



September 30, 2011

HVACR Contractor Bulletin

RMC Levy Increase – Effective October 1, 2011

Effective October 1, 2011, RMC will increase the environmental levy on HCFCs by \$1.00. The levy rate will increase from \$2.50 to \$3.50 per kilogram on HCFCs or HCFC blends sold in Canada. This adjustment along with the CFC-11 disposal fee is in response to the high volumes of refrigerant being returned to the program for disposal and declining revenues.

To date, it has cost more than \$32,000,000 to collect and destroy over 2.4 million kilograms of surplus refrigerant waste. Now that provincial regulations regarding chillers are beginning to take effect the program is receiving record volumes of CFC-11. In 2009/2010 the program collected over 347,000 kilograms and destroyed over 299,000 kilograms of refrigerant. In 2010/11, it collected over 371,000 kilograms and destroyed over 425,000 kilograms. This amounts to an average increase in volume of 9% per year over the last two years and the additional volume has placed considerable strain on the program.

The decision by the RMC Board to apply a disposal fee to CFC-11 and increase the environmental levy to \$3.50 per kilogram was made after a thorough review of available funding options and anticipated returns. The high volumes returning to the program have significantly reduced the RMC fund and these measures will provide a near term solution that will immediately augment the cash flow for the program. The RMC Board understands there may be some impact on the industry with this levy increase. However, RMC is certain that the impact would be much worse if the program did not exist.

RMC would like to thank the Canadian stationary refrigeration and air-conditioning industry for their continued support of the program.

For more information about the RMC Program, contact April Gucciardo at 1-800-267-2231, ext. 239 or email at agucciardo@hrai.ca.