Poll finds European retailers are optimistic about transition from HFCs to natural refrigerants, but challenges remain

- *ComRes survey of food retailers across France, Germany and the UK find only 56% have started making the shift from HFCs to natural refrigerants*
- *40% of respondents are not aware of upcoming regulatory changes related to the phase-down of HFC refrigerants*
- *Interestingly, cost didn't rank as a top priority for selecting a new refrigeration system, although it is one of the most common identified challenges associated with making the shift*

AACHEN, GERMANY, OCTOBER 25, 2017 – One year after the global Kigali amendment to phase-down HFCs, new survey findings from Emerson and ComRes examine how European retailers are navigating the transition to natural refrigerants. The survey asked professionals in the retail sector to weigh in on several topics, including how prepared they are for the transition, their awareness of different natural refrigeration technologies, and the primary challenges for the path forward.

The good news is, 81 percent of respondents said they viewed the shift from HFCs to natural refrigerants as a positive change. However, the survey also showed the retail industry was lagging behind schedule due to a lack of clarity in regulatory changes and replacement technologies available. Surprisingly, 40 percent of respondents said they were unaware of upcoming regulatory changes related to the phase-down of HFCs as refrigerants. Nearly half (44 percent) said they either hadn't started to make the shift, or were unsure.

Where retailers have started to phase-down HFCs, key drivers for selecting replacement of refrigeration systems included safety (57 percent of respondents), energy efficiency (53 percent) and environmental sustainability (48 percent).

Speaking about the survey findings, Eric Winandy, Director of Integrated Solutions, Emerson Commercial and Residential Solutions said: "While it is encouraging that European retailers are enthusiastic about the transition to natural refrigerants, it is concerning that there is still a lack of understanding of the upcoming regulatory changes. It was also surprising that capital and operational cost didn't rank as key drivers for retailers identifying replacement systems, as industry analysis shows there could be big maintenance liabilities associated."

Among the three primary alternative options available, carbon dioxide (CO_2) technology was most commonly ranked as the preferred choice for replacing HFC systems at 38 percent, followed by hydrocarbons such as propane, and hydrofluoroolefins (HFOs).

Despite being the most popular choice however, analysis conducted by Emerson shows CO_2 systems could cost a retailer as much as €51,000 more per store compared to hydrocarbon integral systems over a 10 year period. Furthermore while CO_2 is a significant improvement over HFCs in terms of global warming potential (GWP), it is found to have lower energy efficiency performance and higher maintenance requirements than other alternatives.

"The EU F-gas regulation has placed a significant amount of pressure on food retailers to quickly transition to natural refrigerants," Eric Winandy said. "The challenge for the industry will be to balance this pressure with the need to take the time to learn about all the options available, and what it means for businesses in the long-term. Choosing the right system to replace HFCs can be a win on multiple fronts. It can help retailers see cost, operational and environmental benefits."

The survey also shed some light on the biggest perceived challenges and opportunities for making the transition from HFCs to natural refrigerants, including:

- According to the survey, the most common perceived challenges associated with the shift are operational cost (43 percent of respondents), followed closely by safety (42 percent), underscoring the need to educate on the cost savings available from different systems, and investment in a skilled workforce for safe maintenance.

- The greatest opportunities are seen to be energy efficiency (48 percent) and environmental sustainability (39 percent).

- When asked what would encourage respondents to accelerate the replacement of HFC refrigeration systems with natural alternatives, depreciation schemes or other tax rebates was the most popular (43 percent), followed closely by finding less expensive low GWP options (40 percent). This places an onus on regulatory bodies to provide more incentives to retailers looking to make the shift, and to invest more in the research and development of new technologies.

Survey findings are based on an online poll of 140 professionals with decision-making responsibility for purchasing in the retail sector. This included 40 participants in France, 50 in Germany, and 50 in the UK. Fieldwork was conducted by ComRes between the 15th and 31st of August, 2017. Full data tables are available upon request.

More information on natural refrigerants, including system options, articles and webinars can also be found at www.emersonclimate.eu.

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