# Proposal on Banning the Import of Equipment using Hydrochlorofluorocarbons (HCFCs)

**Consultation Paper** 



Environmental Protection Department Hong Kong Special Administrative Region Government

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#### **PURPOSE**

1. This paper sets out the Hong Kong Special Administrative Region Government (HKSAR)'s proposed regulatory control on the equipment using hydrochlorofluorocarbons (HCFCs) in Hong Kong for satisfying the obligations of the Montreal Protocol on Substances that Deplete the Ozone Layer (MP). You are invited to take time to read this consultation paper to help shape the final scheme by sending us your views on or before <u>2 July 2008</u>.

#### **BACKGROUND**

- 2 All along, the HKSAR has unfailingly implemented the requirements of the MP, which aims to restore the ozone concentration in the stratosphere as soon as possible.
- 3. At present, the control of ozone depleting substances in HKSAR is exercised under the Ozone Layer Protection Ordinance (Cap. 403; OLPO) and its subsidiary regulations. The importation of HCFCs substances is controlled by a licence system and the level is capped by a quota system according to the MP's phasing out schedule.
- 4. In September 2007, the 19th Meeting of Parties to MP reached an agreement in Montreal on an amendment to accelerate the phase out of HCFCs. In line with the accelerated phase out schedule, we need to phase out 75% of the baseline level of HCFCs by 2010 instead of the original requirement of 65%. Please refer to Annex 1 for details.
- 5. The accelerated phase out requirement is depicted in the graph of Annex 2. For 2010, the ceiling for local consumption of HCFCs in Hong Kong will be changed from the previous 48.63 ODP- tonnes <sup>[1]</sup> to the revised 34.73 ODP-tonnes. With the current consumption of HCFCs of about 50 ODP-tonnes, there will be a shortage of over 16 ODP-tonnes of HCFCs (equivalent to about 300 tonnes of HCFC-22) in 2010.
- 6. To address the accelerated phasing out programme, there is a need to further reduce the demand of HCFCs by banning the import of refrigeration, air conditioning and heat pump equipment using HCFCs as refrigerant in line with the practices adopted in other advanced countries.

ODP-tonnes means the tonnage adjusted to the ozone depleting potentials (ODP) of the concerned HCFC. For example, for HCFC-22, as the ODP is 0.055, 1 tonne HCFC-22 equals to 0.055 ODP-tonne.

## **OVERSEAS PRACTICE**

## European Union

7. In member states of the European Union, the use of HCFCs in most new refrigeration and air conditioning systems was banned from 1 January 2001, although there is an exemption for systems with a cooling duty less than 100 kW until 1 July 2002 and for reversible air conditioning and heat pump systems until 1 January 2004. The use of virgin HCFCs for the maintenance of existing refrigerating and air conditioning systems will be banned from 1 January 2010. The use of all HCFCs (including recycled HCFCs) will be banned from 2015, although this date will be reviewed by 2008 and possibly brought forward depending on the availability of alternatives.

#### Canada

8. By 1 January 2010, no HCFC-22 equipment will be allowed to be manufactured in or imported into Canada. Sixty-five percent of HCFC refrigerants currently imported into and manufactured in Canada on an annual basis will also be eliminated from the supply chain.

#### **United States of America**

9. In USA, production and importing of HCFC-142b and HCFC-22 for use in any new equipment, manufactured on or after 1 January 2010, will not be allowed.

#### **THE PROPOSAL**

- 10. To join the international efforts in protecting the ozone layer, we propose to amend the Ozone Layer Protection (Products Containing Scheduled Substances) (Import Banning) Regulation (Cap. 403C) as follows:
  - (a) To ban the import of equipment using HCFC-22 on and after 1 January 2010;
  - (b) To ban the import of equipment using any HCFCs on and after 1 January 2015.
- 11. We consider it appropriate to ban the import by the above proposed phases to allow a smooth transition. As the vast majority of the imported HCFCs are HCFC-22 for use in the air conditioning and refrigeration systems, an earlier banning will be appropriate to ensure full compliance with the accelerated phase out schedule of the MP.
- 12. To ensure sufficient deterrent effect against contravention, a maximum penalty of HK\$ 1,000,000 and imprisonment not exceeding 2 years is proposed.

## **VIEWS SOUGHT**

13. We invite your views and comments on the proposed banning of import of equipment using HCFCs and the proposed implementation schedule. We would be grateful if you would send in your comments to us before <u>2 July 2008</u> by mail, electronic mail, or facsimile to the following:

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14. Please note that we may wish, either in discussion with others or in any subsequent report, whether privately or publicly, to be able to refer to and attribute views submitted in response to this consultation document. Any request to treat all or part of a response in confidence will be respected, but if no such request is made, it will be assumed that the response is not intended to be confidential.

## Adjustments agreed by the Nineteenth Meeting of the Parties to the Montreal Protocol

The Nineteenth Meeting of the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer decides to adopt adjustments and reductions of production and consumption of hydrochlorofluorocarbons (HCFCs) as follows:

Non-Article 5 Party shall ensure that for the twelve-month period commencing on 1 January 2010, and in each twelve-month period thereafter, its calculated level of consumption of HCFCs does not exceed, annually, twenty-five per cent of the sum referred to the baseline level of 1989.

Non-Article 5 Party shall ensure that for the twelve-month period commencing on 1 January 2020, and in each twelve-month period thereafter, its calculated level of consumption of the HCFCs does not exceed zero. However, each Party may exceed that limit on consumption by up to zero point five per cent of the sum referred to the baseline level of 1989 in any such twelve-month period ending before 1 January 2030, provided that such consumption shall be restricted to the servicing of refrigeration and air-conditioning equipment existing on 1 January 2020. The need for the 0.5 per cent for servicing shall be reviewed in 2015.

## **Comparison of existing and new commitments**

| Existing Commitments                   | New Commitments Under the 2007 Montreal Adjustment |
|--|--|
| Baseline: 2.8% of 1989 CFC levels plus | Unchanged  |
| 100% of 1989 HCFC levels               |  |
| Freeze in 1996                         | Unchanged  |
| 35% reduction by 2004                  | Unchanged  |
| 65% reduction by 2010                  | 75% reduction by 2010                              |
| 90% reduction by 2015                  | Unchanged  |
| 99.5% reduction by 2020*               | Unchanged  |
| Phase out by 2030                      | Unchanged  |

<sup>\* 0.5%</sup> is restricted to the servicing of refrigeration and air conditioning equipment existing on 1 January 2020 and subject to review in 2015

## Annex 2

## 附件二

