The AIM Act
WHAT TO KNOW

The American Innovation and Manufacturing Act (AIM Act)

Passed by Congress in 2020 with bipartisan support, the AIM Act initiates the phasedown of hydrofluorocarbon (HFC) production and consumption in the U.S. by 2036.

What it does

Authorizes the Environmental Protection Agency (EPA) to develop regulations for the phasedown of HFCs by establishing:

- ☑ A national CO_2-eq baseline
- ☑ Production and consumption allowances
- ☑ Sector-specific controls (e.g., global warming potential limits)
- ☑ HFC refrigerant management practices
- ☑ Penalties for illegal activities that circumvent the AIM Act ruling

Why it's beneficial

- Facilitates environmental sustainability by encouraging the transition to low-GWP technologies
- Provides certainty and timing on the HFC phasedown schedule and segment-specific sector controls

The AIM Act is expected to bring*

33,000 new jobs

$38.8 billion in direct and indirect manufacturing output

$12.5 billion in improvement to the U.S. trade balance in equipment and chemicals

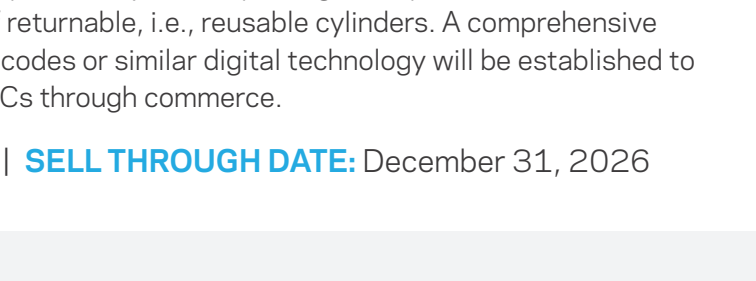
How it works

The EPA will use an allowance system to meet the phasedown schedule. The allowance Allocation and Trading program was signed by the EPA administrator on September 23, 2021.

The HFC phasedown will officially kick off on January 1, 2022. Allowances will be issued to domestic producers and importers for 2022 and 2023, with additional rule-making to cover 2024 and beyond.

The rule will:

- **DEFINE** the CO_2-eq baseline for the U.S. market
- **OUTLINE** distribution of allowances
- **PROVIDE** details on the phasedown schedule



HFC Phasedown Schedule and Consumption & Production Allowance Caps

Year	Consumption & Production Allowance Caps as a Percentage of Baseline	Estimated Consumption and Production Allowance Caps in MMTEVe*
Baseline	**Consumption: 303.89 MMTEVe, Production: 382.55 MMTEVe**	
2020-2023	90 percent	Consumption: 273.5 Production: 344.3
2024-2028	60 percent	Consumption: 182.3 Production: 229.5
2029-2033	30 percent	Consumption: 91.2 Production: 114.8
2034-2035	20 percent	Consumption: 60.8 Production: 76.5
2036 & after	15 percent	Consumption: 45.6 Production: 57.4

What applications it impacts

- HVAC
- Refrigeration
- Auto
- Solvents
- Fire suppressants
- Foam-blowing agents
- Propellants

What it means for you

- High-GWP products will be under new regulatory scrutiny
- Price and availability of products are expected to change throughout the phasedown
- New products and system architectures will be entering the market to meet the new requirements

New packaging and tracking requirements

The EPA has instituted a ban on the use of disposable cylinders or "DACS" in the U.S. market. In place of disposable cylinders, packagers of product will need to update and build a fleet of returnable, i.e., reusable cylinders. A comprehensive tracking system using QR codes or similar digital technology will be established to track the movement of HFCs through commerce.

BAN: January 1, 2025 | **SELL THROUGH DATE:** December 31, 2026

What you can do

KEEP UP with industry news to make sure you understand the regulations as they develop

PLAN for the phasedown, with special attention to applications that require testing and validation processes

EVALUATE your options for replacing high-GWP HFCs with low-GWP HFC and HFO technologies

REVIEW your current suppliers to ensure they have the portfolio of low-GWP products, quota availability, capacity, and integrity to serve your future needs

ASK FOR HELP Our local technical services and sales professionals are here to help you navigate the transition and evaluate next-generation options to support your business

Committed to your success

Chemours has invested more than one billion dollars in research and development, manufacturing assets, and downstream product and application development on low-GWP, hydrofluoroolefin (HFO), and HFC technologies, and remains committed to the ongoing development needs of customers throughout the HFC phasedown in the U.S. and globally.

Our portfolio of products has been specifically developed to meet the changing global regulatory landscape while maintaining or improving performance compared to the products they replace, and to reduce the environmental footprint of specific applications.

We have pledged to be your partner through this transition—to keep you informed, answer your questions, and share your feedback with the EPA.

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