



# Internasjonale nyheter Nr 27

## EHPA: It is time to give renewables a tax break

Heat pump technologies are the most efficient heating and cooling solution using renewable energy. They contribute to indoor and outdoor environmental quality in buildings and cities and help stabilize the electric grid by providing demand side flexibility. Despite the significant energy savings, heat pump operating costs can still be higher compared to fossil energy-based solutions. This is the result of an imbalance in taxation levels and levies often favouring fossil energy and giving a disadvantage to electricity-based solutions. In a report that the European Heat Pump Association (EHPA) published crucial information emerges from monitoring energy taxation schemes and techniques in Europe. With the support and data of our national associations, EHPA reveals that energy taxation is key to creating a level playing field for renewable technologies in the heating sector. Sweden and Finland were the first countries to introduce a carbon tax in Europe, in 1991 and 1990, respectively. Sweden is also the country with the highest standard carbon tax rate

**Sweden** 120 Euro per t/CO<sub>2</sub>

**Switzerland** 87 Euro per t/CO<sub>2</sub>

**Finland** 62 Euro per t/CO<sub>2</sub>

**Norway** 54 Euro per t/CO<sub>2</sub>

Since the introduction of the tax, Sweden has seen a decrease in household energy use by 2.1 % and a phase-out of fuel oil that was replaced up to 75% by district heating and 25% by heat pumps. These countries are faster in phasing out fossil fuels and decarbonizing their heating sector because it is possible to bridge the price gap between renewable and fossil fuel-based technologies via carbon pricing.

The report aims to provide EU institutions and national governments with an overview of where high taxation levels of electricity as well as the lack of a carbon price signal affect investments in electricity-based technologies. It also provides information on best practice examples of CO<sub>2</sub> taxes in Europe and a list of countries that already implement carbon pricing. The European Heat Pump Association is convinced that the transition to renewable-based heating and cooling solutions requires a coherent market framework that makes these solutions economically plausible. Once renewable heating solutions are cheaper, they will receive a much stronger consumer interest.

## China increases RAC exports to Latin America

According to export data from China Customs, in the first half of 2021, Chinese companies exported 4.72 million units of air conditioners to Latin America, a year-on-year increase of 46%. By destination, RAC exports to Mexico were 1.8 million units, Brazil 1.3 million units, and Argentina 0.57 million units, with double-digit year-on-year growth in these three major markets.

## Japan to raise RAC energy efficiency standard values in April 2022

The Japanese government will oblige manufacturers to reduce the power consumption of split-type RACs by up to around 30% from the current level, aiming at the overarching realization of carbon neutrality in 2050..

## Coming events

### China Refrigeration Expo 2022

April 11, 2022 - April 13, 2022 China

### 7th IIR Conference on Sustainability and the Cold Chain

April 11, 2022 - April 13, 2022 United Kingdom IIR Event

### 11th CYTEF Congress - Ibero-American Congress of Refrigeration Science and Technology

April 17, 2022 - April 19, 2022 Cartagena, Spain

### CIAR 2022 XVI Ibero-American HVAC&R Congress

May 04, 2022 - May 06, 2022 Lisbon, Portugal

### 3rd International Conference on Cryogenics and Refrigeration Technologies

May 18, 2022 - May 20, 2022 Bucharest, Romania

### 15th IIR-Gustav Lorentzen Conference on Natural Refrigerants

June 13, 2022 - June 15, 2022 Trondheim, Norway IIR Event

### World Refrigeration Day 2022 June 26, 2022

### Mega Clima Nigeria 2022

July 05, 2022 - July 07, 2022 Nigeria

### 19th International Refrigeration and Air Conditioning Conference at Purdue

July 10, 2022 - July 14, 2022 West Lafayette, IN, United States

### 7th International High Performance Buildings Conference at Purdue

July 10, 2022 - July 14, 2022 West Lafayette, IN, United States

### 26th International Compressor Engineering Conference at Purdue

July 10, 2022 - July 14, 2022 West Lafayette, IN, United States

### 10th IIR Conference on Caloric Cooling and Applications of Caloric Materials

August 28, 2022 - September 01, 2022 Ljubljana, Slovenia

### 3rd IIR Conference on HFO Refrigerants and Low GWP Blends

### 17th IIR Conference on Cryogenics

April 24, 2023 - April 28, 2023 Dresden, Germany IIR Event

### 14th IEA Heat Pump Conference 2023

May 15, 2023 - May 18, 2023 Chicago, IL, United States

### 20th International Conference & Exhibition on Liquefied Natural Gas

July 03, 2023 - July 07, 2023 Saint Petersburg, Russia IIR Event

### 26th IIR International Congress of Refrigeration

August 21, 2023 - August 26, 2023 Paris, France IIR Event

### 14th IIR Conference on Phase-Change Materials and Slurries for Refrigeration and Air Conditioning

May 01, 2024 - May 31, 2024 Paris, France IIR Event

### 11th IIR Conference on Compressors and Refrigerants

September 01, 2024 - September 30, 2024 Bratislava, Slovak (Republic) IIR Event

## Buoyant French heat pump market

Sales of heat pumps used to generate domestic hot water (DHW) rose by 51% year on year during the first eight months of 2021. In 2020, this market dipped by 13% in the context of the pandemic. Compared with 2019, the market grew by 31% during the period spanning January to August, 2021

### Middle East:

## Freight rates are soaring, and manufacturers are helpless:

The cost of shipping to the Middle East has soared, leaving many manufacturers at a loss. Shipping freight from Asia to the Middle East has increased more than ten-fold, and the rate of increase is the highest in the world. The rise in cost has led to a rise in the average retail price of air conditioners, hindering consumption in the end market. In the Middle East last year, even though the pandemic was severe, demand increased. However, the Middle East market in 2021 is disappointing.

## World chiller and Air-side equipment market – 2020

According to JARN's database, worldwide chiller demand in 2020 approached US\$ 8.08 billion, down 7.0 % compared with 2019. The major chiller markets are China, the United States, and Europe, accounting for 30.8, 15.7, and 18.2% of the world market, respectively. The demand for worldwide airside equipment decreased by 1.8 % from 2019 to US\$ 7.19 billion.

## Assessing the market potential of industrial heat pumps in Europe

To address the lack of product development of high temperature heat pumps, a recent article provides manufacturers with an estimate of the industrial heat pump market potential in EU-28 in terms of cumulative heating capacity, number of units, typical sizing and temperature levels.

### Commission asks for feedback: New calculation method for renewable cooling

Within the context of the targets set in the Renewable Energy Directive (RED II) for Member States to annually increase their share of renewable energy in heating & cooling, the European Commission has released a new draft Delegated Regulation proposing a new calculation methodology for accounting renewable energy in cooling & district cooling. Stakeholders can provide feedback through this link until 25 November 2021. Stakeholders can provide feedback through an open text with maximum 4.000 characters, with the option to add an attachment. Two documents have been released to provide feedback on:



- *Draft Delegated Regulation on Calculation Method for Accounting Renewable Energy in Cooling & District Cooling.*
- *Annex to the Delegated Regulation detailing the Calculation Method.*

## Frigoblock wins European transport award for sustainability 2022 for its Electric FK25i refrigeration unit

Frigoblock, one of the leading manufacturers of transport refrigeration units in Europe and a brand of Thermo King®, was awarded the European Transport Award for Sustainability 2022 for its electric FK25i refrigeration unit. Frigoblock all-electric technology took the honours in the competition's cooling and heating category for its innovative design accommodating the requirements of battery-powered, electric trucks.

## Halton nominated finalist for the Entrepreneur of the Year Award

Halton has been selected as finalist together with 9 Finnish companies for the finals of the Finnish EC Entrepreneur of the Year competition in 2021. Halton is a family-owned, global technology leader in indoor air solutions for demanding spaces. Halton's goal is to enable human well-being in these environments. Halton was founded in Finland in 1969. The company currently operates in more than 35 countries around the world and has more than 1,600 skilled and professional employees. Halton is headquartered in Helsinki and has production facilities in nine countries.

## 'Bye-bye, gas: Why a heat pump should be your next boiler'

Heat pumps are the cheapest way to decarbonize heat for consumers; they are typically 12% cheaper than Hybrid heat pumps and 95% cheaper than hydrogen boilers, according to a new study released by BEUC. Because of the climate crisis, we must reconsider how we heat our homes, moving away from gas and towards more efficient alternatives. As we've seen in recent months, gas boilers, which are used by millions of people across Europe, pollute the environment and expose us to enormous price volatility. According to a new BEUC (European Consumer Organisation) study, heat pumps are the most cost-effective way for consumers to decarbonize their heating.



## IEA World energy outlook 2021

Solutions to reach Net Zero Emissions are available, cost-effective, and offer shelter for fossil fuel price shocks – *heat pumps are one of the highlighted examples*. This year's edition of the World Energy Outlook (WEO), released on October 13, 2021, has been designed, exceptionally, as a guidebook to COP26. It spells out clearly what is at stake – what the pledges to reduce emissions made by governments so far mean for the energy sector and the climate. And it makes clear what more needs to be done to move beyond these announced pledges towards a pathway that would have a good chance of limiting global warming to 1.5 °C and avoiding the worst effects of climate change.

