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### **Policy certainty is crucial for transitioning away from HFCs – CEEW study**

New Delhi (7 March 2019) – Policy certainty is crucial to realising India’s international commitments to phase down hydrofluorocarbons (HFCs), according to an independent study released today by the Council on Energy, Environment and Water (CEEW) at the National Dialogue on Phasing Down HFCs in India. In 2016, as part of the Kigali Amendment to the Montreal Protocol, India agreed to curtail its HFC emissions by 85 per cent before 2047. Under the Kigali deal, 197 countries committed to lower consumption and production of HFCs with high global warming potential (GWP). However, in the absence of a clear policy mandate to lower HFC consumption and emissions, India’s air conditioning and refrigeration industry is yet to take significant steps towards this transition.

HFCs have a very high global warming potential, which means that at a molecular level they are significantly more damaging for climate change than carbon dioxide (CO<sub>2</sub>). HFCs are commonly used in refrigeration and air-conditioning. With increasing incomes and heat stress, the combined air-conditioning demand for residential and commercial use is expected to increase eleven times the current demand by 2038.

The first of its kind study by The Council, ‘Acting on Many Fronts: Incentives and Regulations to Phase-down HFCs in India,’ provides insights on creating an ecosystem for a successful refrigerant transition, top regulatory options that India could adopt, and how policy certainty could lead to gains for domestic priorities. The insights are based on in-depth interviews with more than 60 industry stakeholders including primary refrigerant consumers (these are original equipment manufacturers and B2B companies), refrigerant manufacturers and suppliers, component manufacturers and suppliers, industry association representatives, consultants and service providers, and commercial users of products. The study is the result of a collaboration with the Norwegian Environment Agency.

Delivering the special address, H.E. Ambassador Nils Ragnar Kamsvåg, Ambassador of Norway to India, said, “With a growing economy, India’s air conditioning market continues to grow rapidly. India must shift to sustainable and energy efficient technological solutions to phase down HFCs. I am glad that CEEW and Norwegian Environment Agency have collaborated to map policy alternatives to accelerate the phase down.”

Shikha Bhasin, Programme Lead, CEEW, and lead author of the study, said, “A deliberate focus on integrating India’s international environmental and national development imperative is the need of the hour. India released the draft National Cooling Action Plan (NCAP) in 2018, the first country to do so; we now need to take this multi-stakeholder and multifaceted study to adequately acknowledge the impacts that industry will have to navigate when meeting our Kigali commitments. Policy certainty is a must for Indian industry to create supply-chain readiness and to encourage investments towards alternative low GWP refrigerants. This transition also offers us an opportunity to recalibrate our Government strategies so that domestic programmes such as Make in India, Skill India Mission, Energy Efficiency Mission, and Doubling of Farmers’ Incomes can also reap benefits.”

Apurupa Gorthi, Research Analyst, CEEW, and co-author of the study, added, “Active domestic engagements are required to ensure that India aligns the objectives of the Kigali deal with its developmental goals as well as with the multiple objectives of the NCAP. We must focus on understanding the technology challenges and barriers to HFC phase-down, and replacing HFCs with a new generation of alternative chemicals and products that are efficient and climate-friendly.

## **How India could transition away from HFCs**

First, The Council's study recommended putting a medium-term upper limit on the GWP of HFC refrigerant gases for each specific application, based on current commercial viability. Of the 60 stakeholders who were interviewed, around 70 per cent found such a GWP limit-based policy as the most preferred and impactful option for India's HFC transition. Further, they indicated that incentives should be provided to end users to adopt low GWP-based products.

Second, regularising checks in the implementation of a refrigerant-focused policy would be critical to a successful HFC phase-down in India. These include institutionalising measurement, review, and verification (MRV); controlling stockpiling; and regulating the availability and pricing of refrigerants to avoid market manipulation.

Third, awareness on the refrigerant transition plays a key role for all stakeholders in the process - for consumers to change their purchasing behaviour and demand, for industry to prepare for the impending refrigerant transition, and service sector technicians to ensure safety and maintenance.

Finally, the study suggested framing policies to encourage multiple players in manufacturing and R&D to limit reliance on non-certified imported components and products.

### **Link to our short film "India's HFC Phase-down: A Call for Action"**

<https://www.youtube.com/watch?v=gSXmXXJ4J6E>

### **Link to the report**

<https://www.ceew.in/publications/acting-many-fronts>

## **About CEEW**

The Council on Energy, Environment and Water (CEEW) is one of South Asia's leading not-for-profit policy research institutions. The Council uses data, integrated analysis, and strategic outreach to explain – and change – the use, reuse, and misuse of resources. The Council addresses pressing global challenges through an integrated and internationally focused approach. It prides itself on the independence of its high-quality research, develops partnerships with public and private institutions, and engages with wider public.