

Annex X

Guidelines for definition of the sub-sector for assembly, installation and charging of refrigeration equipment and the calculation of incremental operating costs

1. Where the conditions below are in place, the activities of an enterprise can be considered under the rules pertaining to commercial refrigeration – including the eligibility of incremental operating costs or savings for up to two years as applicable to commercial refrigeration:

(a) The activities of the enterprise involve the design and manufacture of completed refrigerated systems (including the foam part) in its own central facility and under its own trade name (this could include refrigerated trucks, reach-in refrigerators or freezers or small prefabricated cold rooms and a compressor size of 5kW or less may be used to delineate the upper size limit of “small” cold rooms);

(b) Production capacity prior to July 1995 can be established;

(c) Consumption can be established through stable production and consumption records for ozone-depleting substances for a three-year period (either the year prior to project formulation or the average of the last three years will continue to be used to calculate consumption in projects);

(d) Satisfactory guarantees can be provided that CFC-based production will cease after conversion.

2. In accordance with practice now established between the Secretariat and the implementing agencies, where the enterprise produces foam panels, subject to the usual verification of CFC consumption and production levels, panel production will continue to be treated according to rules and policies for the rigid foam sub-sector.

3. Enterprises involved in activities other than those outlined above are characterised as follows and will be considered under the new sub-sector for the assembly, installation and charging of refrigeration equipment:

(a) The activities of the enterprise involve the assembly or installation of prefabricated refrigeration systems in cold rooms or trucks, or the installation of air conditioning systems obtained from specialised suppliers in trucks or buses;

(b) The installation is outside the premises of the refrigeration equipment manufacturer or may be undertaken by a branch, agency or independent contractor;

(c) The individual installation may be CFC or non-CFC based on the refrigerant specified by the manufacturer of the refrigeration unit or based on the choice of the customer;

(d) It may be impractical to establish production capacity prior to July 1995 or to identify likely levels of production (and thus consumption) in future years (as there is no production line);

(e) There is no consumption for manufacturing as an intermediate good.

4. For enterprises which fall within the new sub-sector for the assembly or installation of refrigeration equipment, as described in paragraph (3) above, the refrigeration part will be based on capital costs only.

5. Enterprises which engage in a combination of the activities described in paragraphs (1) to (4) should indicate their consumption for each type of activity and the policies for each relevant sub-sector should be applied.