



Council of the
European Union

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Brussels, 1 February 2024
(OR. en)

5978/24
PV CONS 4
AG 15

DRAFT MINUTES
COUNCIL OF THE EUROPEAN UNION
(General Affairs)
29 January 2024

1. Adoption of the agenda

The Council adopted the agenda set out in document 5450/24.

2. Approval of "A" items

a) Non-legislative list

5773/24

The Council adopted all "A" items listed in the document above, including all linguistic COR and REV documents presented for adoption. Statements to these items are set out in the Addendum.

b) Legislative list (public deliberation in accordance with Article 16(8) of the Treaty on European Union)

5774/24

Environment

1. Regulation on fluorinated greenhouse gases



5599/1/24 REV 1
5599/24 ADD 1
PE-CONS 60/23
ENV

Adoption of the legislative act

approved by Coreper, Part 1, on 24 January 2024

The Council approved the European Parliament's position at first reading and the proposed act has been adopted pursuant to Article 294(4) of the Treaty on the Functioning of the European Union, with Hungary voting against and the Czech Republic and Italy abstaining (legal basis: Article 192(1) TFEU). Statements to this item are set out in the Annex.

2. Regulation on substances that deplete the ozone layer



5600/24
PE-CONS 61/23
+ **COR 1 (pl)**
ENV

Adoption of the legislative act

approved by Coreper, Part 1, on 24 January 2024

The Council approved the European Parliament's position at first reading and the proposed act has been adopted pursuant to Article 294(4) of the Treaty on the Functioning of the European Union (legal basis: Article 192(1) TFEU).

Legislative deliberations

(Public deliberation in accordance with Article 16(8) of the Treaty on European Union)

3. **"Defence of European Democracy" legislative package**  5428/24
Policy debate

The Council held a policy debate.

4. **Any other business**




None.

Non-legislative activities

5. **Priorities of the Belgian Presidency** 
Presentation by the Presidency
Exchange of views

The Council took note of the presentation by the Presidency on the priorities for its term, in particular as regards the work of the General Affairs Council, and held an exchange of views. This item was taken in public session.

6. **Annual rule of law dialogue: country-specific discussion** 5222/24
Exchange of views
7. **Any other business**

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-  First reading
-  Public debate (Article 8(3) of the Council's Rules of Procedure)
-  Item based on a Commission proposal
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Statements to the legislative "A" items set out in doc. 5774/24**Ad "A" item 1:****Regulation on fluorinated greenhouse gases***Adoption of the legislative act***STATEMENT BY THE CZECH REPUBLIC**

“The Czech Republic is fully committed to ensure compliance with the Montreal Protocol, to combat illegal trade more effectively and to contribute to the efforts of the EU to reach the Fit for 55 objectives and climate neutrality.

While we agree with the aims of the Regulation, we regret that the final agreement in our opinion goes beyond those objectives and addresses policy choices that have not been fully analysed and that fall under different legislation, notably the REACH Regulation.

For the Czech Republic, the most problematic provisions involve the new paragraph on Switchgear (Article 13(5)), which bans one of the low-GWP alternatives, and several parts of Annex IV, notably on split heat pumps and air conditioning, which bans low-GWP alternatives as of 2035. Furthermore, bans on low-GWP alternatives in the sector of foams, aerosols and monoblock heat pumps also pose a significant problem for us.

The policy choice to ban low-GWP alternatives in the sector of heat pumps and switchgear, together with other very stringent bans on heat pumps in Annex IV and with the newly introduced service bans on heat pumps, is very sensitive for the Czech Republic. Our Air Quality Plans rely heavily on heat pump deployment and there have been substantial investments made from the European Structural and Investment Funds (notably the Cohesion Fund) and from EU ETS revenues in this sector. We fear any additional obstacles would be damaging for our air quality policy and the sustainability of the investments made in the transition from coal to cleaner sources of energy.

We also believe that banning low-GWP alternatives is against the spirit of Decision XXXIV/3 of the Parties to the Montreal Protocol, which encourages Parties to enhance energy efficiency while phasing down HFCs, and to take the TEAP 2022 report into account. Decision XXXIV/3 is not a single initiative and the debate on energy efficiency under the Montreal Protocol does not exclude, by any means, the low-GWP fluorinated alternatives.

Based on the above reasons, even though much work has been done to address some of the issues, the Czech Republic cannot support the agreement and will abstain from the vote.”

STATEMENT BY ESTONIA

“Estonia remains fully committed to ensuring the compliance of EU’s 2030 and 2050 climate policy objectives, meeting the Paris Agreement and Montreal Protocol targets. It, therefore, welcomes the renewal of the regulation on F-gases and supports its aim to further reduce emissions of F-gases to contribute to the EU climate objectives as well as promote innovation for low GWP or F-gas-free products.

Reaching an agreement on the F-gases regulation is a result of complex and tense discussions. Throughout the negotiations, Estonia has been concerned about the proposed speed of the HFC phasedown and the related costs for society as well as sufficient availability and affordability of alternative technologies on small markets like Estonia.

Estonia would also like to re-emphasize that the respective bans should be based on a thorough impact assessment of real feasibility and available alternatives. We regret, that this has not always been the case. The impact assessments have been occasionally insufficient or missing and the need for a rapid and total phaseout in some sectors is questionable both from a climate and economic perspective – we are bypassing the benefit for climate. One of such concerns is related to banning F-gases in small split heat pumps and chillers – we are banning functioning low GWP alternatives for a minimal climate impact, if any. At the same time using low GWP alternatives is fully in line with the Montreal Protocol and its reduction targets.

Another important issue for us is the restriction related to construction foams. To uphold the expected renovating speed of the newly agreed Renovation Wave, we need to build throughout the year in all seasons. Therefore, the ban on the use of low GWP F-gases in insulation foam is counterproductive to this aim since there is no F-gas free solution for building temperatures below + 5 degrees Celsius. Again, we are banning low GWP F-gas products without impact assessment, hoping that a suitable and affordable alternative will be on the market by the time of the ban.

We are looking forward to the future guidelines from the Commission on Annex IV, explaining the bans and bringing examples of how different products fall under certain bans. This is crucial for understanding the bans and proper and even implementation of the new regulation throughout the EU.

While Estonia supports the reached agreement on the regulation, we expect the review clause on Annex IV bans to adequately address the issue of existing alternatives and the above-mentioned worries.”

STATEMENT BY HUNGARY

“Hungary is committed to the EU’s 2030 and 2050 climate policy targets and attaches importance to achieving the goals set in the Paris Agreement. While Hungary fully agrees with the general objective of strengthening the role of the F-gas Regulation in contributing to climate neutrality, we cannot support the final compromise.

While we appreciate certain elements of the package (including maintaining the EUR 3 quota price, providing for safeguards and derogations to ensure security, avoiding a market monopoly, and maintaining an exemption from the quota system for semiconductors), the agreement crosses serious red lines, which Hungary has previously highlighted on several occasions.

First, in our view, the agreement runs counter to the objectives of RePowerEU and the rapid deployment of heat pumps. A widespread ban on refrigerants, especially lower-emission alternatives, is therefore contrary to the EU’s climate policy ambitions and would hamper the uptake of more climate-friendly alternatives due to their affordability.

Hungary has consistently insisted during the negotiations that energy efficiency, technical safety and economic feasibility should not be overlooked and that the different economic and geographical circumstances of each Member State should be taken into account. The agreement is not in line with these concerns.

Concerns include the limited maintenance of products currently in circulation and which are designed for many decades of use, as well as the insufficient time to prepare for the technological transition. The technical solutions for types of equipment currently in circulation will be banned, and within a few years significant restrictions will apply to equipment introduced into the market place or recently manufactured equipment based on current technology. The new technical challenges call for the further development of current training systems. Failure to do so could lead to a shortage of skilled labour.

Hungary considers that the market restrictions on equipment cannot be fully implemented within the deadline, taking energy efficiency and technical safety aspects into account. The derogations in the agreement do not provide a satisfactory solution to the problem, as a significant part of the current equipment is expected to be replaced within 10 years.

Due to their high global warming potential, the availability of fluorinated refrigerants is steadily decreasing under the current quota system. However, the quota reduction schedule outlined in the agreement does not take into account market and technological needs, which could lead to a severe shortage of legally available refrigerants on the market and a drastic increase in their market price.

The Regulation could lead to disproportionate market shift, which, in turn, could adversely affect consumers through higher prices. The combination of various overly restrictive measures within the F-gas Regulation, such as those relating to heat pumps leading to price rises, could result in a significant increase in illegal trade activities and imports, to which Hungary, being a border country of the EU, would be significantly exposed. In addition, it would place an intolerable burden on Member State authorities.

The use of sulphur hexafluoride (SF₆) in some electrical switchgear is still necessary to ensure the safe operation of the electricity power grid under current technological conditions. The agreement will phase out existing technology in the market, forcing grid operators and electricity producers to adapt quickly to new and often more expensive technologies. Some companies already have a significant market advantage. This could put EU operators at a serious competitive disadvantage. Furthermore, the ban on the installation of electrical switchgear is not in line with the real market situation from a technical, safety and design point of view. In particular during an energy crisis, it could jeopardise stable energy supply and energy security, and favour a very limited number of producers, leading to further market distortions.

Last but not least, many of the bans introduced are not supported by an adequate impact assessment of the availability of suitable alternatives and their market prices. Furthermore, even according to the Commission's preliminary assessment, some measures would not lead to significant emission reductions, but would still remove other viable low-emission alternatives from the market.”