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**Docket ID No. EPA-HQ-OAR-2025-0005: Phasedown of Hydrofluorocarbons:
Reconsideration of Certain Regulatory Requirements Promulgated Under the Technology
Transitions Provisions of the American Innovation and Manufacturing Act of 2020:
Proposed Rule**

90 Fed. Reg. 47,999 (October 3, 2025)

Comments of the Competitive Enterprise Institute, Americans for Prosperity, Truth in Energy and Climate, American Energy Alliance, Gas Analytics & Advocacy Services, Heartland Institute, Cornwall Alliance for the Stewardship of Creation, American Energy Institute, Family PAC Federal, Rio Grande Foundation, Consumers' Research, American Consumer Institute, Multiple-Use Advocacy, 60 Plus Association, American Association of Senior Citizens, American Commitment, Ambassador Carla Sands, Committee for a Constructive Tomorrow, Tea Party Patriots Action

- The Environmental Protection Agency's 2023 Technology Transitions Rule increased the cost of new air conditioning and refrigeration equipment, particularly residential central air conditioning systems.
- The Proposed Rule would provide additional compliance flexibility and thus help mitigate the cost increases.
- The agency should consider additional steps to provide further regulatory relief for consumers.

I. Introduction

The undersigned free-market organizations have a longstanding interest in bringing to light the deleterious consequences of federal regulations, which are often neglected by agencies in their attempts to adopt their regulatory agendas. This is especially the case with regard to the many climate change-related regulations finalized in recent years. For this reason, many of us submitted joint comments to the Environmental Protection Agency in 2021 concerning the agency's Allocation Framework Rule implementing the American Innovation and Manufacturing (AIM) Act of 2020.¹ The Allocation Framework Rule set up the agency's quota system for hydrofluorocarbons (HFCs), a widely-used class of refrigerants that were being targeted under

¹42 U.S.C. §7675, at [https://uscode.house.gov/view.xhtml?req=granuleid:USC-prelim-title42-section7675\(a\)&num=0&edition=prelim](https://uscode.house.gov/view.xhtml?req=granuleid:USC-prelim-title42-section7675(a)&num=0&edition=prelim).

the AIM Act.² As we detailed in our comments, the rule and underlying agency analysis ignored the real costs to consumers.³

The EPA's 2023 Technology Transitions Rule, which was also promulgated pursuant to the AIM Act, made things considerably worse for consumers.⁴ It outlawed the use of certain HFCs in newly manufactured equipment, including residential air conditioning systems. Many of us also submitted comments on this rule, describing in detail its anti-consumer implications.⁵ These concerns have proven correct since the rule took effect on January 1, 2025. Indeed, the summer of 2025 was an extraordinarily expensive one for any homeowner in need of a new central air conditioning system, a direct result of this rule.

Fortunately, the EPA took notice and promised regulatory relief.⁶ This has led to the Proposed Rule at issue here.

As will be discussed below, the Proposed Rule offers regulatory flexibility that should partially moderate the cost increases created by the 2023 Technology Transitions Rule, and we strongly support it. We also welcome EPA's request for additional reform ideas and offer several that could lead to further consumer benefits.

II. The AIM Act and Technology Transitions Rule

The primary purpose of the AIM Act is to phase down the production of HFCs based on their claimed contribution to climate change. Currently, the statute requires a 40 percent cut from baseline levels, which will ratchet down to a 70 percent cut in 2029. Not surprisingly, these production limits have led to price increases for these refrigerants and thus have raised repair costs for existing residential and commercial air conditioning and refrigeration equipment that relies upon HFCs. The HFC quotas are administered and enforced by EPA.

² Environmental Protection Agency, "Phasedown of Hydrofluorocarbons: Establishing the Allowance Allocation and Trading Program Under the American Innovation and Manufacturing Act: Final Rule," 86 FR 55116, October 5, 2021, (Allocation Framework Rule), <https://www.govinfo.gov/content/pkg/FR-2021-10-05/pdf/2021-21030.pdf>.

³ Comments Submitted by Ben Lieberman, Senior Fellow, Competitive Enterprise Institute (CEI), on Behalf of CEI, Consumers' Research, Caesar Rodney Institute, Committee for a Constructive Tomorrow, Center for the American Experiment, Rio Grande Foundation, Americans for Limited Government, Energy & Environment Legal Institute, 60 Plus Association, FreedomWorks Foundation, Buckeye Institute, John Locke Foundation, Project 21, Independent Women's Forum, Cornwall Alliance for the Stewardship of Creation, Roughrider Policy Center, and Texas Public Policy Foundation, July 6, 2021, (AIM Act Comments), <https://cei.org/wp-content/uploads/2021/07/AIMAct-NOPR-Comments-6-2021.pdf>.

⁴ Docket No. EPA-HQ-OAR-2021-0643; "Phasedown of Hydrofluorocarbons: Restrictions on the Use of Certain Hydrofluorocarbons Under Subsection (i) of the American Innovation and Manufacturing Act of 2020: Final Rule," <https://www.govinfo.gov/content/pkg/FR-2023-10-24/pdf/2023-22529.pdf> 88 FR 73,098, October 24, 2023.

⁵ Comments Submitted by Ben Lieberman, Senior Fellow, Competitive Enterprise Institute (CEI), on Behalf of CEI, Consumers' Research, Heritage Action for America, Caesar Rodney Institute, Science & Environmental Policy Project, Committee for a Constructive Tomorrow, Rio Grande Foundation, FreedomWorks Foundation, John Locke Foundation, Project 21, Cornwall Alliance for the Stewardship of Creation, 60 Plus Association, Institute for Energy Research, and Independent Women's Forum, January 30, 2023, (Technology Transitions Rule Comments), <https://cei.org/wp-content/uploads/2023/01/AIM-ACT-COMMENT-1-30-2023-1.pdf>.

⁶ Environmental Protection Agency press release, "EPA Launches Biggest Deregulatory Action in U.S. History," March 12, 2025, <https://www.epa.gov/newsreleases/epa-launches-biggest-deregulatory-action-us-history>.

While the quotas are mandatory under the law, the AIM Act also includes a section entitled “Technology Transitions” giving EPA discretion to set additional restrictions on the use of HFCs in any category of newly manufactured equipment.⁷ Both environmental organizations and equipment manufacturers petitioned EPA to promulgate such restrictions, and the agency obliged them with the 2023 Technology Transitions Rule.⁸

The Technology Transitions Rule sets out requirements for nearly every category of air conditioning and refrigeration equipment, but these comments will focus on the provisions applicable to residential central air conditioners. The rule requires that all such new systems manufactured after January 1, 2025 use refrigerants with a global warming potential (GWP) of 700 or less.⁹

The majority of residential air conditioners sold in the years prior to this date used the refrigerant HFC-410A. These systems dominated the marketplace for many years (ever since the demise of earlier refrigerants banned for their claimed contribution to ozone depletion) due to their combination of superior affordability and quality relative to other available refrigerants. However, HFC-410A has a GWP above 700 and thus was outlawed in equipment manufactured as of the first of this year.

Two refrigerants have emerged as replacements for HFC-410A in new home air conditioners, HFC-454B with a GWP of 466 and HFC-32 with a GWP of 675. Note that these refrigerants and the equipment designed to use them had lost out to HFC-410A in the marketplace due to various shortcomings, including cost, performance, and safety.¹⁰ But now, these putatively climate-friendlier systems enjoy something close to a captive market as a result of the 2023 rule.

The Technology Transitions provisions in the AIM Act set out a number of factors the agency must consider when setting regulations, including “affordability for residential and small business consumers.”¹¹ However, the agency dismissed any such concerns by asserting that the new systems “would be expected to have a similar cost...” and even claimed that “overall, the proposed rule is expected to provide net savings to the economy, which may in turn be passed on to small businesses and residential consumers.”¹²

Because EPA assumed away any consumer costs associated with the 2023 Technology Transitions Rule, the agency’s discussion of the environmental justice implications ignored the potential for adverse impacts on low-income households of costlier air conditioning.¹³ This was

⁷AIM Act, subsection (i), “Technology Transitions.”

⁸Environmental Protection Agency, “Technology Transition Petitions Under the AIM Act,” <https://www.epa.gov/climate-hfcs-reduction/petition-status-technology-transitions>.

⁹ Environmental Protection Agency, “Technology Transitions Program: Fact Sheet,” October 2023, <https://www.epa.gov/system/files/documents/2023-10/technology-transitions-final-rule-fact-sheet-2023.pdf>

¹⁰ Chuck Booten et al., “Refrigerants: Market Trends and Supply Chain Assessment,” Clean Energy Manufacturing Analysis Center, February 2020, p. 41, <https://www.nrel.gov/docs/fy20osti/70207.pdf>.

¹¹ AIM Act, subsection (i)(4)(B).

¹² Environmental Protection Agency, “Phasedown of Hydrofluorocarbons: Restrictions on the Use of Certain Hydrofluorocarbons Under Subsection (i) of the American Innovation and Manufacturing Act of 2020: Proposed Rule,” 87 FR 76,738, pp. 76,764-5 (December 15, 2022), at <https://www.govinfo.gov/content/pkg/FR-2022-12-15/pdf/2022-26981.pdf>.

¹³ Technology Transitions Rule Comments, pp. 6-7.

so despite the well-documented health benefits of air conditioning.¹⁴ Heat-related mortality and morbidity has been shown to be higher among those with low incomes, especially seniors, and the lack of access to air conditioning is a major contributor.¹⁵

III. The Proposed Rule Would Help Address High Consumer Costs From the Technology Transitions Rule

Reality hasn't cooperated with the EPA's optimistic cost projections. The summer of 2025 was the first under the Technology Transitions Rule, and it was an extraordinarily expensive one for homeowners in need of a new air conditioning system. Those in the business of installing such systems report cost increases of about \$1,500 for a typical home as a direct result of the rule.¹⁶ This includes increases in equipment and refrigerant costs as well as installation costs since the new refrigerants have a higher flammability classification than HFC-410A and thus require additional precautions during installation.¹⁷ Note that the 2025 increases came on top of the other AIM Act measures that had already raised prices since 2020. A shortage of HFC-454B throughout most of the summer exacerbated matters, though the price hikes for systems using HFC-32 were nearly as substantial.

Unlike the HFC quotas in the AIM Act, the Technology Transitions Rule is discretionary, and the EPA is well within its statutory authority to revisit it. This is especially so given the highly negative consumer impacts – including the disproportionate ones for low-income households - that were completely ignored by the agency during the rulemaking process. Thus, the Proposed Rule is the right course of action.

The EPA had allowed any remaining HFC-410A systems lawfully manufactured or imported before January 1, 2025 to be sold and installed for a year, until January 1, 2026. This deadline is rapidly approaching. The Proposed Rule would extend this sell-through period indefinitely, so that these systems can still be installed until they run out.

Doing so would be positive news for consumers. The manufacturers who had petitioned EPA for the Technology Transitions Rule now enjoy a near captive market for the higher priced compliant systems - which quite likely is the reason they lobbied for this rule. As it stands now, this near-captive market will become a total one on January 1, 2026, and equipment prices could rise even more.

¹⁴ See, Alan Barreca et al., “Adapting to Climate Change: The Remarkable Decline in the U.S. Temperature-Mortality Relationship over the 20th Century,” *Journal of Political Economy*, January 2016, <https://epic.uchicago.edu/wpcontent/uploads/2019/08/684582.pdf>.

¹⁵ See, Joyce Klein Rosenthal et al., “Intra-Urban Vulnerability To Heat-Related Mortality In New York City, 1997-2006,” *Health & Place*, November 2014, <https://www.sciencedirect.com/science/article/pii/S1353829214001087>.

¹⁶ Ben Lieberman, “How to Beat the High Cost of Cooling,” *Wall Street Journal*, August 24, 2025, https://www.wsj.com/opinion/how-to-beat-the-high-cost-of-cooling-6604bebd?st=MbTJRX&reflink=article_copyURL_share.

¹⁷ See, American Society of Heating, Refrigeration and Air Conditioning Engineers (ASHRAE), “Designation and Safety Classification of Refrigerants,” 2019, https://www.ashrae.org/file%20library/technical%20resources/standards%20and%20guidelines/standards%20addenda/34_2019_f_20191213.pdf.

The only escape hatch is the supply of legacy systems, thus keeping them available into next year and beyond would increase choice and lower prices in the residential cooling replacement market.

One need not choose an HFC-410A system to benefit from the Proposed Rule, as the added market flexibility would likely serve to lower the cost of HFC-454B or HFC-32 systems once their market monopoly status is weakened. It bears mentioning that any homeowner who still wants the costlier but supposedly eco-friendlier systems would be free to choose them, but it would no longer be the only option available after January 1, 2026.

EPA's failure to consider significant cost burdens—including impacts on low-income households—constitutes a violation of the Administrative Procedure Act under *Motor Vehicle Mfrs. Ass'n v. State Farm*, 463 U.S. 29 (1983), requiring reconsideration or repeal.

IV. Additional Actions EPA Should Consider

While the Proposed Rule is clearly a step in the right direction, there are questions whether enough of these legacy HFC-410A systems are still around to make an appreciable difference for the 5-6 million American homeowners who purchase a new air conditioning system each year. It may be that the Proposed Rule, if finalized, will provide some measure of relief in 2026 but little or none thereafter. This is why EPA should consider additional steps to ameliorate the substantial costs imposed on consumers, up to and including full repeal of the Technology Transitions Rule.

Full repeal would have a negligible environmental impact. Even assuming the worst of climate change as well as the worst of the HFC contribution to it - and there is plenty of reason not to - the Technology Transitions Rule makes virtually no difference.¹⁸ The stringent HFC quotas elsewhere in the AIM Act will remain in place regardless, thus the Technology Transitions Rule only influences how this dwindling supply of HFCs is allocated. In other words, with or without the Technology Transitions Rule, the same declining volume of HFCs will be produced in the years ahead, either for use in new equipment or the servicing of existing equipment. Indeed, previous comments submitted by many of us suggested that the real purpose of the Technology Transitions section in the AIM Act was to get the air conditioning and refrigeration equipment makers to support the statute with the inducement of regulations creating lucrative captive markets in new equipment using EPA-approved refrigerants.¹⁹ It appears that this has come to pass.

Eliminating the Technology Transitions rule would add to the homeowners' benefits in the Proposed Rule because it would allow at least some new HFC-410A systems to be manufactured and sold - and not just the remaining units made before January 1, 2025. The manufacture of such additional units would not be unlimited, as the overall HFC quotas would still be in place. But these systems could compete with the HFC-454B and HFC-32 units which would still be available but would lose their federally-guaranteed market dominance.

¹⁸ AIM Act Comments, pp. 7-10.

¹⁹ Technology Transitions Rule Comments. P. 4.

Absent full repeal of the Technology Transitions Rule, extending the deadlines by several years would also be helpful. Specifically, moving back the January 1, 2025 requirements for residential systems to 2030 would likely make an appreciable difference for consumers.

Note that beyond making changes to the Technology Transitions Rule, there are limited options for consumer relief within the constraints of the AIM Act. Most notably, there is no off ramp should the stringent statutory quotas for HFCs prove costly, as has proven to be the case.

V. Conclusion

The 2023 Technology Transitions Rule made an already-costly AIM Act even more so for consumers by restricting the refrigerants allowed to be used in new residential air conditioning systems. The Proposed Rule would allow continued sales of the remaining HFC-410A systems indefinitely and would be a helpful step that we support. Beyond that, we urge the EPA to do as much as possible to mitigate the consumer damage, and for this reason we encourage the agency to consider more comprehensive changes to the Technology Transitions Rule, preferably full repeal of this regrettable and unnecessary measure. Thank you.

Respectfully submitted,

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