

BILL ANALYSIS

Senate Research Center

S.B. 1210
By: Johnson; Bettencourt
Business & Commerce
5/24/2021
Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In 2016, the signatories to the Montreal Protocol signed the Kigali Amendment, agreeing to phase out the use of many hydrofluorocarbon refrigerants (HFCs) that act as potent greenhouse gases. Last December, President Trump signed the American Innovation and Manufacturing Act (AIM Act) to adopt the Kigali HFC phase-out schedule into federal law. The AIM Act directs the United States Environmental Protection Agency (EPA) to issue rules that reduce the use of HFCs and authorizes the EPA to restrict the use of HFCs in certain applications. The bulk of the transition will begin in 2025.

American manufacturers of heating, air-conditioning, freezer, and ventilation products have invested significant amounts in innovation and R&D over the past decade, and the HFC transition is anticipated to increase the United States share of the highly competitive global export market by 25 percent. Overall, the transition is expected to create 33,000 new manufacturing jobs and sustain more than 138,000 existing manufacturing jobs nationwide. A large proportion of these jobs will be in Texas, already a major manufacturing hub for these products. Accordingly, the AIM Act has the support of industry groups such as the United States Chamber of Commerce, National Association of Manufacturers, and the Air-Conditioning, Heating, and Refrigeration Institute.

Complicating the HFC transition is the fact that building codes across the country do not currently allow for the use of the next generation refrigerants in chillers, air conditioning, and commercial refrigeration. S.B. 1210 resolves this issue by stating that building codes in Texas cannot prohibit the use of a substitute refrigerant allowed by the EPA technology beginning in 2023. The bill does not mandate retrofits or prohibit the use or maintenance of any existing product. Post-HFC refrigerants do not pose a safety risk to humans, and are subject to a rigorous federal review process examining safety, flammability, and toxicity.

Manufacturers, contractors, and the fire community need the building codes updated at least two years before the refrigerant transition goes into effect in 2025 to ensure they are in compliance with local regulations and receiving appropriate training, hence the 2023 effective date.

The Air-Conditioning, Heating, and Refrigeration Institute (an industry group) is leading the effort to update building codes, including through S.B. 1210. Major Texas manufacturers including Goodman and Chemours are also supportive. No opposition has been identified.

S.B. 1210 provides the certainty manufacturers, contractors, and fire personnel need to prepare for the safe and efficient transition to next generation refrigerants.

S.B. 1210 amends current law relating to substitutes for hydrofluorocarbon refrigerants applicable to commercial or residential buildings or construction.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 382, Health and Safety Code, by adding Subchapter L, as follows:

SUBCHAPTER L. REGULATION OF HYDROFLUOROCARBONS

Sec. 382.551. SUBSTITUTES FOR HYDROFLUOROCARBON REFRIGERANTS APPLICABLE TO COMMERCIAL OR RESIDENTIAL BUILDINGS OR CONSTRUCTION. Prohibits a building code or other requirement applicable to commercial or residential buildings or construction from prohibiting the use of a substitute refrigerant authorized pursuant to 42 U.S.C. Section 7671k.

SECTION 2. Effective date: January 1, 2023.