industry would likely not know until mere weeks before 2015 that there would be no refrigerant allocated, jeopardizing business plans for countless small businesses.

Perhaps most disturbing is the effort by some to force HVACR distributors to provide EPA with detailed R-22 inventory data. In fact a lead proponent went so far as to suggest the companies that the EPA should target. HARDI has opposed these efforts and will oppose the efforts of those who seek to conduct on R-22 inventory witch-hunt upon HARDI members.