



TESTIMONY OF ANDREW WIENS
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ON BEHALF OF
THE AIR-CONDITIONING, HEATING, AND REFRIGERATION INSTITUTE

BEFORE THE KANSAS SENATE COMMITTEE ON
COMMERCE

HEARING ON HOUSE BILL 2173

MARCH 9, 2023

Chair Erickson and Members of the Kansas Senate Committee on Commerce:

Good morning! My name is Andrew Wiens with Dugan Consulting Group, speaking with you today on behalf of the Air-Conditioning, Heating, and Refrigeration Institute (AHRI). Thank you for allowing me to convey AHRI's strong support for House Bill 2173 which will provide American manufacturers in the heating, ventilation, air conditioning, and refrigeration (HVACR) industry with the certainty needed to comply with forthcoming federal regulations phasing down the use of hydrofluorocarbons (HFCs) refrigerants.

AHRI represents more than 330 manufacturers of air conditioning, heating, commercial refrigeration, and water heating equipment. AHRI's member companies, some of which operate facilities here in Kansas, produce more than 90 percent of the residential and commercial air conditioning, heating, and commercial refrigeration equipment made in North America. Here in Kansas, the U.S. HVACR industry supports more than 11,000 jobs, and more than 570,000 jobs nationwide.

As members of the Committee may be aware, in December 2020, the American Innovation and Manufacturing Act (AIM Act) was signed into law by President Trump, which directs the U.S. Environmental Protection Agency (EPA) to issue rules that will phase down the use of current refrigerants, restricting their use in certain applications, such as commercial refrigeration, chillers, and air conditioning. This allows for an orderly transition to next generation refrigerant technologies, many of which are made in the United States.

However, our manufacturers face a pressing challenge. Building codes need to be updated this year to remove regulatory barriers to the use of substitute refrigerants. Efforts are underway to do so, both in Kansas and across the country, but current timelines for these efforts are 2-3 years for the updates rather than this year. This is too late for American manufacturers.

HB 2173 states that local building codes must allow any substitute refrigerant deemed safe under federal standards to be used in Kansas. This will eliminate the mismatch of the building codes schedule and enable the use of new refrigerants one to two years earlier, ensuring that there is no regulatory disruption for consumers, by making new products available for sale in the state of Kansas on the same schedule as they will be available in other states. Similar legislation has already been passed in Tennessee, Texas, Missouri, Colorado, Arizona, New York, Washington, and several other states.

Manufacturers support an orderly federal phase down of HFCs because it will allow U.S. manufacturers to maintain technological leadership in the global HVACR marketplace rather than a costly state-by-state approach, while creating new domestic jobs and driving economic growth. The phase down is projected to create 33,000 new manufacturing jobs and sustain 138,400 existing jobs between now and 2027. The phase down will increase direct manufacturing output by \$12.5 billion, and total (direct and indirect) manufacturing output by \$38.8 billion between now and 2027.

In conclusion, HB 2173 eliminates a timing barrier without imposing any new regulatory standards. HB 2173 neither mandates the use of the new refrigerants, nor bans the use of the current HFC refrigerants. It simply allows for harmonization with the 2024 model codes benefitting consumers and businesses.

Thank you again for the opportunity to present testimony at this hearing. AHRI looks forward to continuing to work with the Kansas Legislature to achieve both the economic and environmental benefits of the phase down of HFCs.