

Office of Policy and Legal Analysis

Date: March 14, 2022

To: Joint Standing Committee on Environment and Natural Resources

From: Dan Tartakoff, Legislative Analyst

Re: LD 866, An Act Concerning Advanced Refrigeration Technology (Lyford)

Summary of bill

This bill is a concept draft that proposes to “enact measures concerning advanced refrigeration technology that reduce climate super-pollutant and energy use and bring advanced refrigeration technology into financial parity with solar technology rebates on a cost per environmental benefit basis.” It was carried over by the Committee from the prior session.

Summary of proposed amendment

Prior to the hearing, the bill’s sponsor, Representative Lyford, distributed a proposed amendment to the bill on which testimony was solicited. That amendment replaces the bill and does the following.

1. It amends the law establishing the technical standards for electrical installations adopted by the electricians’ examining board to provide that, notwithstanding any provision of the National Electrical Code to the contrary, the standards must authorize a licensed electrician to perform an electrical installation of a distributed refrigeration module and related components to complete a balance of plant installation, regardless of whether that module has been tested and certified by an organization or entity recognized as a nationally recognized testing laboratory under the United States Department of Labor, Occupational Safety and Health Administration’s Nationally Recognized Testing Laboratory Program, so long as the electrical inspector of jurisdiction determines that such installation does not pose a substantial risk of danger or injury to property or the public. The term “distributed refrigeration module” is defined to mean a refrigeration system that consists of high side components closely coupled to the low side refrigeration load along with associated external interconnecting subsystems that allows for rejected heat to be transferred through water instead of refrigerants.
2. It amends the Regional Greenhouse Gas Initiative (RGGI) Trust Fund to authorize the allocation of trust funds to reduce greenhouse gas emissions and lower energy costs at commercial and industrial facilities by providing assistance in the retrofitting or replacement of advanced refrigeration products or equipment or combined refrigeration and heating, ventilation and air conditioning equipment that contain a refrigerant with a high global warming potential with products or equipment that substantially reduce global warming potential compared to the products or equipment retrofitted or replaced.

List of legislators/entities that submitted written testimony and/or spoke at the hearing

Proponents – Flexware Control Technology LLC, Wild Blueberry Commission of Maine, additional members of the public.

Opponents – none.

Neither for nor against – Efficiency Maine Trust, Department of Environmental Protection, additional members of the public.

Issues, proposed amendments and additional information

- 1. EMT comments, scope of existing RGGI trust fund authority** – at the LD 866 hearing, the Efficiency Maine Trust (EMT) stated that the existing RGGI trust fund statute already provides authority to expend RGGI funds for the purposes described in the amendment (efficiency upgrades to commercial and industrial refrigeration systems) and that it has in fact provided funding to these types of projects in the past. The Committee may accordingly want to consider whether the changes to the RGGI trust fund statute provided in Section 2 of the proposed amendment remain necessary.
- 2. EMT comments, carbon credits/refrigerant leakage** – although suggested by others at the hearing, the EMT noted it does not use RGGI funds to give carbon credits to customers for installing solar or wind projects. EMT also testified that unless and until refrigerants leak into the atmosphere, they do not constitute a greenhouse gas emission, noting that the estimated annual leakage of refrigerants in Maine constitutes only 0.3-0.9% of its total greenhouse gas emissions.
- 3. DEP comments, effect on HFC regulations** – per DEP, the proposed amendment is not expected to impact the HFC regulations enacted by the Legislature last year (LD 226).
- 4. Analyst note, standards for installation of electrical equipment** – Section 1 of the bill proposes amendments to 32 MRSA §1153-A, which provides for the adoption by the Electricians’ Examining Board (a statutorily-established entity) by rule of technical standards for the proper installation of electrical equipment. Those adopted rules (Electricians’ Examining Board Rule Chapter 120: Electrical Installation Standards) provide that electrical installations in Maine must comply with the National Electrical Code (2020 edition), incorporated by reference into the rule, except where otherwise specified in the rule.

The National Electrical Code is published by the National Fire Protection Association. Because access to that Code is limited to purchasers and NFPA subscribers, it is unclear if and how that Code specifically prohibits the activities that Section 1 seeks to exempt. Testimony received at the hearing suggested that UL or other similar certification is required for products and components that are part of an electrical installation. These “distributed refrigeration modules” were described as custom built systems and, while the whole module is not UL certified, it was suggested that each of the module’s component parts are UL certified.

- 5. EMT request, LD 226** – last session, as part of the enactment of LD 226, An Act To Limit the Use of Hydrofluorocarbons To Fight Climate Change, the Committee sent a letter (distributed separately from analysis) to the EMT requesting feedback in 2022 regarding issues raised during the LD 226 discussion regarding options for addressing refrigerant leakage issues.

At the hearing on LD 866, the EMT stated that it would provide a response to that committee request from LD 226 at or prior to the work session on LD 866.

Fiscal information

Not yet available from OFPR.

SENATE

STACY BRENNER, DISTRICT 30, CHAIR
ANNE M. CARNEY, DISTRICT 29
RICHARD A. BENNETT, DISTRICT 19

DAN TARTAKOFF, LEGISLATIVE ANALYST
DEIRDRE SCHNEIDER, LEGISLATIVE ANALYST
SABRINA CAREY, COMMITTEE CLERK



HOUSE

RALPH L. TUCKER, BRUNSWICK, CHAIR
LYDIA C. BLUME, YORK
LORI K. GRAMLICH, OLD ORCHARD BEACH
STANLEY PAIGE ZEIGLER, JR., MONTVILLE
VICTORIA W. DOUDERA, CAMDEN
ARTHUR L. BELL, YARMOUTH
JEFFERY P. HANLEY, PITTSSTON
CHRIS A. JOHANSEN, MONTICELLO
BETH A. O'CONNOR, BERWICK
WILLIAM R. TUELL, EAST MACHIAS

STATE OF MAINE
ONE HUNDRED AND THIRTIETH LEGISLATURE
COMMITTEE ON ENVIRONMENT AND NATURAL RESOURCES

June 2, 2021

Michael Stoddard, Executive Director
Efficiency Maine Trust
168 Capitol Street, Suite 1
Augusta, Maine 04330-6856

Re: LD 226, An Act To Limit the Use of Hydrofluorocarbons To Fight Climate Change

Dear Mr. Stoddard:

As you may know, a majority of the Environment and Natural Resources Committee this session voted "ought to pass as amended" on LD 226.¹ LD 226, as amended by the majority report, provides for the phase out of the use of the most environmentally-damaging hydrofluorocarbons (HFCs) in certain products and equipment for specified air conditioning, refrigeration, foam or aerosol propellant end uses.

In addition to the testimony we received regarding the environmental harms posed by these HFCs, we also heard concerns about mechanical, design, installation and servicing issues associated with some of these same products and equipment that, regardless of the refrigerants used in those products and equipment, are and will continue to leak refrigerants. Although not addressed in LD 226, as amended by the majority report, we remain concerned about the issues posed by such leakage and interested in further discussion of potential solutions to that problem.

One such solution that was brought to our attention concerned the possibility of imposing a fee upon refrigerants, or equipment or products containing refrigerants, imported into the State for sale in the State. The fees collected would fund a new program, potentially administered by the Efficiency Maine Trust, through which entities in the State could be awarded funds for the proper installation, repair or servicing of products or equipment that are or have the potential to leak refrigerants due to their faulty or incorrect design, installation or servicing, their age or their condition.

¹ Members on the majority OTP-AM report: Senators Brenner and Bennett; Representatives Tucker, Bell, Blume, Doudera, Gramlich, Johansen, Tuell and Zeigler (10 members); Members on the minority ONTP report: Representatives Hanley and O'Connor (2 members); One member absent at the time of the vote: Senator Carney.

We would ask the Efficiency Maine Trust conduct a review of the leakage issues described above and the options for addressing those issues, including, but not limited to, the fee solution described above, and report back to us in early 2022 regarding any findings or recommendations from that review.

Our Committee has voted to request carry over on another bill, LD 866, An Act Concerning Advanced Refrigeration Technology (Representative Lyford, sponsor) in order to allow for consideration of this and other related matters during the 2022 session.

Thank you for your attention to this matter.

Sincerely,

Stacy Brenner _{DC}

Stacy Brenner
Senate Chair

Ralph Tucker _{DC}

Ralph Tucker
House Chair

cc: Members, Environment and Natural Resources Committee