

Quarterly periodical for the European contractors society working in the Refrigeration, Air-Conditioning and Heat pump sector

Issue 2019/04 – December 2019



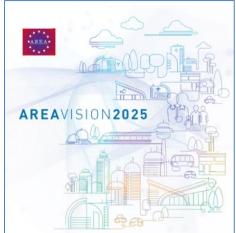
AREA deepens cooperation with UNEP

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AREA AFFAIRS

AREA launches its Vision 2025



Cooling is essential to modern life and it makes people's lives better: refrigeration preserves foodstuff and vaccines whilst air conditioning provides thermal comfort and keeps data centres running. Versatile and omnipresent, cooling has become absolutely critical to people's well-being and will be even more so in the face of climate change and digital transformation. Contractors fulfil an essential mission: they ensure the proper design, installation and functioning of the refrigeration, air conditioning and heat pump systems that satisfy these various societal needs.

The refrigeration, air conditioning and heat pump contracting sector is undergoing profound changes driven by 4 main factors: increased demand for cooling, sustainable cooling, technological developments, and attracting, retaining and upskilling personnel. In this context and with a new EU political cycle starting, AREA has issued its <u>strategic vision</u> for the European refrigeration, air conditioning and heat pump contracting industry for the next 5 years. This also follows on from the Vision 2020 presented in 2014.

The AREA Vision 2025 consists of 4 pillars:

- Refrigerants: succeeding in the transition towards alternative refrigerants
- **Sustainable innovation**: supporting energy and resource efficiency principles in a lifecycle approach
- Human capital: supporting members in attracting and retaining skilled personnel
- **Framework conditions**: promoting a coherent and supportive regulatory and standardisation framework.

These pillars will serve as overarching strategic imperatives that will guide AREA's activities in the next 5 years. To ensure internal consistency, AREA has also restructured its working organisation with the creation of 4 Working Groups reflecting the 4 pillars of AREA Vision 2025 and replacing the existing Task Forces.

With this, AREA is well-equipped to take up the challenges ahead and looks forward to continuing the cooperation with other industry stakeholders and decision-makers at international, European and national levels.

The official launch of the AREA vision 2025 took place on the occasion of a cocktail on 10 October 2019 in Brussels, the day before the autumn general assembly meeting. AREA President Marco Buoni presented the Vision. Bente Tranholm-Schwarz, Deputy Head of Unit Transport & Ozone at the European Commission's DG CLIMA and Carlo Fidanza, Member of the European Parliament, also gave a short address.



AREA installs a new working structure

In line with the launch of its Vision 2025, AREA has restructured its working activities in order to adapt them to the 4 pillars of the Vision. 4 Working Groups representing the 4 strategic principles of the Vision thus replace the existing task forces.

The new Working Group were officially established during the last AREA general assembly meeting on 11 October 2019 in Brussels. On this occasion, chairs and vice chairs were nominated, as well as Sherpas whose role will be to ensure the link with the Board.



Working Group Refrigerants

Chair/Sherpa: Graeme Fox (BESA, UK)
Vice-Chair: Martyn Cooper (FETA, UK)



Working Group Sustainable Innovation

Chair: Seamus Kerr (IRI, Ireland)
Vice-Chair: José Ribeiro (APIRAC, Portugal)
Sherpa: Gregorz Michalski (KFCH, Poland)



Working Group Human Capital

Chair: Thanos Biris (HUFGAS, Greece)

Vice-Chair: Stepan Stojanov (SCHKT, Czech Republic)

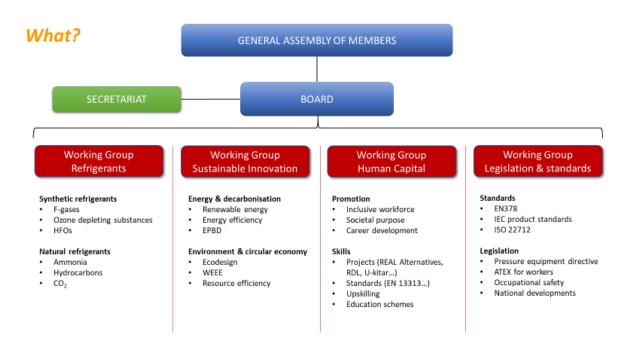
Sherpa: Marco Buoni (ATF, Italy)



Working Group Legislation & Standards

Chair: Mika Kapanen (FREA, Finland)
Vice-Chair: Imre Soorand (EKL, Estonia)

Sherpa: Gerhard Neuhauser (ÖKKV, Austria)



Members can nominate delegates to the 4 Working Groups at any time by contacting the secretariat.

AREA signs a MoU with UNEP

In the margins of the MOP31 that took place last week, AREA and UNEP officialised the deepening of their cooperation with the signature of a Memorandum of Understanding. Whereas AREA and UNEP are already working together on various topics, and in particular competence, the signature of the MoU illustrates the commitment that both organisations are taking.

For many years, AREA has been a close partner of UNEP. Whereas Europe has the highest level of requirements in terms of RACHP installers' competence, AREA is keen to share its renown expertise. The cooperation with UNEP has materialised in various fora and events, such as the ECA Network (Regional Ozone Network for Europe & Central Asia).

More recently, AREA worked on a Universal Training Kit, which the two organisations launched in Rome on 6 November. is designed as a modular training programme that is adaptable to accommodate different types of courses delivered by training institutes and centres in developing countries. The kit covers all aspects of sound and safe management of refrigerants including dealing with conventional and flammable refrigerants. The tool will allow training centres to design and build

training courses with the preferred length, content and target audience. A dedicated portal is designed to assist users to build their preferred courses.

As UNEP is fostering ties with key industry stakeholders and experts from the HVAC&R community, AREA will continue to help achieve the objective of providing state-of-the-art support and services to developing countries within the context of meeting commitments of the Montreal Protocol.



REFRIGERATION, AIR-CONDITIONING & HEAT PUMP NEWS

LEGISLATION

Fgas Regulation

On 14 October, AREA attended the EPEE Industry F-Gas Round Table in Brussels where representatives of the European Commission DG Clima and the UK Environmental Agency DEFRA gave an update on the main F-Gas related issues. The EC addressed illegal trade, raising that the EC is aware of the situation the industry is facing and mentioned some of the activities they have been undertaking. In particular, the EC recently concluded an internal assessment on illegal trade and is cooperating with national authorities as well with third-countries in order to exchange best practices aimed at fighting illegal trade of HFCs. Concerning the next revision of the F-Gas Regulation, the EC stated that this may include provisions on how the legislation shall work from an administrative point of view, possibly considering also illegal trade.

DEFRA only addressed the consequences on F-Gas in the case of no-deal scenario for the Brexit, among those the mutual recognition of certificates. However, in light of the recent UK national elections, a withdrawal agreement between the EU and UK is now likely to be signed, meaning that no practical changes will occur during the transition period on mutual recognition.

Finally, AREA Secretary General Oliver Janin presented the AREA Vision 2025.

As regards the F-gas regulation, DG CLIMA has published a <u>call for tenders</u> for the Evaluation and Impact Assessment for Amending the EU F-Gas Regulation. The time limit for receipt of tenders is 13 February 2020; it could then take a few months for the Commission to find the right contractor.

According to the feedback the Commission gave EPEE, they published the call for tenders already at this stage to be able to respect their deadline of completing the review of the Regulation by the end of 2022, but also because they want to anticipate requests from higher levels - in the context of the European Green Deal and of an ambitious new Commission - to speed things up.

Ozone Depleting Substances Regulation

On 26 November, the European Commission published its <u>evaluation of the ODS Regulation</u> 1005/2009. The evaluation was done in the context of the European Commission's Better Regulation agenda.

Overall the evaluation of the Regulation is very positive. It concludes that the objectives of the Regulation have been effectively achieved, that the Regulation complements the obligations of the Montreal Protocol and that it is important to keep it in place.

Below are a few highlights from the evaluation:

- Regarding the evolution of ODS consumption in the EU, the evaluation demonstrates that the EU has been below the limits set under the Montreal Protocol from 2009 to 2017;
- There has been no major implementation issue;
- The EU phase-out of ODS much ahead of its Montreal Protocol obligations facilitated consensus on accelerating the phase-out schedules for Montreal Protocol parties;
- The ODS Licensing System enabled the exchange of relevant information submitted in the licensing process very efficiently with other countries and as a result prevented illegal trade;
- The Regulation has shown environmental, health and economic benefits;
- The quota limitations however have not been so beneficial: applying companies have overestimated their annual needs to be on the safe side and reporting, although it was essential, was to a certain extent burdensome to companies;
- The integration of the Regulation into the F-gas Regulation could present a possible option for the future providing that it reduces complexity and provides more clarity for legislators and undertakings.

The evaluation concludes that key challenges for the future include the need to maintain good control over the remaining uses and trade of ODS, and achieve further progress on reducing emissions from ODS banks wherever feasible.

Energy Performance of Buildings Directive

Smart Readiness Indicator

The European Commission is currently developing with Member States the draft legal texts which will establish the SRI. The objective is to finalise and publish them in the Official Journal by the second half of 2020. A <u>draft version</u> of the legal text which was discussed by the EPBD Expert Group on 11 December indicates that the responsible actors for issuing the SRI score will likely be the ones already performing the inspections of heating and cooling systems under the EPBD framework.

According to feedback from the Sustainable Innovation Working Group, in some countries AREA members are already responsible for conducting these inspections. Therefore, members may need to be careful on whether the SRI may entail additional certification requirements in their countries.

Furthermore, we remind members that the SRI will be an optional scheme. Meaning that countries may decide whether they wish to adopt this scheme or not. Therefore, the impact for AREA members will depend on decisions taken in their home countries.

Ecodesign

A new Ecodesign Working Plan will be published in March 2020 alongside a new Circular Economy Action Plan. The latest intelligence indicates that the European Commission will not seek to significantly expand the list of product groups covered by ecodesign measures. It will instead seek to maximise efficiency gains in the product groups for which there is most potential for energy savings (white goods, industrial products, etc).

One new product group for which we do expect renewed attention is on ICT products (such as mobile phones), data centres and broadband networks. The European Commission recently adopted an ecodesign measure on data servers and storage products (Regulation 2019/424) and is now preparing an FAQ document (available from the secretariat).

In parallel, the trend indicates that ecodesign policies will shift its focus in the future from only looking at the energy efficiency of products to increasing attention on the durability and material efficiency. To this purpose, the Joint Research Center is revising the methodology used during the preparatory studies to further take these criteria into consideration.

Education & Skills

Nace Code

Following the discussion had during the last Working Group Human Capital Meeting, AREA Members agreed to amend the initial request towards Eurostat to request to repatriate all the RACHP services under one single newly-created NACE Code – 43.23, as this solution would be harmful at national level for some Members.

Therefore, in November, in light of the ongoing work on the revision of the NACE categories, AREA Secretariat requested Eurostat to repatriate all the RACHP services under Class 33 as this solution would be better suited to accommodate the needs of the members.

Eurostat acknowledged the request and AREA will be given the opportunity to comment on the draft of the new NACE codes. The draft should be available in early 2021 after the finalisation of the current revision process lead by a Task Force consisting 16 EU Member States + Switzerland.

ESCO Community Forum

In December, AREA participated to the revision of the ESCO (European Skills, Competences, Qualifications and Occupations) Community Forum Database.

ESCO Database works as a dictionary describing, identifying and classifying professional occupations, skills, and qualifications relevant for the EU labour market and education and training. The aim of ESCO is to support job mobility across Europe and a more integrated and efficient labour market. It is meant as a "common language" on occupations and skills that can be used by different stakeholders on employment and education and training topics.

The European Commission is currently revising this classification with the objective to publish the new version of the classification in 2021. To this purpose, AREA submitted its draft proposal with the request to create the occupation of Refrigeration Air Condition and Heat Pump Technician. During the course of 2020, AREA will be given the opportunity to provide further comments to its initial draft.

New European Commission

On 1 December, the new European Commission lead by the German President Ursula von der Leyen took office following the European Parliament Plenary endorsement of the composition of the new EC as well as the formal appointment by the EU Council.

Compared to the initial designated-Commissioners back in September, three candidates were rejected by the European Parliament and new ones were proposed. These changes did not concern sectors of interest for AREA, as the previously designated-Commissioners were all confirmed: Frans Timmermans (NL) Vice-President for 'European Green Deal and Commissioner for Climate Action Policy, Kadri Simson (ET) Energy Commissioner, Virginijus Sinkevičius (LT) Environment Commissioner, and Nicolas Schmit (LU) Jobs Commissioner.

European Green Deal & Decarbonisation Agenda

The communication on the <u>European Green Deal</u> was published on 11 December. It provides an ambitious preliminary roadmap on the actions to take during the next five years to make Europe the first climate neutral continent by 2050.

Buildings are one of the eight sectors identified as a priority area. Emissions of buildings will be reduced by taking a series of initiatives:

<u>"Renovation wave"</u>: The Commission will start by improving enforcement of the EPBD, particularly in relation to the long-term renovation strategies to be presented next year by Member States. Current renovation rates need to double in order to be able to meet the objectives. The Commission will publish next year a guidance to tackle energy poverty, which will include recommendations for financing programmes to facilitate renovations for households and public buildings. It will also launch an open platform initiative with stakeholders from local authorities and building and construction representatives to address the barriers for renovations and will make available financing schemes for this purpose under the existing InvestEU scheme.

- Increasing circular economy criteria in buildings: During the upcoming revision of the Construction Products Regulation, the Commission will seek to introduce material efficiency requirements to these products. Furthermore, in recent conclusions by the Council on the circular economy, Member States note the need to use other tools to promote the circularity of buildings including: Product Environmental Footprint, Environmental Product Declarations and the Level(s) voluntary reporting framework (see article on Circular Economy in the O4-AREA Bulletin).
- <u>Potential inclusion in the EU Emissions Trading Scheme (ETS):</u> The Commission will investigate including buildings in the existing ETS. The objective would be to promote investments in energy efficiency and renewable energy sources.

As a reminder, Member States need to present by the end of the year their final National Energy and Climate Plans (NECPs), which will guide their national policies towards decarbonisation for the next decade. The draft plans presented in the first half of this year presented relevant gaps. The Commission has informed during the Energy Council meeting on 4 December, that while revised versions of the NECPs have made significant advances towards bridging the gaps on relevant parameters, they still do not fully reach the objectives. Most notably on the targets on the use of renewable energy and energy efficiency. As a next step, some Member States will still present improvements to their NECPs in the first half of 2020.

One of the key challenges to achieve the goals outlined in this communication and in the NECPs are differences amongst Member States. Discussions amongst Member States were very slow in the Council, where it took several months of discussions to adopt a <u>common position</u> on the 2050 decarbonisation strategy. A key barrier to overcome will be the financing of the transition. There are still ongoing discussions on the burden sharing and alleviation for countries where there is a higher dependence on fossil fuels.

Furthermore, the absence of a unified European position was reflected in the COP-25 negotiations in Madrid. It was not possible to reach an agreement on the functioning of carbon markets as required under Article 6 of the Paris Agreement.

PROJECTS

REAL Alternatives for LIFE - update

On 28/29 November, the Partners of the REAL Alternatives 4 Life project gathered in Warsaw hosted by Prozon (Climate Protection Foundation) for a partner meeting. With the Project going towards an end in June 2020, partners discussed the next activities to be undertaken in the first semester of next year. Some final reports will be prepared to assess the achievements of the project. Among those, AREA has taken responsibility for drawing the layman report, which will give a concise overview of the project's purpose and results. The report will be issued in the second quarter of 2020

During the course of 2019, many training events were organised. Now, the partners are interested in feedback and launched a <u>survey</u> aimed at gathering the views of those who have been involved in REAL Alternatives, particularly on how it has helped them and how attitudes to using alternative refrigerants are changing. The results of the survey will be integral part of the final reports, so the Partners invite to participate.

New trainings will be organised soon. Check our website for details of future technician training events at https://www.realalternatives.eu/training-providers. The final Partner Meeting will be held on 28/29 May 2020 at the Cool Concerns training centre Tewkesbury, Gloucester - United Kingdom.

PUBLICATIONS



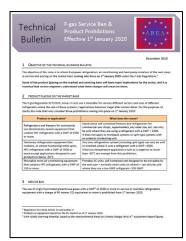
AREA Vision 2025



Replacing heat pump in an environmentally friendly way

Developed with the support of the Norwegian Heat Pump Network, this brochure aims at explaining to consumers how their heat pump must be replaced in an environmentally friendly manner at end of life.

The brochure is complemented with a video.



AREA Technical Bulletin Bans 2020

The objective of this note is to inform European refrigeration, air conditioning and heat pump installers of the next steps in service and placing on the market bans coming into force on 1st January 2020 under the F-Gas Regulations.

Some of the product (placing on the market) and servicing bans will have major implications for the sector, and it is essential that service engineers understand what these changes will mean for them.

This AREA Technical Bulletin has been created with the kind support of REFCOM – www.refcom.org.uk

This newsletter is reserved to AREA members

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