



INDUSTRY REPORT

Refrigeration

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Navigating Change: The AIM Act's Impact on Cold Storage

Get ready, folks:

The American Innovation and Manufacturing Act (AIM Act) is just months away from transforming the refrigeration industry by phasing out hydrofluorocarbon (HFC) production and consumption.

The AIM Act is a comprehensive plan that represents significant changes that will affect various industry sectors and sub-sectors, from restaurants and supermarkets to automobiles and beyond.

In anticipation of the AIM Act's implementation, Polar King, the leader in walk-in refrigerator and freezer units, is taking proactive measures to ensure compliance and support our customers throughout this transition. We've created this report to help you understand the impact these changes may have on your operations and offer guidance as you navigate this critical period.



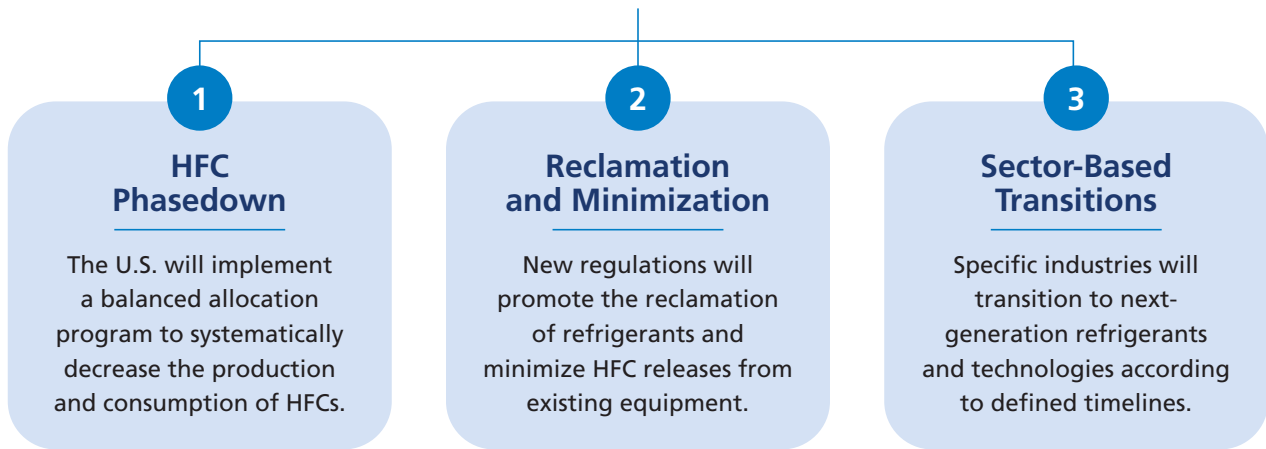


A Brief Overview of the AIM Act

Effective January 1, 2025, the AIM Act is designed to **reduce hydrofluorocarbon (HFC) emissions by 30% over the next three years.** This legislation addresses climate change by regulating and decreasing the use of refrigerants with high global warming potential (GWP).



THE ACT IS BUILT ON THREE MAIN PILLARS



The AIM Act will modify both the types of refrigerants used and the refrigeration systems themselves.

AIM Act Implementation Timeline and Industry Reactions

The AIM Act introduces a three-year sell-through period for the servicing of existing, Stand-Alone equipment, produced prior to December 31, 2024, and includes various effective dates based on the applicable sector/ sub-sector. During this timeframe:

- Service providers can continue to use old refrigerants for repairs on existing systems, but new systems must utilize only compliant refrigerants and technologies.
- Trigger mechanisms will classify substantial component replacements in existing systems as new systems, necessitating the use of compliant refrigerants and equipment.

Prior to these regulations taking effect, many Refrigeration System suppliers are actively delivering promised system samples and finalizing product offerings that meet AIM Act standards, highlighting the fluid nature of this industry-wide transition.

Impact on New and Existing Systems

Self-contained refrigeration systems in Polar King applications will feel the most immediate effects of the AIM Act. As we approach New Year's Day 2025, remote systems will be implemented by January 1, 2026.

It's important to note that the AIM Act will impact defined refrigerated sectors/sub-sectors by charge amount, GWP and then compliance dates. For example, supermarkets using large refrigeration systems with a charge exceeding 200 lbs. will face stricter GWP limits when compared to smaller systems typically used by Polar King customers.

Given the dynamic elements of these transitions and implementation periods, Polar King recognizes the need for education. With the introduction of new refrigerants, like A2L's—which have low flammability but require enhanced safety protocols—Polar King will implement comprehensive training programs. Customers will benefit from educational related topics covering:

Polar King will implement comprehensive training programs

- **Refrigerant Applications:** The performance/applications of the new compliant refrigerants
- **Enhanced Safety Features:** New walk-in refrigerator and freezer units will be equipped to detect leaks and automatically shut off systems to prevent refrigerant release
- **Real-Time Guidance:** Personalized support tailored to specific customers will ensure timely responses to keep operations running at peak efficiency

This proactive approach will equip customers with the knowledge they need to adapt to changes without compromising safety or efficiency in their refrigeration systems.

Cost and Reporting Implications

The AIM Act will have significant consequences, both positive and negative. Compliance will come at a cost, with estimates indicating a potential 20-40% increase in expenses related to new systems, refrigerants and technologies. This includes:

- **Upgraded System Components:** Investments in leak detection, controls, safety features and related materials.
- **Enhanced Reporting Requirements:** Increased internal/external documentation of refrigerant usage and equipment performance.
- **Cost of Compliant Refrigerants:** The initial cost of the new refrigerants, availability, etc., will add to the overall landed cost of the equipment.

Despite these challenges, Polar King is committed to providing high-performance refrigeration systems that meet customer needs while adhering to regulatory standards in a cost-effective manner.



Final Thoughts and Looking Forward

Polar King is strategically addressing the AIM Act to ensure that the businesses we serve remain at the forefront of industry compliance while upholding our commitment to customer satisfaction. With over four decades of experience in the cold storage industry, we have successfully adapted to past regulatory changes and are ready for what lies ahead. Our focus extends beyond mere compliance; we aim to prepare our walk-in products and customers for the long-term implications of the AIM Act.

While cost increases are anticipated due to the AIM Act, Polar King's expertise, technology, and experience position us to effectively support our current and future customers. Recognizing that the transition isn't as simple as flipping a switch, we are prioritizing ongoing training for our employees and educating our customers to facilitate a smooth shift to new refrigerants and safety protocols.

The AIM Act ushers in a new era for refrigeration in this country, and Polar King is ready to lead the way by providing industry-leading solutions that align with your regulatory demands and environmental goals.

**Ready to Explore
Cold Storage Options?**

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Polar King experts are ready to assist you with all your cold storage challenges. Contact us today to discover how we can support your business needs.

ABOUT POLAR KING INTERNATIONAL

The introduction of the Polar King outdoor walk-in freezer into the food service industry was the result of three generations of walk-in refrigeration technology and experience. Polar King's fiberglass, one-piece walk-in cooler is the natural evolution of the walk-in cold storage industry from the conventional metal panel constructed unit. In early 1982, Polar King began operations by constructing and shipping walk-ins from a modest 12,000 sq. ft. facility in New Haven, Indiana. As demand grew for outdoor fiberglass commercial walk-in coolers and commercial walk-in freezers, production was moved to a 251,200 sq. ft. facility located in Fort Wayne, Indiana. For 40 years, Polar King has provided thousands of walk-ins to single-unit operators, chain restaurants, schools, health care facilities, government agencies, and many other industries requiring dependable outdoor walk-in refrigeration.

For more information, visit polarleasing.com or contact Polar King, 4424 New Haven Ave, Fort Wayne, IN 46803 USA at 877-224-8674.

