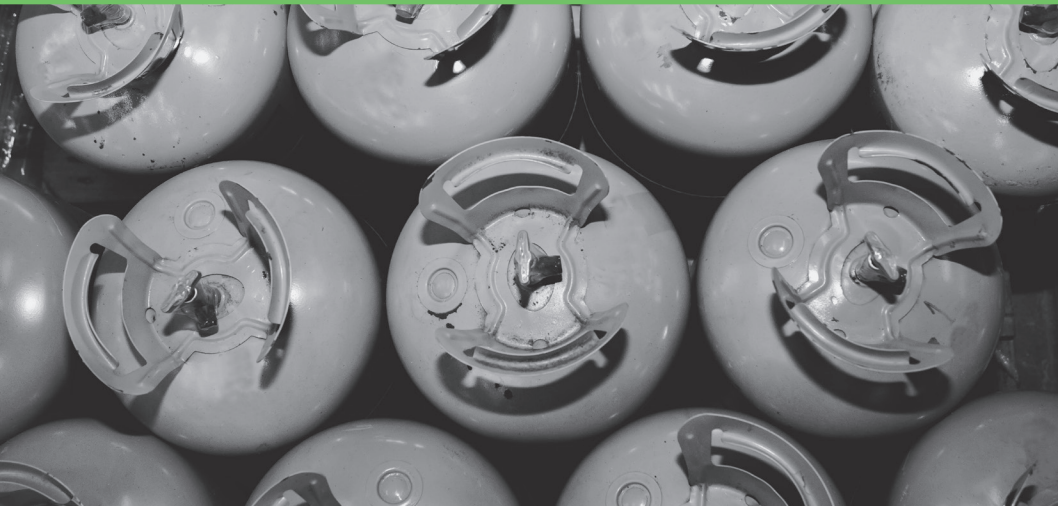


## PHASEDOWN OF HYDROFLUOROCARBONS (HFCs)



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The American Innovation and Manufacturing (AIM) Act of 2020 mandates the phasedown of HFCs by 85% from historic baseline levels by 2036. The AIM Act authorizes the Environmental Protection Agency (EPA) to address the effects of HFCs by pursuing:

- ▶ A phasedown of the production and consumption of HFCs
- ▶ Maximized reclamation and minimized release from equipment
- ▶ The transition from HFCs to next generation technologies through sector-based restrictions

The EPA has issued final rules under the AIM Act to phasedown the production and import of HFCs in a stepwise manner. These rules, as codified in 40 CFR Part 84, include reporting, recordkeeping and third-party audit requirements for regulated entities.

### ANNUAL THIRD-PARTY AUDIT REQUIREMENT

The EPA has established that agreed-upon procedures (AUP) engagements should be used to meet the audit requirement. The auditor performing the third-party attestation engagements must be a certified public accountant (CPA), or firm of CPAs, who must be independent of the regulated entity. The audit requirement is annual and due by May 31 following the compliance year under review.

The annual third party audit of reports submitted to the EPA is required for any person producing, importing, exporting, reclaiming, or recycling for fire suppression a regulated substance, as well as any person receiving application-specific allowances.

### WEAVER'S EXPERIENCE

Weaver has performed AUPs under the EPA's HFC phasedown program since its inception. Our energy compliance services team has extensive experience working with HFC producers, importers, exporters, application-specific allowance holders and reclaimers. Additionally, we offer general consulting services to assist regulated entities with understanding the reporting and recordkeeping requirements of the HFC phasedown program.

### HFC ENGAGEMENTS

- ▶ Weaver can perform HFC AUPs for all types of regulated entities.
- ▶ For compliance year 2024, Weaver's HFC AUP engagements covered:
  - » 48% of all allowances issued by EPA
  - » 63% of all production allowances issued by EPA