

PUBLISHED REPLACEMENT EU ACT INITIAL ASSESSMENT OF IMPACT

DSC REF: DSC/02/2024

Published Replacement EU Act

Regulation (EU) 2024/590 of the European Parliament and of the Council of 7 February 2024 on substances that deplete the ozone layer, and repealing Regulation (EC) No 1005/2009

https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L_202400590

This Regulation replaces Regulation (EC) No 1005/2009 of the European Parliament and of the Council of 16 September 2009 on substances that deplete the ozone layer

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32009R1005>

Summary of the Act

This Regulation lays down specific rules relating to the limitation of emissions of ozone depleting substances (ODS). ODS, if emitted into the atmosphere, are harmless in the short term, but in the long term, damage the Earth's protective ozone layer, which is harmful to all life on the planet.

This EU Regulation lays down further new measures to limit emissions of ODS, including:

- restrictions on the use of ODS in refillable containers;
- further requirements for record keeping for use of ODS in the laboratory for research purposes;
- updates to the licensing system for the legal use of large quantities of ODS;
- requirements for building/construction companies on the use of ODS in foam panels, and
- restrictions on the use of fire extinguishers containing halons.

Department(s) Responsible

Department of Agriculture, Environment and Rural Affairs (DAERA).

Initial Assessment of Impact

Does it appear likely that the application of the replacement EU act would have a significant impact specific to everyday life of communities in Northern Ireland in a way that is liable to persist?

It is not anticipated that the replacement Act will have a significant and persistent impact specific to everyday life of communities in Northern Ireland (NI).

The use of ODS has now been largely phased out and replaced by fluorinated greenhouse gases. Only two organisations in NI are known to the Department to use halons, and only one is known to use ODS in the laboratory. Although there may be others, the new provisions in the EU Regulation are unlikely to have a major effect on their trade and business operations.

Applying the replacement EU Act could have the following impact:

- cost and administrative savings for NI undertakings who use or trade in ODS and authorities who enforce the Regulation as detailed in the UK Government Explanatory Memorandum.

Does it appear likely that not applying the replacement EU act would have a significant impact specific to everyday life of communities in Northern Ireland in a way that is liable to persist?

Not applying the replacement EU Act could have the following impacts:

- NI fails to contribute to the UK obligations under the Montreal Protocol to reduce ODS emissions.

UK Government Explanatory Memorandum

Initial analysis of the EU's revised ODS Regulation highlights that its key proposal is to increase efficiency of regulating ODS and reduce the administrative and cost burden on undertakings and authorities. This includes removing the need for per shipment licences, the removal of the registration requirements for laboratory uses and removing the annual quota allocation systems. This would result in cost and administrative savings for NI undertakings who use or trade in ODS and authorities who enforce the Regulation.

The measures within the proposal mostly impact the functioning and operation of the ODS Licensing System and will therefore have internal impact rather than impacting on trade outside of the EU. There should not therefore be significant trade implications between NI and GB. In addition, we may choose to implement similar measures, as we are keen to streamline the ODS Regulation and also need to consider the role of ODS in supporting the UK's target of achieving net zero.

If we do propose changes to the GB ODS legislation, we will aim to engage with the EU to better understand the proposals and emerging changes to them. Such engagement will also inform our thinking for ODS policy development. Alignment between GB and NI will form part of our considerations under our review.

https://assets.publishing.service.gov.uk/media/628b6cf58fa8f556203eb49f/EM_8048-22.pdf

Analysis by the European Commission on its Impact Assessment

Emissions from ozone depleting substances (ODS) result both in climate warming and a 'hole' in the ozone layer, with adverse impacts on our health, the biosphere and climate change, as well as having large economic implications. Preventing such impacts is key for the European Green Deal and the Paris Agreement on Climate Change and for the EU's compliance with the Montreal Protocol on substances that deplete the ozone layer.

EU-wide legislation has prevented significant amounts of ODS emissions for three decades. Today only very few ODS uses are allowed in the EU and they must be controlled tightly to avoid illegal use. The focus has thus shifted from phasing out production and consumption of ODS to sustaining important emission reductions that are already locked in by the EU Regulation.

This assessment is the basis for reviewing Regulation (EC) 1005/2009 on substances that deplete the ozone layer. An evaluation found that it was generally fit-for-purpose and a strictly controlled EU ODS policy has avoided a recurrence of emissions. However, the few remaining uses could be controlled in a slightly more efficient, coherent and clear manner. Therefore, this review is firstly about fine-tuning the design of the existing measures. Secondly, in the light of the Green Deal, it is examined if any of the remaining emissions could be reduced further at proportionate costs.

The measures to address these issues are bundled into three different packages. Option 1 includes measures resulting in cost savings or very low costs only. It focuses on simplifications, better coherence and clarifications as well as a low-cost emission reduction measure that will prevent emissions from metal-faced panels of insulation foams during renovation or demolition activities.

Option 2 includes, in addition, ODS recovery from more types of insulation foams and more comprehensive monitoring and control, associated with moderate costs.

Option 3 includes all measures that were considered feasible, including high-cost measures. Option 2 is the preferred combination of measures, because it achieves significantly more emission savings than Option 1 and is therefore more coherent with the European Green Deal. The third package, on the other hand, appears to be too costly compared to the benefits it would generate.

The most effective emission reduction measure in Option 2 will make it mandatory to recover and destroy ODS from two types of insulation foams 2 when renovating or taking down old buildings. Until 2050 such action may in total save emissions that are equivalent to almost 180 million tonnes of carbon dioxide (tCO₂e).

For comparison, this is the amount reported by the Netherlands (UNFCCC) for all greenhouse gases in the year 2019. Abatement costs were estimated to be below 20€/tCO₂e abated in countries where rules and infrastructure on demolition activities are in place and will be well below 230€/tCO₂e in all Member State. Costs are therefore proportionate to what other sectors need to contribute to achieve climate neutrality, in the context of the EU long term strategy. The option will stimulate R&D and may result in additional jobs in the recycling sector. For measures increasing efficiency, coherence and clarity, businesses, SMEs, Member States and the Commission will be saving costs. Low costs will be associated with more comprehensive monitoring and control. In the preparation of the impact assessment stakeholders were consulted extensively. They generally supported the measures in Option 2, but business were opposed to some of the additional measures in Option 3 due to very high estimated costs

https://climate.ec.europa.eu/system/files/2022-04/swd_2022_100_en.pdf

https://climate.ec.europa.eu/system/files/2022-4/ods_impact_assessment_en.pdf

Departmental Engagement

There is an F-gas and ODS Common Framework and DAERA officials have regular engagement with UKG officials.

The F-gas and ODS Governance Group is attended by Directors from the four UK administrations.

DAERA officials engaged with stakeholders in 2022 to inform them of the requirements under the new regulation.