

Review of the F-gas Regulation

On 5 April 2022, the European Commission presented a proposal for a regulation on fluorinated greenhouse gases (F-gases) to repeal the current F-gas Regulation. The proposal seeks to reduce F-gas emissions further. It would change the existing quota system, gradually reducing the supply of hydrofluorocarbons (HFC) to the EU market, to 2.4 % of 2015 levels by 2048. It would also ban F-gases in specific applications, and update the rules on implementing best practice, leak-checking, record-keeping, training, waste treatment and penalties. On 30 March 2023, the European Parliament adopted its position, and on 5 October 2023, the co-legislators reached a provisional agreement. Parliament is expected to vote on the final text during its January I plenary session.

Background

F-gases are powerful greenhouse gases (GHG). Some can persist in the atmosphere for thousands of years, with a global warming potential up to 25 000 times higher than CO₂. In 2006, the EU adopted the first F-gas Regulation. The regulation focused mainly on leakage prevention during the use phase and in end-of-life of stationary equipment. It also introduced F-gas bans to a small number of application areas. The current F-gas Regulation (EU) No 517/2014 entered into force in 2015, repealing and broadening the scope of the 2006 regulation. F-gas emissions have been decreasing since 2016, with a 12.2 % decrease recorded in 2020, compared with 2019. They currently represent 2.5 % of total GHG emissions in the EU.

European Commission proposal

The <u>proposal</u> seeks to align EU legislation with the <u>Montreal Protocol</u>, and contribute to the EU targets of a 55 % net GHG emissions reduction by 2030 and climate neutrality by 2050. It also aims to improve F-gas monitoring and reporting, and enhance implementation and enforcement. The Commission expects the proposal to reduce F-gas emissions by about 40 million tonnes of CO_2 equivalent – (Mt) CO_{2e} – by 2030 and 310 Mt CO_2 e by 2050, on top of the reductions resulting from the current regulation. In addition, the proposal is designed to reduce illegal activities, mainly through changes to the existing quota system.

European Parliament position

Parliament referred the proposal to the Committee on the Environment, Public Health and Food Safety (ENVI), which adopted its <u>report</u> on 1 March 2023. Parliament then <u>adopted</u> its position on 30 March. Among other things, the report strengthened the requirements for bringing products containing F-gases to market. The Parliament and Council reached a <u>provisional agreement</u> on 5 October 2023, and the ENVI committee <u>endorsed</u> it on 24 October. The text sets 2050 as the year by which the placing of HFCs on the market will be completely phased out, and 2036 as the year by which production of HFCs (in relation to production rights allocated by the Commission) will be phased down to a minimum (15 %). In addition, the text contains provisions that would allow for the release of a limited number of additional quotas, if necessary to reach the deployment target for heat pumps, as required under REPowerEU. With respect to penalties, the agreed text follows the Commission proposal and does not maintain the Parliament's position of introducing minimum administrative fines. Parliament is due to vote on the text in plenary in January.

First-reading report: 2022/0099(COD); Committee responsible: ENVI; Rapporteur: Bas Eickhout (Greens/EFA, Netherlands). For further information see our 'EU legislation in progress' briefing.



Outcome of the Conference on the Future of Europe: This proposal is relevant for measure 11(1).

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