

Sent: Tuesday, December 24, 2013 9:28 AM

Subject: 2014 Regulations from ARB and CSE (Sent on behalf of Roger Richter)

TO: CSHE Facility Members

FROM: Roger Richter

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CSHE Executive Director

Two regulatory packages go into effect at the beginning of the year. One is from the Air Resources Board (ARB) on medium-size refrigeration systems. ARB is coordinating with the South Coast Air Quality Management District (SCAQMD) on its implementation for hospitals in the SCAQMD region. The second pertains to energy audits being submitted to the California Energy Commission for all entire buildings sold, leased or refinanced. The AB 1103 legislation behind this bill was enacted in 2007 and the regulation development process has been going on for some time due to the vagueness of AB 1103's intent. Below please find the summary of each regulatory package.

Hospital Owners Need to Submit an Energy Audit to CEC if Selling, Leasing or Refinancing a Building After Jan. 1

Hospital owners selling or leasing a building after Jan. 1, 2014, are required to submit an energy audit to the California Energy Commission (CEC) prior to selling, leasing or refinancing an entire building. This is a requirement under AB 1103 (Chapter 533, Statutes of 2007).

Effective Jan. 1, 2010, a non-residential building owner or operator is required to disclose the Energy Star Portfolio Manager for the most recent 12-month period to a prospective buyer, lessee or lender. However, regulations were never issued to implement the statute. The intent of this requirement is to allow building owners to manage their building costs as well as to motivate building owners to take actions to improve a building's energy profile and help justify financial investments.

The CEC imposed a Jan. 1, 2014, implementation date for the regulations (attached), and is referring to these as "initial regulations." CHA has been working with the CEC and the Office of Statewide Health Planning and Development to clarify what constitutes an entire building on a hospital campus. The CEC's "Frequently Asked Questions" on the regulations are attached.

CHA will be working with the CEC during 2014 to establish clarity regarding which buildings require energy audits. In the meantime, hospital owners who are selling, leasing or refinancing a hospital building and have questions should contact David Johnson at the CEC at (916) 651-3746.

http://www.calhospital.org/sites/main/files/file-attachments/cec-400-2010-004-cmf-rev_stricke-through.pdf

http://www.calhospital.org/sites/main/files/file-attachments/2013-11-22_ab_1103_faq.pdf

Deadline to Register Hospital Medium-Sized Refrigeration Systems Is March 1

An important registration and reporting deadline for owners and operators of facilities with non-residential refrigeration systems, including hospitals, is approaching on March 1, 2014. The deadline applies to facilities with refrigeration systems using high global warming-potential refrigerants with a full charge of at least 200 pounds and less than 2,000 pounds. These systems are designated as "medium-sized" under a California state regulation to minimize leaks of environmentally harmful refrigerants.

Facilities must register their refrigeration system with the California Air Resources Board (ARB) by March 1, 2014, if the single largest system at an individual facility has a full charge of 200 pounds or more of the following refrigerants:

chlorofluorocarbons (CFCs), hydro chlorofluorocarbons (HCFCs) or hydrofluorocarbons (HFCs) as well as any refrigerants with global warming potential (GWP) equal to or greater than a GWP value of 150.

Southern California hospitals in the South Coast Air Quality Management District (SCAQMD) are already reporting refrigerant storage and usage for both refrigeration and air conditioning cooling systems. Please see below how SCAQMD hospitals are affected by the March 1 deadline.

The online registration and reporting tool, known as the "Refrigerant Registration and Reporting System," or R3, along with training materials and information about a Jan. 14, 2014 ARB webinar, are available on the program's [website](#).

Facilities with smaller refrigeration systems, those with a full charge of greater than 50 pounds and less than 200 pounds of high global warming-potential refrigerant, are not required to register with the ARB until 2016. However, these systems are subject to leak inspection, repair and record keeping requirements of the rule currently in effect. Facilities with large refrigeration systems, those with a refrigerant charge of 2,000 pounds or more, should already be registered and must continue to submit annual reports to ARB.

It is important to note that refrigeration systems using refrigerants such as ammonia and carbon dioxide are not subject to the rule because those refrigerants are not classified as high global warming substances. Air conditioning systems used exclusively for cooling occupants of a building (known as "comfort cooling") also are not required to register with ARB.

A business can determine the refrigerant charge of its refrigeration system(s) by contacting the manufacturer or the refrigeration system service provider. Failure to register applicable refrigeration systems may result in site inspections, notices of violation, and cumulative daily penalties.

Hospitals in the SCAQMD

The ARB and SCAQMD are currently working together to ensure hospitals do not have to perform duplicate reporting on refrigerants. SCAQMD's reporting timetable is ahead of ARB's schedule. When ARB adds a reporting requirement that SCAQMD already has in place, hospitals switch that portion of their reporting from SCAQMD to ARB. SCAQMD hospitals report all refrigerant and comfort cooling charges of 50 pounds or greater. The ARB requires reporting on refrigerators but not for cooling refrigerants, so if a hospital uses the same system for both refrigerants and comfort cooling, it is reported as refrigerant pounds.

Therefore, the following is required for SCAQMD hospital reporting:

- 50 to 199 pounds of refrigerant should be reported to SCAQMD until the end of 2015. Beginning in 2016, this will be reported to ARB.
- 200 or greater pounds of refrigerant should be reported to the state ARB.
- All refrigerant used for air conditioning should be reported to the SCAQMD because the ARB does not require reporting of this information.

Hospitals that have questions about the ARB Refrigerant Management Program registration and reporting requirements should contact the ARB technical assistance staff at reftrackinfo@arb.ca.gov.

SCAQMD reporting questions can be directed to Rizaldi Calungcagin at rcalungcagin@aqmd.gov.

Please contact Roger Richter at 916.552.7570, or rrichter@calhospital.org, if you have any questions.