# The Path to Sustainability in Uncertain Times


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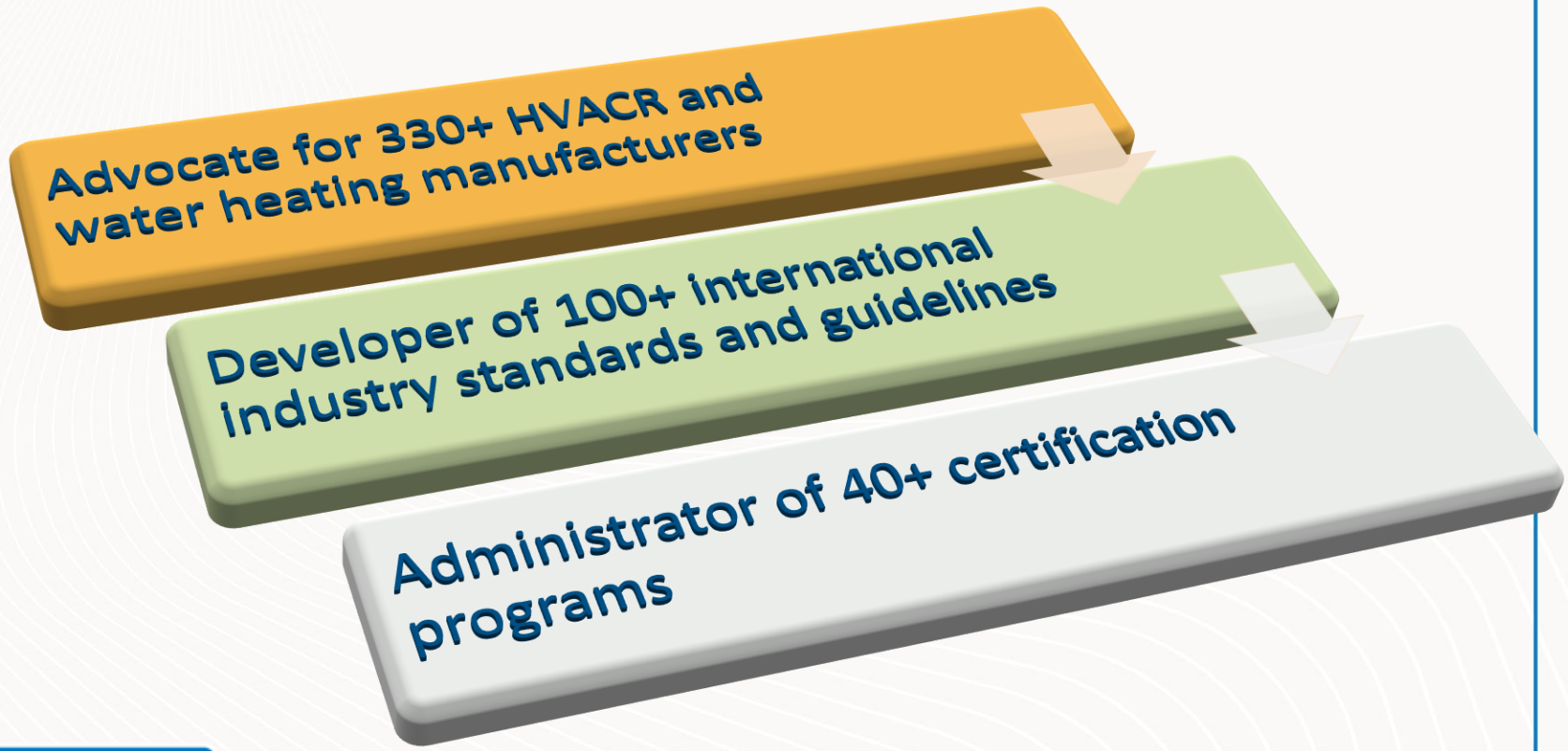


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# US Refrigerant Transition – Moving Forward

- 1-1-25 Comfort Cooling except VRF – 700 GWP
- 1-1-26 VRF - 700 GWP; Proposed: Commercial condensing units – 1,400 GWP; Cold storage – 700 GWP
- 1-1-27 Proposed: Commercial Refrigeration display cases – 1,400 GWP
- 1-1-32 Proposed: Commercial Refrigeration – 150 GWP or 300 GWP depending on charge

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# Needed: A Credible Path to Sustainability

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# Our Shared Commitment

- For decades, our industry has worked toward a cleaner environment and the lowest possible emissions.  During that time, we have:
  - Increased the overall efficiency of our products and equipment more than 50 percent.
  - Undergone three refrigerant transitions for the sole purpose of environmental protection.

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# The Challenges of Sustainable Sustainability

- Everyone wants a clean environment
- Everyone wants affordable, reliable, efficient heating, cooling, and water heating equipment
- To be successful, all nations must have reliable and affordable energy
- **Heating, cooling, water heating, and commercial refrigeration are not luxuries - they are necessities -- for health, safety, productivity, and comfort**

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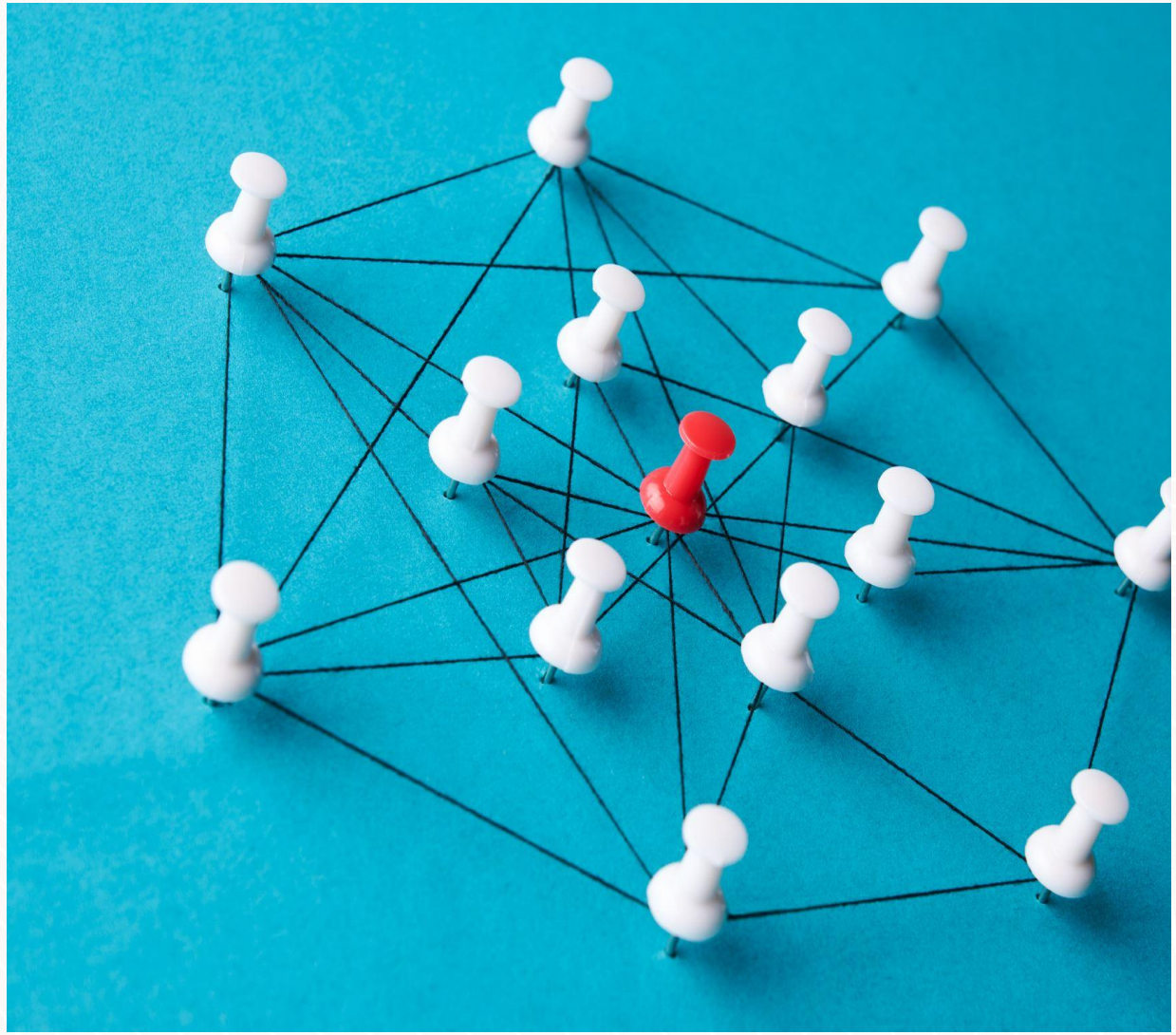
**How to make all those desires and realities mesh into coherent, successful policies -- that end-users accept and can afford?**



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# Refrigerant Transitions





| CFCs | HCFCs | HFCs | A2L |
|---|---|---|---|
| (1980s) | (1990s) | (2000s) | (2020s) |
| High ODP<br>High GWP | Low ODP<br>High GWP | Zero ODP<br>High GWP | Zero ODP<br>Lower GWP |

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# How Does the Refrigerant Transition Fit?


Aspirational push to ultra-low GWP refrigerants

Limited resources being diverted to another refrigerant transition

Environmental benefits would be greater if we focused on improving the performance and affordability of low-carbon heating and cooling technologies

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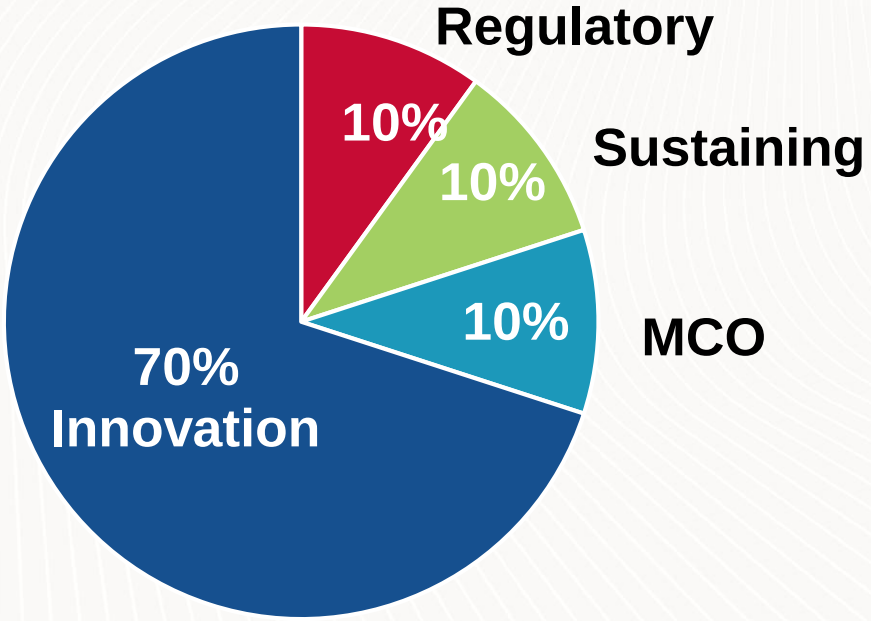
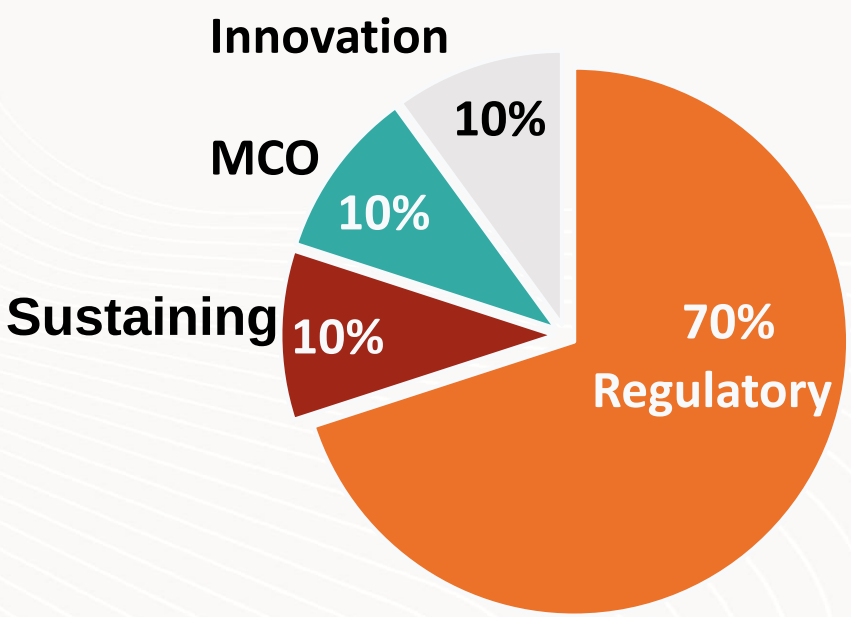
# High Innovation vs. High Regulation

Desired Resource Allocation




Realized Resource Allocation




**Innovation is being squeezed by regulation and commoditization**

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# Why Does Affordability Matter?

"Over 20 percent of Americans struggle to pay their energy bills and roughly 10 percent have received a utility disconnection notice in the past 12 months." -- Secretary of Energy Chris Wright,
March 10, 2025

"The public is exhausted," said New York Assemblymember John McDonald. "At the end of the day, they don't want to see their bills go up. We have to be sensitive to that."

"What is the cost? I can't do things without knowing the cost on consumers...the goals are still worthy, but we have to think about the collateral damage." – New York Governor Kathy Hochul, January 29, 2025

59 percent of Americans (in the wealthiest nation on Earth) do not have enough in the bank to cover a $1,000 emergency expense. – Bankrate Poll, January 2025

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# Let’s Complete This Transition…

…before we seriously discuss any further refrigerant transitions

There are those in the U.S. and Europe that wish to discuss the next transition before this one is even complete

We need to take a step back and evaluate potential next steps, if any

We need to change the conversation to total system life-cycle costs and carbon emissions and resist focusing on a single component or technology

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# Our Main Tasks

We must take a step back and re-evaluate our responses to policy strategies

We must continue to educate policy makers about what can work, both technologically and economically

Developed nations must not set up developing nations for additional economic failure; instead, we must show the way

Sustainability cannot be cyclical – it must be sustained

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# Thank you!

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