

New Environment Law: How the AIM Act affects Fire Protection

Beginning in late 2021, new environmental regulations will affect the fire suppression agents FM-200® and ECARO-25®—systems commonly installed and inspected by ORR Protection. The regulations are part of a new law passed in the U.S. called the American Innovation and Manufacturing (AIM) Act of 2020. These regulations will affect the price of these agents.

What is the HFC Phasedown?

The AIM Act directs the U.S. EPA to phase-down production and consumption of hydrofluorocarbon chemicals (HFCs) to 15% of baseline levels by the year 2036. Regulations begin in 2022 with an initial 10% reduction. The law also helps to facilitate the transition to next-generation replacement technologies.

How do Allowances Work?

As part of the law, the EPA is issuing companies allowances as the unit of measurement to control production and consumption. These allowances create a system of HFC exchange values and allow for trading. Entities should use allowances to produce or import bulk HFCs.

How does this affect your fire protection business?

As with any phase-down, virgin product scarcity will increase as supply reductions ramp up over the next 15 years. Fire system manufacturers have already reacted by raising the price of virgin HFC agents. FM-200 has seen cost increases of 500-800% in late 2021. ECARO-25 prices will also rise nearly 50% in 2022. ECARO-25 will experience a less dramatic increase because the chemical is used for several applications other than fire suppression and higher production rates will hold down costs.

Are there other options?

There are other non-HFC chemical agents available. 3M NOVEC 1230® and inert gas clean agent systems are available today and are good alternatives to HFCs.

What can you do to prepare?

If you forecast a need to purchase these agents in 2022, please contact us so we can help you plan for success.

Please don't hesitate to reach out with any questions or concerns,

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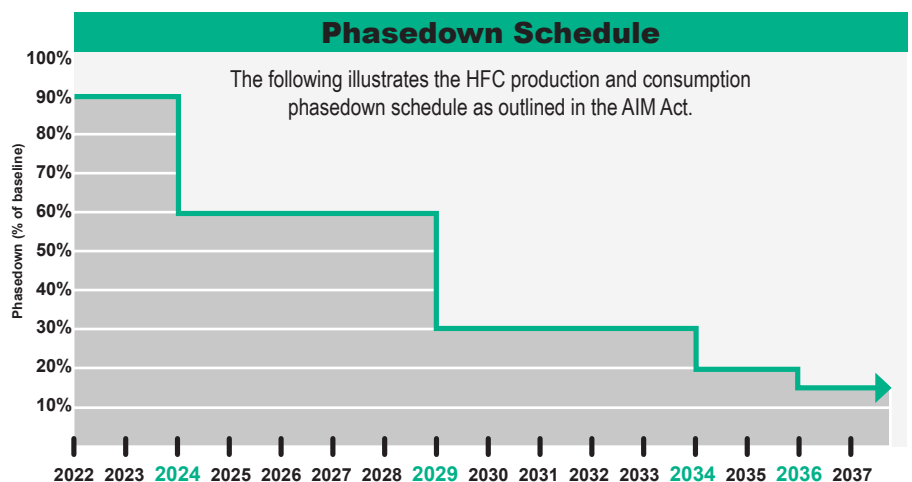


Table Information from: <https://www.epa.gov/climate-hfcs-reduction/final-rule-phasedown-hydrofluorocarbons-establishing-allowance-allocation>