



TESTIMONY OF MIKE NEROZZI
DIRECTOR OF GOVERNMENT AFFAIRS

ON BEHALF OF
THE AIR-CONDITIONING, HEATING, AND REFRIGERATION INSTITUTE

BEFORE THE ALASKA HOUSE OF REPRESENTATIVES
LABOR AND COMMERCE COMMITTEE

HEARING ON HOUSE BILL 51

FEBRUARY 10, 2023

Good morning, Chairman Sumner and members of the Labor and Commerce Committee. My name is Mike Nerozzi, Director of Government Affairs for the Air-Conditioning, Heating, and Refrigeration Institute (AHRI). Thank you for allowing me to speak with you today and convey AHRI's strong support for House Bill 51, sponsored by Representative Wright, which will provide American manufacturers in the heating, ventilation, air conditioning, and refrigeration (HVACR) and water heating industry with the certainty needed to comply with forthcoming federal regulations phasing down the use of hydrofluorocarbons (HFCs) refrigerants.

AHRI represents more than 330 manufacturers of air conditioning, heating, commercial refrigeration, and water heating equipment. Our member companies produce more than 90 percent of the residential and commercial air conditioning, heating, and commercial refrigeration equipment made in North America. In North America, the annual economic activity resulting from the HVACR industry is approximately \$256 billion. In the United States alone, AHRI member companies, along with distributors, contractors, and technicians employ more than 1.3 million people, and more than 700 jobs in Alaska.

In December 2020, the American Innovation and Manufacturing Act (AIM Act) was signed into law by President Trump, which directs the U.S. Environmental Protection Agency (EPA) to issue rules that will phase down the use of current refrigerants, restricting their use in certain applications such as commercial refrigeration, chillers, and air conditioning. This allows for an orderly transition to next generation refrigerants, many of which are made in the United States.

However, our manufacturers face a pressing challenge. Building codes need to be updated this year to remove regulatory barriers to the use of these new refrigerants. Efforts are underway to do so, both in Alaska and across the country, but the regulatory timelines for these efforts are two to three years away. This is too late for American manufacturers and Alaskan consumers.

HB 51 amends the state building code to allow any substitute refrigerant deemed safe under federal standards to be used in Alaska. This will eliminate the mismatch of the building code schedule and enable the use of new refrigerant one to two years earlier, ensuring that there is no regulatory disruption for consumers, by making new products available for sale in Alaska on the same schedule as other states.

In short, HB 51 eliminates a timing barrier without imposing any new regulatory standards. It simply allows for harmonization with the 2024 model codes, benefitting consumers and businesses that rely on air conditioning and refrigeration equipment.

Thank you again for the opportunity to present testimony at this hearing. AHRI looks forward to continuing to work with the Alaska State Legislature to achieve both the economic and environmental benefits of the phase down of HFCs.