

Keep Your Cool: Grocers Need Reasonable Refrigerant Regulations

The National Grocers Association (NGA) represents 21,000 independent community grocers and wholesalers across the United States. Independent community grocers account for 33 percent of all grocery sales, exceeding \$250 billion, and more than 1 million American jobs.

What is the HFC Management Rule?

The passage of the American Innovation and Manufacturing (AIM) Act of 2020 is forcing grocers to make a major transition in their refrigeration infrastructure as the US's production and consumption of hydrofluorocarbons (HFCs) will be phased down by 85% over the next 15 years.

The Management of Certain Hydrofluorocarbons and Substitutes Rule (aka HFC Management Rule) establishes an emissions reduction and reclamation program for the management of HFCs. There are three major portions of the rule that will impact grocers:

1. Requirements for leak repair;
2. Installation and use of automatic leak detection (ALD) systems;
3. Updated recordkeeping, reporting, and labeling requirements associated with both leak repair and detection

The Challenges

- ◆ It's estimated that switching to new refrigerants will:
 - Cost supermarkets \$1.5 million per store to implement.
 - Increase energy usage as much as 40% a year per store.
 - Equate to an annual food loss of \$500,000 per store because the refrigeration systems available under the rule have significant downtime and no backup capability.
- ◆ Low global warming potential refrigerants have not reached a high enough production level for prices to become reasonable.
- ◆ There is a lack of technicians qualified to work on these new systems.
- ◆ The updated recordkeeping, reporting, and labeling demands are unfunded mandates for grocers.
- ◆ The compliance deadlines for the rule are unreasonable and unrealistic.
 - New leak repair requirements come into effect January 1, 2026.
 - ALD systems must be installed on all existing refrigeration systems by January 1, 2027.

The Ask

Cosponsor Congressman Dunn's (R-FL-02) H.J. Res. 38/Senator Marshall's (R-KS) S.J. Res. 14, a Congressional Review Act resolution striking down this misguided rulemaking and protecting your independent grocers who support the local economy.

At the HEART of the community.

