

From: ENV CAD
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From: [REDACTED] (ENV) [REDACTED] <[\[REDACTED\]@ec.europa.eu](mailto:[REDACTED]@ec.europa.eu)>
Sent: Thursday, December 8, 2022 9:45 AM
To: [REDACTED] (ENV)

Subject: REPORT BOSCH [REDACTED] meeting with DG FFH

BOSCH: [REDACTED], [REDACTED] & [REDACTED]
COM: DG Florika FINK-HOOIJER Florika (ENV), [REDACTED] (ENV), [REDACTED] (ENV), [REDACTED] (CLIMA)

BOSCH underlined their support for the decarbonisation and electrification of the EU energy system. They see a real business case in green tech and focus on replacing F-gases by propane. In their view propane is the best and only long term solution in almost all new air-conditioning and heat pump equipment. Propane has improved thermodynamic properties over traditional refrigerant products. At the same time JB is also representing the European Association and hence points out that it is important to ensure that restrictions under the F-gas Regulation are synchronised with future restrictions under REACH to prevent that some manufacturers would first substitute an F-gas alternative by another PFAS (NB: some F-gases are a member of the PFAS family) instead of going straight to propane. Regarding its high flammability (A3 level) he pointed to new designs that reduces the quantity to safety levels but acknowledged that for specific use cases in Southern countries (e. g. indoor installation; high power outputs) developments are taking time and are expensive.

BOSCH said it would be preferable if first, the policy driver would be based on incentives from Member States, e.g. in Germany buyers of propane heat pumps are getting higher support than for other heat

pumps. Subsequently, the HFC phase-down and F-gas prohibitions should kick in, providing sufficient time to make the shift directly to propane.

BOSCH also underlined that the situation differs in MS. In DE and NL they can move very fast because 80% of the systems have the refrigerant outside, whereas in the South of Europe they tend to have more systems with the refrigerant inside the building and bigger cooling systems (multi split). Thus while a 3 year transition period would normally be sufficient, 2029 would be a good compromise for shifting to propane in the more difficult use-cases and in all Member States, as suggested lately by the European Heating Industry (EHI).

Also, BOSCH was quite direct about that most European manufacturers are being ready to go straight to propane, whereas Asian and North American based manufacturers are being reluctant. Thus an ambitious F-gas Regulation would be an advantage for most EU manufacturers when the EU heat pump market would soon grow from € 7 to 17 million. The Asian/North American market is around € 125 billion. He also noted that the less ambitious position from the *European Association for Heat Pump Association* is very much influenced by non-EU based players. He then asked about the REACH process and what they could expect.

COM noted that it was positive that BOSCH supported the decarbonisation policy and that indeed it is important to take into account different policy objectives simultaneously. Also, it was good to hear that BOSCH is confirming that propane is generally a feasible alternative to F-gases in this sector. COM and the co-legislators are receiving mixed signals from manufacturers about what is feasible and the needed transition period. COM has proposed the shortest transition period that appeared reasonable. This was to avoid that the accelerated heat pump deployment related to REPowerEU would result in the locking in unnecessary F-gas emissions for decades. The proposal was now in the hands of the co-legislators where the opinions are diverging. COM invited Bosch to share data on the market situation per MS that could be useful to better understand MS positions.

The information provided by BOSCH also confirmed that EU companies would get a first mover advantage from ambitious F-gas rules. This advantage will become very beneficial because other countries in the world are starting to also impose restrictions to comply with their HFC consumption limit under the Montreal Protocol.

COM then explained the ongoing PFAS restriction process (4 Member States and Norway will submit REACH restriction dossier to ECHA on 13 January 2023) and that stakeholder input can be provided probably from around April next year. It would here be important to get information about cases where BOSCH considers that PFAS would still be needed and cases where they can be prohibited and from when. COM is also going to propose a revision of the REACH Regulation next year. .

BOSCH promised to provide more detailed data on heat pumps to DG CLIMA.

In sum, BOSCH made three points: (1) new or revised legislation (F-gases, REACH) should be ambitious and ensure a LPF while taking in the transition and implementation phase into account the differences between Member States due to their different needs for heating and cooling; (2) a transition period for replacing F-gases should not be more than 3 years; (3) legislative safety standards need to be adapted and synchronized with the F-gas and REACH revisions, to allow the transition to propane as an alternative to F-gases.

Report prepared by [REDACTED] ***(ENV) and*** [REDACTED] ***(CLIMA)***