



Utility Incentives for Refrigerant GWP Workshop

NASRC Sustainable Refrigeration Summit

October 28, 2022

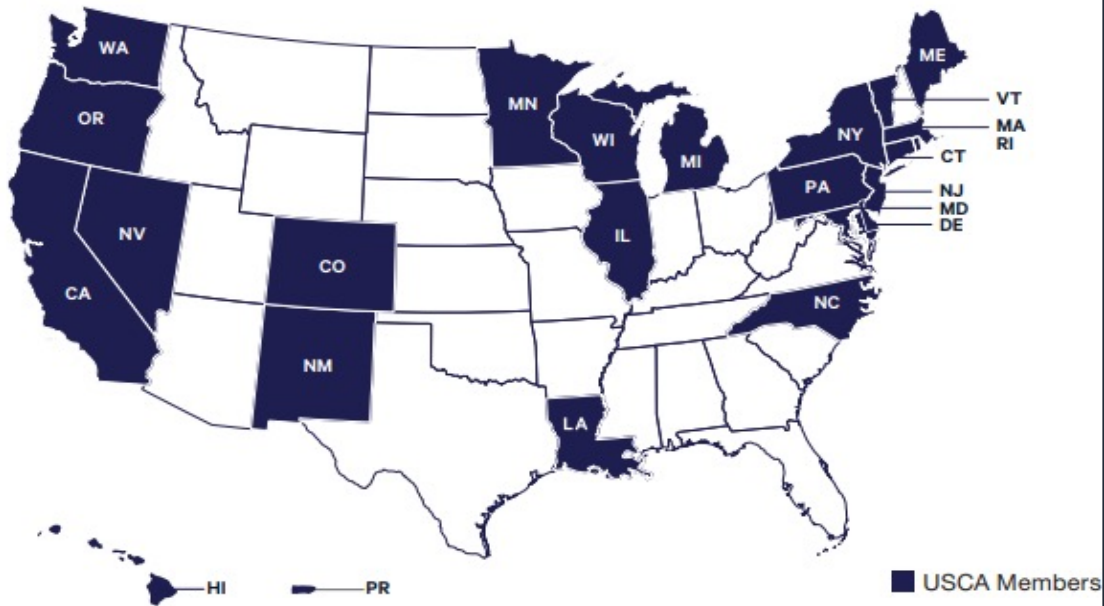
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 UNITED STATES
CLIMATE ALLIANCE

U.S. CLIMATE ALLIANCE

Bipartisan coalition of 24 Governors cooperating to tackle climate challenge

- **59%** of the U.S. economy.
- **54%** of the U.S. population.
- **42%** of U.S. emissions.



Our Collective Goals

- Reducing collective net GHG emissions at least 26-28 percent by **2025** and **50-52 percent by 2030**, both below 2005 levels, and **collectively** achieving overall **net-zero** GHG emissions as **soon as practicable**, and no later than 2050.
- **Accelerating** new and existing **policies to reduce GHG pollution, building resilience** to the impacts of climate change, and promoting clean energy deployment at the state and federal level.
- **Centering equity, environmental justice, and a just economic transition** in their efforts to achieve their climate goals and create high-quality jobs.
 - **Tracking and reporting progress** to the global community in appropriate settings, including when the world convenes to take stock of the Paris Agreement.

Hydrofluorocarbon (HFC) Policy

Montreal Protocol
(1987)

EPA SNAP
20 & 21
Rules
(2015)

Montreal Protocol
Kigali
Amendment
(2016)

State
Regulations

AIM
Act
(2020)

Kigali
Ratified
(2022)

- Agreement to reduced the production, consumption, and emissions of ozone-depleting substances.
- While successful, this led to a shift to HFCs

- Partially vacated by the D.C. Circuit Court

- Adopted an amendment to phasedown of production and consumption of HFCs to reduce greenhouse gas emissions

- States proposed backstopping the vacated federal rules.
- USCA Governors launched a Short-lived Climate Pollutants Challenge.
- States partnered with industry.
- States developed a policy roadmap, inventory tool, and model rule.
- Led to SNAP-like Rules being adopted in 12 states.

- State policy helped build momentum for national policy.
- Prepared the U.S. to comply with the HFC phasedown under Kigali.
- States continue to work with EPA on AIM act implementation.

- U.S. Senate ratifies on a bipartisan basis

Economy-wide GHG Policies

- At the same time, states were adopting economy-wide GHG policies. Across Alliance members:
 - 23 have economy-wide GHG goals
 - 14 have net-zero goals
- Determining agency jurisdiction for governance of those policies
- Modeling compliance pathways
- Adopting additional sectoral policies

Climate-aligned Utility Incentive Programs

- How do utility equipment incentive programs **account for economy-wide decarbonization** (e.g. budget size, scope, and eligible measures)?
- What **benefits** should these programs **measure** (e.g. energy savings, GHG, low-GWP, other policy goals)?
- What **authority** do utility commissions have **to implement** a state's economy-wide policy? How does the agency mission and charge change with establishing new economywide climate goals? Air and utility regulators rely on different basis for their decisions.
- When considering low-GWP refrigeration:
 - **New Frameworks:** standalone incentive program and budget
 - **Existing Frameworks:**
 - Low-GWP equipment incentivized, but only for energy savings potential of the equipment
 - Modification to cost benefit tests to account for SCC/SC-GHGs under EE programs
 - Modification to the underlying policy outcome and measurement (e.g. GHG reductions)