HFC Consumption: Information for Allowance Holders

HFC Allocation Rule Reporting

December 2021
Agenda

- HFC Allocation Rule Background
- Allowance System Overview
- Reporting Requirements
- Reporting Process Overview
- HFC Reporting System Registration
- Account Management
- Submitting an HFC Report
- Resources
- Questions
HFC Allocation Rule Background

• The American Innovation and Manufacturing (AIM) Act of 2020
  • Enacted on December 27, 2020
  • Phases down HFC production and consumption by 85 percent by 2036

• The HFC Allocation Final Rule
  • Published in the Federal Register on October 5, 2021 (86 FR 55116)
  • Establishes an HFC allowance allocation and trading system to phase down HFCs consistent with the AIM Act

<table>
<thead>
<tr>
<th>Date</th>
<th>Caps: Consumption &amp; Production</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022–2023</td>
<td>90 percent</td>
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<tr>
<td>2024–2028</td>
<td>60 percent</td>
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<tr>
<td>2029–2033</td>
<td>30 percent</td>
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<td>2034–2035</td>
<td>20 percent</td>
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<tr>
<td>2036 &amp; after</td>
<td>15 percent</td>
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Allowance System Overview

• HFC Allowances for calendar year 2022 issued
  • HFC allowances posted on EPA website October 1 and published in the Federal Register on October 7 (86 FR 55841)

• Starting January 1, 2022, production and/or consumption 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
HFC Consumption Allowances for 2022

HFC Consumption Allowances for 2022, Showing Only Entities Receiving <0.5%

Interactive figures available at: https://www.epa.gov/climate-hfcs-reduction/phasedown-hydrofluorocarbons-hfcs-issuing-allowance-allocations
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
HFC Allowance Calculator

- 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.
Allowance System Overview

• What types of imports require allowances?
  • Imports of bulk* HFCs or HFC blends of any quantity require allowances, subject to limited exceptions
  • Allowances are required to import:
    • Any amount of bulk HFCs, including heels
    • Used, reclaimed and/or recycled HFCs that are imported for any purpose except destruction
    • HFC imports classified as U.S. goods returned
  • Reporting is required for these imports

*Under 40 CFR 84.3, bulk means a regulated substance (i.e., an HFC listed at Appendix A of 40 CFR part 84) of any amount that is in a container for the transportation or storage of that substance such as cylinders, drums, ISO tanks, and small cans. A regulated substance that must first be transferred from a container to another container, vessel, or piece of equipment in order to realize its intended use is a bulk substance. A regulated substance contained in a manufactured product such as an appliance, an aerosol can, or a foam is not a bulk substance.
Allowance System Overview, cont.

• Imports that do not require allowances or reporting
  • HFCs contained in a manufactured product such as an appliance, aerosol can, or foam

• Imports that do not require allowances, but require reporting*
  • Virgin HFCs intended to be transformed or destroyed (you must receive a non-objection notice from EPA prior to import)
  • Used HFCs intended to be destroyed (you must receive a non-objection notice from EPA prior to import)
  • HFCs that are transhipped (i.e., do not enter into U.S. commerce and are exported within six months of import)

*The forms and instructions for this reporting are available at https://www.epa.gov/climate-hfcs-reduction/hfc-allocation-rule-reporting-and-recordkeeping.
Reporting Requirements

• Reporting for consumption allowance holders
  • Transfer Request: Submission of a report requesting approval from EPA prior to
    transferring allowances
  • Request for Additional Consumption Allowances (RACA): Submission of a report,
    as needed, requesting additional allowances for export of HFCs
  • Import Notification: Notification of imported shipments 14 days prior to the date of
    importation submitted via a Customs and Border Protection (CBP)-authorized electronic
    data interchange system, such as the Automated Broker Interface
  • Quarterly Reporting: Submission of a report within 45 days of the end of each quarter

• Reports must be submitted to EPA through the HFC Reporting System within the electronic Greenhouse
  Gas Reporting Tool (e-GGRT), unless otherwise noted
Allowance Transfers and Conferrals

• Consumption Allowance Transfers
  • Inter-company transfers
    • A transferor may transfer any quantity of unexpended consumption allowances
    • A transferor must submit an Inter-company Transfer request to EPA and may not proceed with the transfer until EPA issues a non-objection notice
    • Transfers of consumption allowances are subject to a 5% offset
  • International transfers of consumption allowances are not allowed

• Application-specific Allowance Conferrals
  • Only application-specific allowances may be conferred
  • There is no offset for conferring application-specific allowances
  • A company receiving conferred allowances may produce or import HFCs up to the amount of allowances conferred for the entity conferring the allowances
Transfer Request

• Inter-Company Transfer Report

• All forms are available for download on EPA’s HFC Allocation Rule Reporting and Recordkeeping web page

Reporting Tip: Avoid cutting and pasting data into the reporting form. If you do cut and paste data, paste data as a value into the form.
Additional Consumption Allowances

- Availability of additional consumption allowances
  - Additional consumption allowances may be requested by the exporter equivalent to the quantity of HFCs exported
  - EPA intends to respond to the requestor within 15 working days
    - EPA will notify the exporter that consumption allowances are not granted if the information and documentation do not satisfactorily substantiate the exporter's claims
  - When granted, additional allowances become effective (i.e., are available for use) on the date that EPA notifies the exporter
  - Additional consumption allowances may only be issued for the calendar year in which the HFCs were exported
Section 1 - Company Identification
Instructions: Complete the following company information.

| Company Name: |
| Company ID: |
| Reporting Year: |
| Employer Identification Number (EIN): |

Should the information provided in columns 16-18 in the table below (i.e., source of the regulated substance) be treated as confidential business information (CBI)?

Section 2 - Export Information
Instructions: Enter data for each export transaction containing an HFC for which you are requesting additional consumption allowances. Consumption allowances may only be requested for substances originally produced or imported by you.

<table>
<thead>
<tr>
<th>Transaction Number</th>
<th>Date of Export §84.17(a)(1)(v)</th>
<th>Shipment Reference Number</th>
<th>Port of Exit §84.17(a)(1)(v)</th>
<th>HTS Code §84.17(a)(1)(x)</th>
<th>Country to which the HFCs were Exported §84.17(a)(1)(vii)</th>
<th>HFC Exported §84.17(a)(1)(iv)</th>
<th>Quantity Exported (kg) §84.17(a)(1)(v)</th>
<th>Recipient Company §84.17(a)(1)(i)</th>
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In the consumption allowances in the same calendar year, for each transaction provide a copy of the bill of lading and the invoice indicating the net quantity (in kilograms) of HFC shipped and documenting the sale of the HFC to the purchaser, §84.17(a)(1)(viii).

HFC Export Information

<table>
<thead>
<tr>
<th>Recipient Company Address §84.17(a)(1)(i)</th>
<th>Recipient Company City §84.17(a)(1)(i)</th>
<th>Recipient Company Country §84.17(a)(1)(i)</th>
<th>Recipient Company Contact Name §84.17(a)(1)(ii)</th>
<th>Recipient Company Contact Telephone Number §84.17(a)(1)(iii)</th>
<th>Recipient Company Contact Email §84.17(a)(1)(iii)</th>
<th>If Produced in the U.S. Company that Produced the HFC §84.17(a)(1)(v)</th>
<th>If Imported into the U.S. Company that Imported the HFC §84.17(a)(1)(iv)</th>
<th>Source Country §84.17(a)(1)(v)</th>
<th>Date of Purchase §84.17(a)(1)(v)</th>
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</table>
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 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

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Access your AIMRS Companies

<table>
<thead>
<tr>
<th>Company</th>
<th>Comp ID</th>
<th>Your Role</th>
<th>Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>MLH Resources</td>
<td>AIM384</td>
<td>Company Representative</td>
<td>Manage</td>
</tr>
</tbody>
</table>
Company Management

Appoint Alternate Company Representative

- Company Profile
  - Company ID: ATM368
  - Company Name: MLH Resources
  - Corporate Address: 9 Main St, Suite Time Washington 92043, United States of America
  - Created Date: 10/26/2021

- Company Representatives and Delegates
  - Role: Company Representative
    - Name: George Potemkin
    - Date Added: 10/26/2021
  - Role: Alternate Company Representative
    - Name: None
    - Date Added: 10/26/2021

- Your Company’s Facilities
  - Add a Delegate
  - Add a Facility
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 (Edit Address)</td>
<td></td>
<td></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 Polemkin</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]
Company Management

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
Company Name: MLH Resources
Corporate Address: 9 Main St, Clyde, NY 12043, United States of America

Company Representatives and Delegates

Role: Company Representative
Name: George Potemkin
Date Added: 10/26/2021
Actions: Appoint

Your Company’s Facilities

Facility ID: Facility
Created Date (By):
Last Modified Date (By):
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
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)

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