

## FACT SHEET

# Final Rule – Phasedown of Hydrofluorocarbons: Review and Renewal of Eligibility for Application-specific Allowances

The American Innovation and Manufacturing (AIM) Act directs that the U.S. Environmental Protection Agency (EPA) phase down production and consumption<sup>1</sup> of hydrofluorocarbons (HFCs) by 85% by 2036 through an allowance allocation program.

The AIM Act lists six applications that receive priority access to allowances through 2025. EPA created a category of allowances to provide this priority access, referred to as application-specific allowances (ASAs), and established the methodology for allocating ASAs through calendar year 2025 in the HFC Allocation Framework Rule published in October 2021 (86 FR 55116).<sup>2</sup> The AIM Act requires EPA to review the applications receiving priority access to allowances at least every five years, and, if the application meets certain criteria, authorize the eligibility of the application to receive priority access to allowances for a period of not more than five years. This fact sheet concerns the decisions made in EPA's first review and renewal of the applications.

## What Applications Have Received ASAs To Date?

Per the AIM Act, six applications were eligible to receive ASAs through calendar year 2025:



Metered-dose inhalers (MDIs)



Semiconductor etching and cleaning of chemical vapor deposition chambers



Defense sprays



Mission-critical military end uses



Structural composite preformed polyurethane (SCPPU) foam for marine use and trailer use



Onboard aerospace fire suppression

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<sup>1</sup> Consumption is the amount of HFCs newly added to the U.S. market based on production and import, minus exports and destruction.

<sup>2</sup> The 2024 Allocation Rule (88 FR 46836) published in July 2023 updated the methodology for general pool allowances but did not update the ASA methodology.

## What Are the Criteria for Renewing Eligibility?

Per the AIM Act, EPA must determine that two criteria are met in order to renew an application's eligibility for ASAs:

1. "No safe or technically achievable substitute will be available during the applicable period for that application; and
2. The supply of the HFC(s) that manufacturers or users of the regulated substance for that application are capable of securing from chemical manufacturers ... including any quantities of a regulated substance available from production or import, is insufficient to accommodate the application."

## What Is EPA Finalizing in This Action?

- How the Agency will interpret the criteria to review applications receiving ASAs;
- Renewal of five applications for the full five-year period from 2026–2030:
  - Propellants in MDIs,
  - Etching of semiconductor material or wafers and the cleaning of chemical vapor deposition chambers within the semiconductor manufacturing sector,
  - SCPPU foams for marine and trailer uses,
  - Mission-critical military end uses, and
  - Onboard aerospace fire suppression;
- Not renewing ASAs for defense sprays starting with calendar year 2026 allowances;
- Exclusion of defense sprays from the Technology Transitions regulations established in the 2023 Technology Transitions Rule (88 FR 73098);
- Procedures and the timeline for submitting a petition to designate an application as eligible for ASAs, including defining minimum required elements for EPA to determine such a petition is complete;
- Targeted revisions to the methodology used to allocate allowances to ASA holders for calendar years 2026 and beyond (e.g., including changes in inventory);
- Expanding the scope of the existing unique circumstance for a global pandemic or other public health emergency that increases patients diagnosed with medical conditions treated by MDIs to include "healthcare system needs" and adding an additional unique circumstance for stockpiling an HFC(s) if a major producer will be ceasing production;
- Authorization of one company to produce an additional quantity of HFCs for export and use in semiconductor manufacturing through 2030; and
- Other specific revisions to the existing regulations.

## Who May Be Affected by This Final Rule?

Companies that use HFCs in the six applications currently eligible for ASAs may be affected by this final rule. In addition, companies that produce, import, export, purify, destroy, reclaim, package, or otherwise distribute HFCs for end users in these six applications or are a current HFC allowance holder may also potentially be affected by this rule.



### Additional Resources

Protecting Our Climate by Reducing Use of HFCs: <https://www.epa.gov/climate-hfcs-reduction>

HFC Reporting: <https://hfc-ods-reporting.epa.gov>

Contact EPA: [hfcallocation@epa.gov](mailto:hfcallocation@epa.gov)

Office of Air and Radiation (6205A)

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