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APGA Is Disappointed in DOE's Standards for Residential Furnaces

Washington, D.C. (September 6, 2016) –The American Public Gas Association (APGA) is extremely disappointed that the Department of Energy (DOE) has once again proposed a new energy conservation standard for natural gas furnaces that will harm consumers and ultimately undermine energy efficiency. If implemented, the proposed rule will cause uneconomic fuel switching as many consumers—especially in southern states—will be compelled to change their natural gas furnaces to electric heat pumps. Electric heat relies on the indirect combustion of natural gas to generate power rather than the more efficient direct-use of natural gas in residential furnaces. No one disputes that the closer the fuel source is to the home, the more efficient the fuel becomes. As in the past, DOE continues to ignore this fact. The direct-use of natural gas is incredibly efficient, yet the DOE Supplemental Notice of Proposed Rulemaking (SNOPR), which imposes a nationwide condensing furnace mandate with a small furnace (55,000 Btu) exemption, incentivizes fuel switching to less efficient heating options with higher monthly utility bills imposed upon people who can least afford it.

APGA has communicated to DOE on several occasions since the March 2015 issuance of its furnace notice of proposed rulemaking that there are significant flaws in the science and data that DOE has utilized to economically justify the rule. Based upon our initial review of the latest technical support data that DOE has utilized to support its most recent proposal, DOE continues to rely upon faulty analytics and assumptions to support a national standard for residential furnaces. It is ever more apparent that DOE's furnace rulemaking initiative is again driven by something other than sound science.

DOE is attempting to address a problem that doesn't exist. Data shows that the furnace market is working properly without a rule. Consumers that should be purchasing condensing furnaces because it makes economic sense for where they live are making this decision already under current standards. If implemented, the SNOPR will compel consumers to make uneconomic choices that will hurt low and fixed-income families, homeowners in the south, and many others who live in condos or rowhomes.

APGA members are not-for-profit entities and their actions are entirely for the benefit of their consumer-owners. This rule will impose significant harm upon APGA members' consumers, and as a result, APGA will leave no stone unturned, including possible litigation, to protect these consumers.

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APGA is the national association of municipally and publicly-owned local distribution systems. There are about 1000 public gas systems serving more than 5 million customers. These public gas utilities are not-for-profit retail distribution entities that are owned by, and accountable to, the citizens they serve. They include municipal gas distribution systems, public utility districts, county districts, and other public agencies that have natural gas distribution facilities.