Application-Specific Allowance Holders

HFC Allocation Rule Reporting

December 2021
Agenda

• HFC Allocation Rule Background
• Application-Specific Overview
• Reporting Requirements
• Reporting Process Overview
• HFC Reporting System Registration
• Account Management
• Resources
• Questions
The American Innovation and Manufacturing (AIM) Act of 2020
- Enacted on December 27, 2020
- Directs EPA to phase down the production and consumption of HFCs by 85 percent by 2036

The HFC Allocation Final Rule
- Published October 5, 2021
- Establishes an HFC allowance allocation and trading system to phase down HFCs consistent with the AIM Act

Starting **January 1, 2022**, allowances are needed to produce or import bulk HFCs, with limited exceptions
- Producing HFCs requires both production and consumption allowances
- Importing bulk HFCs requires consumption allowances
- Application-specific allowances may also be used to produce or import HFCs for use in the six applications listed in the AIM Act
Exchange Values

- Allowances are measured in exchange-value terms
- Exchange values of regulated HFCs are codified in Appendix A to Part 84
- Exchange values are the numerically equivalent to 100-year GWPs listed in the 2007 IPCC Fourth Assessment Report

<table>
<thead>
<tr>
<th>HFC</th>
<th>Chemical Formula</th>
<th>Exchange Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>HFC–134</td>
<td>CHF₂CHF₂</td>
<td>1,100</td>
</tr>
<tr>
<td>HFC–134a</td>
<td>CH₃FCF₃</td>
<td>1,430</td>
</tr>
<tr>
<td>HFC–143</td>
<td>CH₃FCHF₂</td>
<td>353</td>
</tr>
<tr>
<td>HFC–245fa</td>
<td>CHF₂CH₂CF₃</td>
<td>1,030</td>
</tr>
<tr>
<td>HFC–365mfc</td>
<td>CF₃CH₂CF₂CH₃</td>
<td>794</td>
</tr>
<tr>
<td>HFC–227ea</td>
<td>CF₃CHFCF₃</td>
<td>3,220</td>
</tr>
<tr>
<td>HFC–236cb</td>
<td>CH₂FCF₂CF₃</td>
<td>1,340</td>
</tr>
<tr>
<td>HFC–236ea</td>
<td>CHF₂CHFCF₃</td>
<td>1,370</td>
</tr>
<tr>
<td>HFC–236fa</td>
<td>CF₃CH₂CF₃</td>
<td>9,810</td>
</tr>
<tr>
<td>HFC–245ca</td>
<td>CH₂FCF₂CHF₂</td>
<td>693</td>
</tr>
<tr>
<td>HFC–43–10mee</td>
<td>CF₃CHFCHFCF₂CF₃</td>
<td>1,640</td>
</tr>
<tr>
<td>HFC–32</td>
<td>CH₂F₂</td>
<td>675</td>
</tr>
<tr>
<td>HFC–125</td>
<td>CHF₂CF₃</td>
<td>3,500</td>
</tr>
<tr>
<td>HFC–143a</td>
<td>CH₃CF₃</td>
<td>4,470</td>
</tr>
<tr>
<td>HFC–41</td>
<td>CH₂F</td>
<td>92</td>
</tr>
<tr>
<td>HFC–152</td>
<td>CH₃FCH₂F</td>
<td>53</td>
</tr>
<tr>
<td>HFC–152a</td>
<td>CH₃CHF₂</td>
<td>124</td>
</tr>
<tr>
<td>HFC–23</td>
<td>CHF₃</td>
<td>14,800</td>
</tr>
</tbody>
</table>
An HFC allowance calculator is available to help allowance holders understand how many allowances will be required to produce or import quantities of various HFCs.
Application-Specific Overview

- End uses covered by application-specific allowances
  1. A propellant in metered dose inhalers
  2. Defense sprays
  3. Structural composite preformed polyurethane foam for marine use and trailer use
  4. The etching of semiconductor material or wafers and the cleaning of chemical vapor deposition chambers within the semiconductor manufacturing sector
  5. Mission-critical military end uses
  6. Onboard aerospace fire suppression
Application-Specific Overview

• Who received application-specific allowances?
  • EPA issued allowances for 2022 on October 1, 2021
  • Application-specific allowance allocations were based on verified data provided to EPA on HFCs used annually between 2018 and 2020 and requested individual circumstances
  • All application-specific allowances for mission-critical military end use are allocated to DOD

• When are application-specific allowances needed?
  • For the initial production or import of bulk HFCs
  • Application-specific allowances can be conferred to producers and importers
  • Companies may buy HFCs that have been produced or imported through the same or similar channels used prior to the HFC phasedown

• When are application-specific allowances not needed?
  • Purchasing or otherwise receiving HFCs from a domestic producer or supplier
  • Importing products containing HFCs (e.g., metered dose inhalers)
  • Manufacturing with or otherwise using HFCs
Application-Specific Overview

- Application-specific allowance conferrals
  - Application-specific allowance holders may confer their allowances to one or more entities in the supply chain for the production or import of HFCs for use by the end user
  - Only application-specific allowances may be conferred
  - There is no offset for conferring allowances
  - A company receiving conferred allowances may produce or import HFCs up to the amount of allowances conferred for the entity conferring the allowances
  - Application-specific allowances may be re-conferred as many times as needed through the supply chain until they reach the producer or importer of the HFCs
• Application-specific allowance transfers
  • Only intra-application transfers between entities are allowed
    • Application-specific allowances can only be transferred to another end user within that same application
    • Application-specific allowances cannot be transferred for use in another application or transferred back into the general pool of production and consumption allowances
  • Transfers of application-specific allowances are subject to a 1% offset

• Sales of HFCs acquired by expending application-specific allowances
  • Only intra-application sales are allowed
    • HFCs produced or imported by expending application-specific allowances must be used solely for the application they were produced or imported for
    • Sale of an HFC for use in a different application from the one that was intended is prohibited

• Consumption allowance transfers
  • Application-specific end-users may acquire consumption allowances
Reporting Requirements

Recipients of application-specific allowances are subject to the following reporting requirements:

- **Biannual Reporting**: Submission of a report by July 31 and January 31 of each year.
- **Conferral of Allowances**: Submission of a report notifying EPA of the conferral prior to conferring allowances.
- **Sale or Transfer Requests**: Submission of a report requesting approval from EPA prior to selling or transferring allowances.

All reports are to be submitted to EPA through the HFC Reporting System within the electronic Greenhouse Gas Reporting Tool (e-GGRT).
• Requirements for the upcoming July 2022 biannual report
  • Companies must report total quantity (in kilograms) of all regulated substances acquired for application-specific use in the previous three years, including a copy of the sales records, invoices, or other records documenting that quantity
  • This means that companies will need to submit HFC data for July 1 through June 30 for each year from 2019 through 2022 with their July 2022 report if they wish to request allowances in 2023
  • Additional reporting requirements are included in 84.31(h)
### Section 1 - Company Identification
Instructions: Complete the following company information.

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Company ID</th>
<th>Reporting Year</th>
<th>Reporting Period</th>
</tr>
</thead>
</table>

### Section 2 - Application-Specific Data
Instructions: Enter the quantity of each regulated substance that was acquired through conferring allowances, directly imported, or purchased without expending application-specific allowances (i.e., from the open market) during the previous six months. Additionally, provide the quantity held in inventory on the last day of the previous six month period, and the quantity destroyed or recycled during the previous six months.

<table>
<thead>
<tr>
<th>HFC</th>
<th>Quantity Acquired through Conferring Allowances (kg) §84.31(b)(1)(i)</th>
<th>Quantity Acquired through Expanding Allowances and Directly Imported (kg) §84.31(b)(1)(ii)</th>
<th>Quantity Purchased for Application-Specific Allowances without Expending Application-Specific Allowances (kg) §84.31(b)(1)(iii)</th>
<th>Quantity Held in Inventory by the Reporting Company or Held under Contract by Another Company for the Reporting Company’s Use (kg) §84.31(b)(1)(iv)</th>
<th>Quantity Destroyed (kg) §84.31(b)(1)(v)</th>
<th>Quantity Recycled (kg) §84.31(b)(1)(v)</th>
</tr>
</thead>
</table>

### Section 3 - Allowance Conferral Data
Instructions: Provide the names of the companies to which application-specific allowances were conferred.

<table>
<thead>
<tr>
<th>HFC</th>
<th>Company to Which Allowances Were Conferred</th>
<th>Company Contact Name §84.31(b)(1)(vi)</th>
<th>Company Contact Email §84.31(b)(1)(vi)</th>
<th>Company Contact Phone §84.31(b)(1)(vi)</th>
<th>Quantity of Allowances Conferred (MTEVs) §84.31(b)(1)(v)</th>
<th>Quantity of HFC Received (kg) §84.31(b)(1)(v)</th>
</tr>
</thead>
</table>
### Section 4 - Transition Plan

Provide a description of plans to transition application-specific use of regulated substances to regulated substances with a lower exchange value or alternatives to regulated substances. §84.31(h)(1)(vii)

### Section 5 - Additional Application-Specific Allowances for Next Calendar Year

Instructions: If the company is requesting additional allowances due to one or more of the circumstances listed in 84.13(b)(1), provide a projection of the monthly quantity of additional regulated substances needed for the following:

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
<th>11</th>
<th>12</th>
<th>13</th>
<th>14</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>HFC</td>
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</tbody>
</table>

Please include a detailed explanation (and additional documentation, if necessary) to justify the additional need of allowances. §84.31(h)(1)(viii)
## Section 6 - Contracting Information

Instructions: If the company is contracting out the manufacturing of defense sprays or metered dose inhalers, or paying another person (whether it is in cash, credit, goods, or services) to perform the servicing of onboard aerospace fire suppression, complete the following information for the contact doing the manufacturing or servicing:

<table>
<thead>
<tr>
<th>Manufacturing/Servicing Representative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company Name §84.31(h)(1)(ix)</td>
</tr>
<tr>
<td>Contact Name §84.31(h)(1)(ix)</td>
</tr>
<tr>
<td>Contact Email §84.31(h)(1)(ix)</td>
</tr>
<tr>
<td>Contact Street Address §84.31(h)(1)(ix)</td>
</tr>
<tr>
<td>Contract City §84.31(h)(1)(ix)</td>
</tr>
<tr>
<td>Contact State §84.31(h)(1)(ix)</td>
</tr>
<tr>
<td>Contact Zip §84.31(h)(1)(ix)</td>
</tr>
</tbody>
</table>

Provide clarification on whether the responses in this report apply to the company that is allocated application-specific allowances or the company receiving the contract for manufacturing and/or servicing using application specific allowances: §84.31(h)(1)(ix)
Conferral Report

Section 1 - Conferrer Identification
Instructions: Complete the following company information.

<table>
<thead>
<tr>
<th>Company Name:</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Company ID:</td>
<td></td>
</tr>
<tr>
<td>Reporting Year:</td>
<td></td>
</tr>
</tbody>
</table>

Section 2 - Conferee Identification
Instructions: Complete the following company information.

| Conferree Company Name: |   |
| Conferree Company ID: |   |

Section 3 - Allowance Conferral Data
Instructions: Provide the following information for each conferral of application-specific allowances. In addition, provide a certification from the conferrer and the conferee stating that the regulated substances being acquired, produced, or imported are solely for an application listed in § 84.5(c)(2) and will not be resold for use in a different application or used in any other manufacturing process. §84.31(h)(4)(vi)

<table>
<thead>
<tr>
<th></th>
<th>2</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Application §84.31(h)(4)(iii)</td>
<td>Quantity of Application-Specific</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Allowances being Conferred (MTEVe)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>§84.31(h)(4)(iv)</td>
</tr>
</tbody>
</table>
Transfer Request

Section 1 - Transferor Identification
Instructions: Complete the following company information.
Company Name:
Company ID:
Reporting Year:

Section 2 - Transferee Identification
Instructions: Complete the following company information.
Transferee Company Name:
Transferee Company ID:

Section 3 - Transfer Request Information
Enter data for each transfer request. For all regulated substances that are transferred, all fields are required unless otherwise indicated. For transfers of application-specific allowances, additionally provide a signed document from the transferee certifying that the transferee will use the application-specific allowances only for the same application for which the application-specific allowance was allocated ($84.19(a)(2)(vi)).

<table>
<thead>
<tr>
<th>Transaction Number</th>
<th>Allowance Type §84.19(a)(2)(iii)</th>
<th>Type of Application (if applicable) §84.19(a)(2)(ii)</th>
<th>Quantity of Unexpended Allowances Held by Transferor (MT&amp;Ve) §84.19(a)(2)(vi)</th>
<th>Total Cost of Allowances Transferred (US$) §84.19(a)(2)(v)</th>
<th>Quantity of Allowances Being Transferred (MT&amp;Ve) §84.19(a)(2)(vi)</th>
<th>Amount of Offset (MT&amp;Ve) §84.19(a)(2)(vi)</th>
<th>Number of Allowances Subtracted from Transferor’s Allowance Balance (MT&amp;Ve)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td>8</td>
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<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Section 1 - Application-Specific Seller Identification

Instructions: Complete the following company information.

<table>
<thead>
<tr>
<th>Company Name:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Company ID:</td>
<td></td>
</tr>
<tr>
<td>Reporting Year:</td>
<td></td>
</tr>
</tbody>
</table>

### Section 2 - Application-Specific Purchaser Identification

Instructions: Complete the following company information.

<table>
<thead>
<tr>
<th>Purchaser Company Name:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchaser Company ID:</td>
<td></td>
</tr>
</tbody>
</table>

### Section 3 - Transaction Information

Instructions: Provide the following information for each HFC produced or imported using application-specific allowances that is being sold or conveyed. In addition, provide a certification that the HFCs will be used only for the same application for which the application-specific allowance under which the substances were produced or imported was allocated, §84.21(a)(2)(v).

<table>
<thead>
<tr>
<th>Transaction Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>HFC</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

Should the certification that the HFCs will be used only for the same application for which the application-specific allowance under which the substances were produced or imported was allocated be treated as confidential business information (CBI)?

Provide the specific products that the application-specific purchaser plans to produce with the HFCs, §84.21(a)(2)(v).
Reporting Process Overview

**Step 1** – Register with the HFC Reporting System (one-time step)

**Step 2** – Fill out the applicable reporting form

**Step 3** – Submit the report along with any supplemental files to EPA via the HFC Reporting System

**Step 4** – Revise submission, as needed, via the HFC Reporting System

**Step 5** – Receive outcome documentation from EPA via the HFC Reporting System

**EPA Reviews Submission**

**EPA Reviews Resubmission (if applicable)**
HFC Reporting System Registration

• Affected entities must provide the following information to EPA at HFCAllocation@epa.gov to receive a unique registration invitation:
  • Company Name - Companies that are majority owned and/or controlled by the same individual(s) must report to EPA under a single company name
  • Corporate Address
  • Company Representative Name - The designated officer that will serve as the entity’s main point of contact for all HFC reporting under the HFC allocation program
  • Company Representative Email
  • Company Representative Phone
Invitation Code e-mail

• You will receive an e-mail from **eGGRT@ccdsupport.com**
• The e-mail contains an invitation code
• Make sure emails from **eGGRT@ccdsupport.com** are not sent to your spam/junk folder

**The HFC Reporting System is a new application that is currently under development. Therefore, many of the screenshots provided in this presentation are subject to change as text is finalized and more functionality in the system is implemented and refined.**
Log into e-GGRT

• Visit https://ghgreporting.epa.gov

• Enter your Username and Password

• If you haven’t used your e-GGRT account for 90 days, you will have to update your password

• If you don’t already have an e-GGRT account, visit https://ccdsupport.com/confluence/display/help/Basic+User+Registration
Accept an Appointment

- An invitation code can be used by any e-GGRT user (not just the email recipient)
- The invitation code can only be used once
- Copy and paste the invitation code into the “Accept an Appointment” panel
- Click “Go”
Accept the Role

- View the name and address of the company
- You may edit the corporate address following acceptance of the appointed role
- Select the “Yes” radio button and click “OK”

If you are not the Company Representative for the company listed, select ‘Cancel’ and either (1) forward the invitation code to the correct person that will serve as the Company Representative or (2) contact the EPA HFC Allocation Rule Reporting Help Desk.
Company Management

- Appoint an alternate company representative
- Reassign the company representative
- Appoint delegates
- Edit company address
- Add a new facility
Company Management

Appoint Alternate Company Representative

<table>
<thead>
<tr>
<th>Role</th>
<th>Name</th>
<th>Date Added</th>
<th>Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company Representative</td>
<td>George Potemkin</td>
<td>10/26/2021</td>
<td></td>
</tr>
<tr>
<td>Alternate Company Rep.</td>
<td>none</td>
<td></td>
<td>Appoint</td>
</tr>
</tbody>
</table>

Add a Delegate

Your Company’s Facilities

<table>
<thead>
<tr>
<th>Facility ID</th>
<th>Created Date (By)</th>
<th>Last Modified Date (By)</th>
<th>Actions</th>
</tr>
</thead>
</table>

Add a Facility

CANCEL
Company Management

Appoint an ACR

- Enter ACR nominee’s name, phone, and e-mail
- They will receive an e-mail from eGGRT@ccdsupport.com with an invitation code
- They must log into e-GGRT and paste the nomination code into “Accept an Appointment” panel
- After accepting the nomination, the ACR gains access all company data
- ACR has the same data access and reporting rights as the CR
# Company Management

## Reassign a CR or ACR

### Company Profile

<table>
<thead>
<tr>
<th>Company ID</th>
<th>AIM368</th>
<th>Created Date</th>
<th>10/26/2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company Name</td>
<td>MLH Resources</td>
<td>Company Status</td>
<td></td>
</tr>
<tr>
<td>Corporate Address</td>
<td>9 Main St, Ode Tine, Washington 92043, United States of America</td>
<td></td>
<td>(Edit Address)</td>
</tr>
</tbody>
</table>

### Company Representatives and Delegates

<table>
<thead>
<tr>
<th>Role</th>
<th>Name</th>
<th>Date Added</th>
<th>Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company Representative</td>
<td>George Poleskin</td>
<td>10/26/2021</td>
<td>Nominate New CR - Coming Soon</td>
</tr>
<tr>
<td>Alternate Company Representative</td>
<td>Tom Marker</td>
<td>11/04/2021</td>
<td>Remove</td>
</tr>
</tbody>
</table>

**Add a Delegate**
Appoint a Delegate

• There is no limit on the number of Delegates a company can appoint

• Enter Delegate nominee’s name, phone, and e-mail

• They will receive an e-mail from eGGRT@ccdsupport.com with an invitation code

• They must log into e-GGRT and paste the nomination code into “Accept an Appointment” panel

• After accepting the nomination, the Delegate gains access to all company data

• A Delegate has the same data access and reporting rights as the CR and ACR
Edit the Company Address

Company Profile

Company ID: ATM368
Created Date: 10/26/2021

Company Name: MLH Resources

Corporate Address:
9 Main St
Ode Tine Washington 92043
United States of America

(Edit Address)

Company Representatives and Delegates

Role: Alternate Company Representative
Name: none
Date Added: 10/26/2021
Actions: Appoint

Add a Delegate

Your Company’s Facilities

Facility: none
Facility ID: none
Created Date (By): none
Last Modified Date (By): none
Actions: none

Add a Facility

CANCEL
Company Management

Add a Facility

- Certain HFC activities are reported to EPA at the facility-level, not the company-level
- Facility-level information is not required for reporting on petitions to import HFCs
- Additional information on the Add a Facility feature is coming soon
Submitting a New Report

1. Log into e-GGRT
2. Enter the HFC Reporting System
3. Navigate to the HFC Reports tab
4. Upload a Completed Excel-based Reporting Form
5. Address Validation Errors, if Applicable
6. Upload Supporting Documentation, as Needed
7. Submit Report
8. Complete Electronic Signature
9. Receive Confirmation Email
Viewing Submission Documents

1. Receive status update notification
2. Log into e-GGRT and enter the HFC Reporting System
3. Locate and open the previously submitted report
4. Open Review Outcome files
Resubmitting a Report

1. Receive status update notification
2. Log into e-GGRT and enter the HFC Reporting System
3. Locate and open the previously submitted report
4. View incomplete letter or error report, if applicable
5. Start revision
6. Revise report
7. Resubmit report
8. Receive confirmation email
Resources

- **HFC Allocation Final Rule**

- **HFC Allocation Program Reporting and Recordkeeping web page**
  - Reporting Forms
  - Webinar Recordings and Presentation Slides (coming soon)
  - Reporting Instructions (coming soon)

- **HFC Allowance Calculator**

- **EPA’s electronic Greenhouse Gas Reporting Tool (e-GGRT)**
  (https://ghgreporting.epa.gov/)

- **HFC Allocation Rule Reporting Help Desk**
  (https://www.epa.gov/climate-hfcs-reduction/forms/hfc-allocation-rule-reporting-helpdesk)

- **Allowance Allocation Methodology for 2022**

*This presentation will be posted to EPA’s Reporting and Recordkeeping website*