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### **The Real Cost of Delaying Changing Over From HCFCs**

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There is no doubt the number of companies converting HCFC equipment is steadily increasing. With just 75 weeks before use of virgin HCFCs for maintenance and servicing of refrigeration and air conditioning equipment becomes illegal, why are so many systems still to be replaced or converted to run on proven direct replacement refrigerants? What will be the real cost to those who don't take action now? Is it already too late to take the appropriate action?

#### Not Heeding Industry Warnings?

To date there has been a relatively cheap and readily available supply of R22, coupled with a belief that it will continue to be available in the same way until December 2009.

Wrong. The supply chain of wholesalers and distributors will, by necessity, start destocking as early as this time next year. Price increases of over 40% have been posted by one producer so far in 2008, and the problem is even more acute with HCFC blends.

A couple of blends are now virtually unavailable, while stocks of others are being run down. Costs are also increasing. R403B, for example, is currently 25% more expensive than Dupont's ISCEON MO79, a comparable direct replacement refrigerant. This situation will only deteriorate, so now is the time to change out HCFC blend dependent equipment.

Increased global warming and ozone depletion awareness, coupled with better traceability of product afforded by new technology, means that companies using illegal product will be caught out, risking damage in equal proportion to balance sheet and corporate reputation. Worryingly,

many seem to not realise that it will be illegal to use product stockpiled during 2009 in 2010.

At IDS, we have heard of some end users saying that the change over to the DuPont ISCEON 9 Series refrigerants is straightforward so they will wait until "they really have to do it". Relatively simple it may be, but not if your contractor is booked up to phase out date and beyond!

There are also unsubstantiated reports that one supermarket is seeking assurances from food suppliers that they have taken action to ensure that HCFC phase-out will not affect supply. Could your organisation provide such a guarantee? This trend is sure to continue. Reduce your dependency on R22 now.

#### The Real Cost of Doing Nothing

Has your organisation calculated the business cost of a leak in an HCFC system in 18 months time? Remember, insurance is unlikely to cover equipment downtime and consequential losses when you've had 10 years notice to get out of HCFCs.

Businesses still dependent on HCFCs should base calculations on a week, possibly two, without cooling. Having asked this question recently, estimates to cover enforced shutdown losses vary from £10,000 to over £100,000. Stocks of reclaimed R22 will be expensive and limited. Contractors will be fully stretched coping with demand from those who have planned ahead with conversion or replacement programmes. Supply and demand will dictate prices on everything from the hiring of emergency cooling to labour.

Converting to replacement refrigerants now is the cheaper option. Those who don't, risk a lengthy downtime period in the future, plus conversion costs.

The cost of a recent London hotel ISCEON MO29 conversion was calculated as being equivalent to just 3 days lost sales. Effective planning ensured no actual sales were lost, but if left to 2010, five to ten days business could easily have been lost in addition to the conversion cost. You don't need to be an accountant to realise the most prudent way forward.

### Is It Already Too Late?

That depends on how much HCFC equipment you have. If you have not planned or budgeted for conversion or replacement, time is running out fast. Delay another 6 months, 2009 and beyond will be very costly.

Contractor feedback is that many end users are still reluctant to make budget available. Calculating the future cost of taking no action proves this a false economy. End users must face this issue now.

IDS has seen a significant increase in the rate of conversion to DuPont's ISCEON 9 series this year in a wide range of equipment and applications – everything from close control computer rooms and process refrigeration plant to hotel rooms and large office a/c, including some applications with flooded evaporators. So the message is starting to get through, but we fear not quickly enough.

The message from Government and industry bodies is clear, TAKE ACTION NOW. This is not a false warning. Next financial year will be too late. How will YOUR customer or boss react when their R22 system stops working – and you knew what was coming? A salutary thought for some. Don't let this be you!

**ENDS**