



North American Proposal to phase down HFCs under the Montreal Protocol

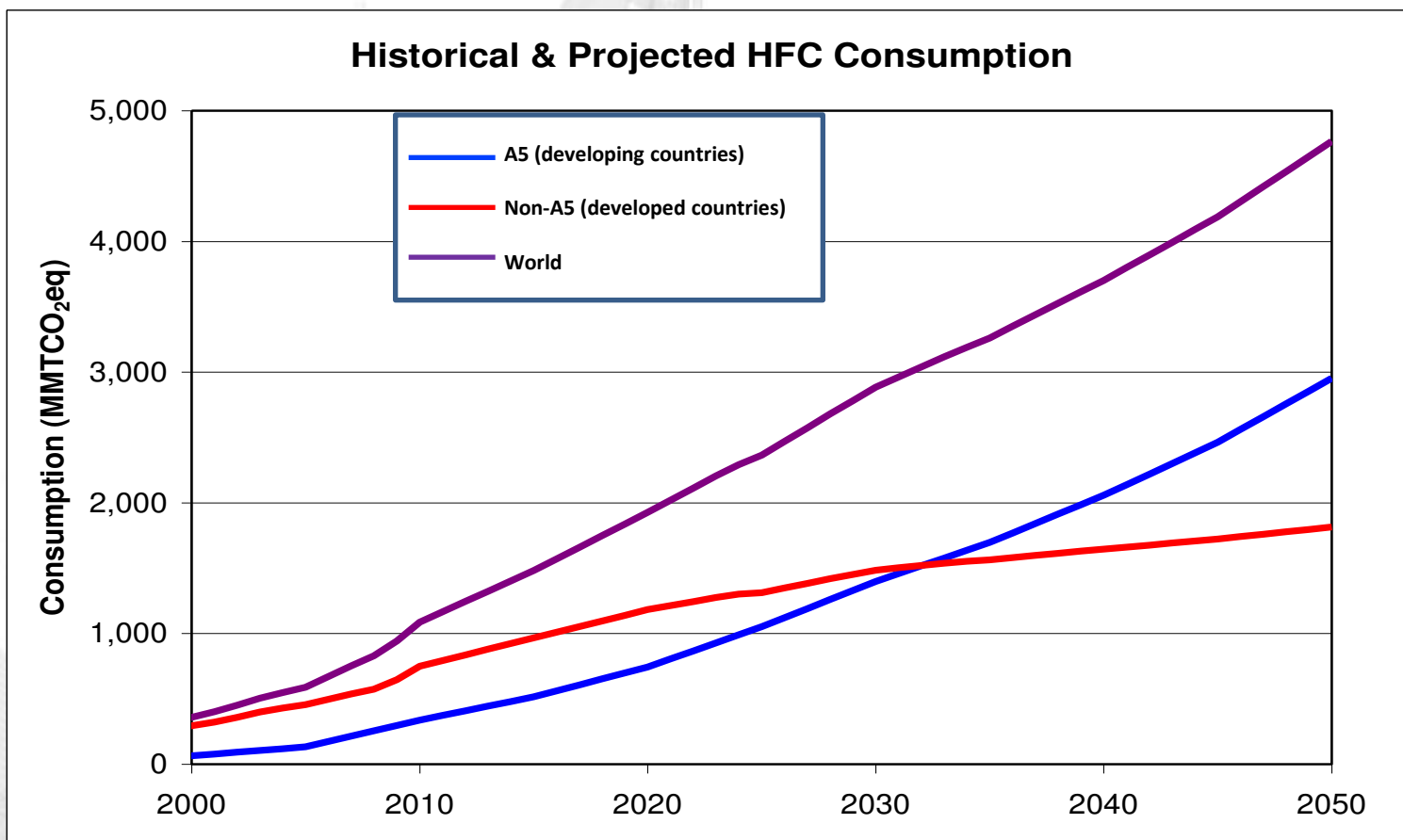
*Opportunities and challenges in
moving forward in 2015*

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- Key aspects of North American Proposal to phase down HFCs
- Positive developments, opportunities and challenges with respect to a phase-down of HFCs in 2015
- Role of Climate and Clean Air Coalition in promoting international action on HFCs
- Canada's proposed HFC domestic regulations



Projected growth in HFC consumption

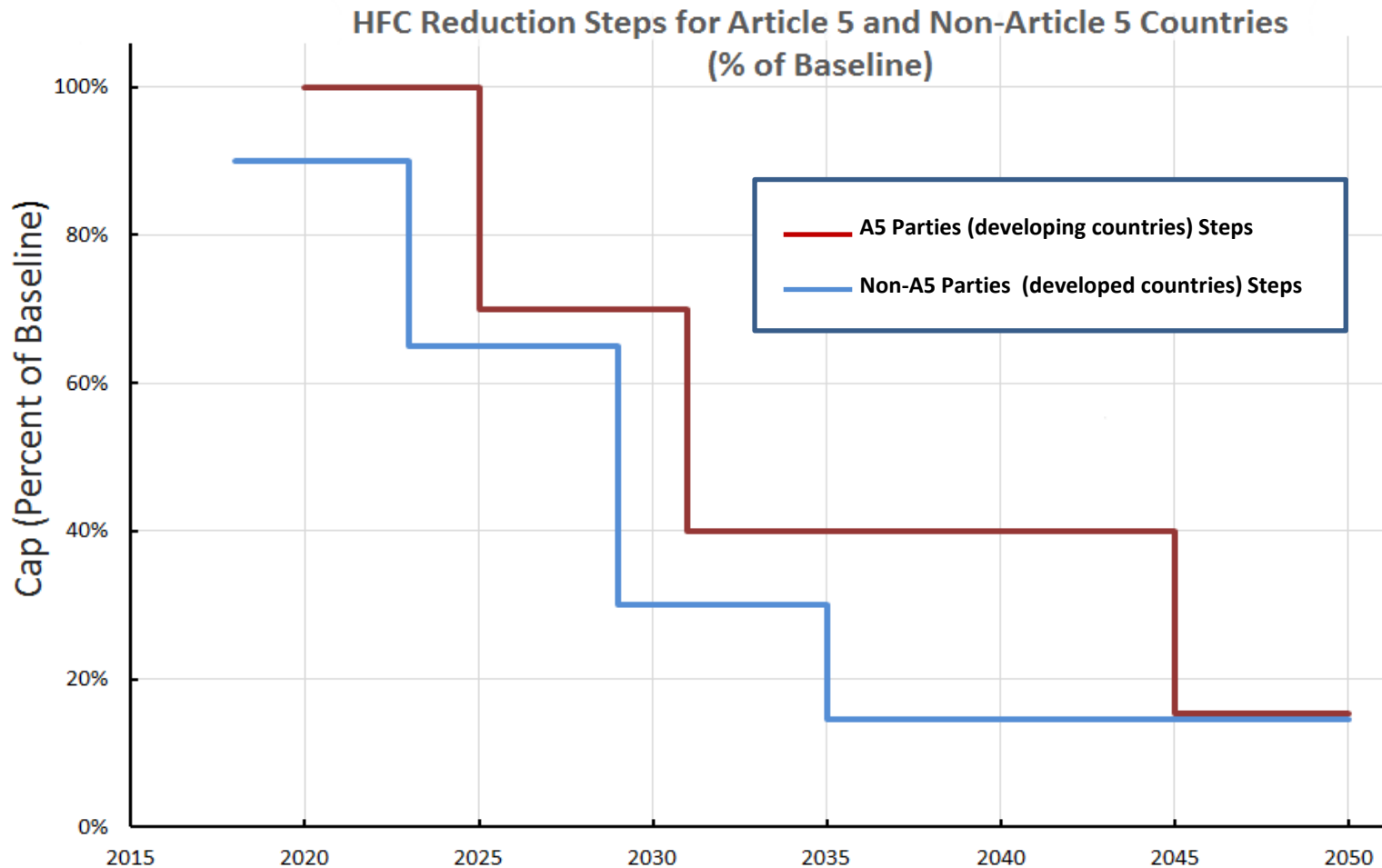


Source: United States Environmental Protection Agency

Key aspects of 2014 North American Proposal

- Proposal would amend the Montreal Protocol to incorporate a legally-binding phase-down of HFCs in all Parties → to 15% of Baseline, GWP-weighted
- HFC baselines (reduction steps on next slide):
 - Non-Article 5 (developed) Parties: average of 2008-2010 HFC consumption plus 85% of HCFC consumption (same for production)
 - Article 5 (developing) Parties: average of 2011-2012 HFC consumption plus 40% of HCFC consumption (same for production)
- Requires Parties to implement a licensing systems for HFC imports and exports
- Limits by-product emissions of HFC-23 (from HCFC-22 production)
- Agreed incremental costs of phase-down and HFC-23 emission measure in Article 5 countries would be eligible under the Multilateral Fund, as with ozone-depleting substances

#4 HFC Phase-down steps (2014 North American Proposal)



Relationship with United Nations Framework Convention on Climate Change (UNFCCC)

- The North American Proposal is intended to support overall global efforts aimed at climate system protection
 - *Global benefits of proposed phase-down estimated at **100-125 Gigatonnes CO₂ eq** (in consumption terms) over 40 years*
- The amendment could be complemented by a related decision under the UNFCCC confirming the phase-down under the Montreal Protocol
- The amendment includes a provision stating that the amendment leaves unchanged the provisions of the UNFCCC/Kyoto Protocol that govern HFC emissions

Positive developments and opportunities for 2015

Increased action on HFCs being undertaken or considered in industrialized countries (EU, US, Japan, Canada)

Dedicated Montreal Protocol meeting on HFC management, April 20-24, Bangkok

Multilateral Fund to consider funding for HFC surveys and demonstration projects on low-GWP alternatives

Agreement on HFC phase-down would make a significant contribution to environmental benefit of any new climate change treaty resulting from the 2015 climate change conference in Paris

Some challenges and issues to consider

Differing opinions on the availability and technical feasibility of alternatives

➔ Particular challenges in high-ambient temperatures

Reaching agreement on appropriate baselines and reduction schedules for both Article 5 and non-Article 5 countries

HFC consumption increasing rapidly in Article 5 countries

➔ Some countries may increase transition to HFCs as they phase out HCFCs in air conditioning to meet 2020 35% target

Questions by Article 5 countries on whether adequate financial support will be provided and role of Multilateral Fund

- CCAC is a voluntary partnership among governments, private sector and organizations aimed at promoting international action on short-lived climate pollutants, including black carbon, methane and HFCs
- The CCAC's HFC Initiative is working to:
 - Build high-level awareness and support for addressing HFCs, including for a phase-down under the Montreal Protocol;
 - Promote climate-friendly HFC alternative technologies through workshops, conferences (**Cold food chain conference planned July 18 in Paris**), case studies and demonstration projects;
 - Strengthen understanding of HFC consumption (HFC surveys in developing countries) and potential policy approaches to limit or reduce such use

Canada's proposed domestic HFC regulations



- Domestically, Canada announced in September 2014 its intent to regulate the import and uses of certain HFCs
 - These measures would complement our existing regulations that minimize emissions of HFCs that are already in use in equipment
- Approaches being considered include a phase-down of HFC consumption or sector-specific prohibitions, or a hybrid approach that combines elements of both approaches
- Stakeholder consultations are currently underway



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natural refrigerants

16-17 March 2015 in Brussels

Thank you very much!