



AMERICAN PUBLIC GAS ASSOCIATION

July 1, 2020

Dr. Stephanie Johnson
Ms. Catherine Rivest
U.S. Department of Energy
Office of Energy Efficiency and Renewable Energy
Building Technologies Office, EE-5B
1000 Independence Avenue SW
Washington, DC 20585-0121

Submission via [regulations.gov](https://www.regulations.gov)

Re: Comments in Response to Office of Energy Efficiency and Renewable Energy Request for Information Pertaining to Energy Conservation Standards for Air-Cooled Commercial Package Air Conditioning and Heating Equipment and Commercial Warm Air Furnaces [Docket Number EERE-2019-BT-STD-0042]

Dear Dr. Johnson and Ms. Rivest:

The American Public Gas Association (APGA) appreciates the opportunity to provide comments in response to the above referenced docket. APGA's comments are limited to the request for information (RFI) as it pertains to energy conservation standards (ECSs) for natural gas-fired commercial warm air furnaces (CWAFFs).

Introduction

APGA is the trade association for approximately 1,000 communities across the U.S. that own and operate their retail natural gas distribution entities. They include municipal gas distribution systems, public utility districts, county districts, and other public agencies, all locally accountable to the citizens they serve. Public gas systems focus on providing safe, reliable, and affordable energy to their customers and support their communities by delivering fuel to be used for cooking, clothes drying, and space and water heating, as well as for various commercial and industrial applications.

Although not appliance manufacturers, APGA members do provide the energy needed to fuel CWAFFs and, therefore, are critical stakeholders in any regulatory activity impacting them. We offer the below comments for your consideration:

1. *Appropriate pricing data must substantiate any proposed revisions to the CWAFF ECSs*

On January 15, 2016, the Department of Energy (DOE) issued a direct final rule (2016 DFR) impacting ECSs for CWAFFs,¹ among other appliances. The 2016 DFR established an 81% thermal efficiency factor

¹ 81 Fed. Reg. 2420 (Jan. 15, 2016).

for CWAFFs $\geq 225,000$ Btu/h,² which was based in part on safety considerations³ that still endure. Since then, natural gas supply has increased greatly, allowing for stable if not declining gas prices in some markets.⁴ The data should be reviewed to determine whether the latest natural gas prices justify amendments to existing ECSs for CWAFFs. Furthermore, when determining whether an ECS requires updates, DOE must ensure that it is using the correct data for its underlying calculations and models. DOE should be utilizing marginal consumption-based prices, which more accurately determine the impact of efficiency savings on an end-user's utility bill, as they do not include substantial fixed charges that are billed to an end-user on a monthly basis regardless of consumption rate. Based on a cursory look at information, gas costs since the issuance of the well-received 2016 DFR indicate that there is not likely a need for action.

2. DOE must follow the recently updated Process Rule

Congress requires DOE to regulate only where doing so would save significant energy, but until recently, this was not formally defined. On February 14, 2020, DOE published its final updated Process Rule in the Federal Register,⁵ which provided substantial improvements and clarity to when and how DOE will regulate appliance test procedures (TPs) and ECSs. Among other things, the final rule requires that the Process Rule be binding on the agency and formalizes DOE's past practice of applying the Process Rule to both consumer products and commercial equipment. As a result, DOE must follow the updated Process Rule for this rulemaking.

Notably, the updated Process Rule establishes a threshold for "significant" energy savings at 0.3 quads of site energy over 30 years, or, if less than that amount, a 10 percent improvement over existing standards. Consequently, DOE should not issue a proposed rulemaking to amend the CWAFF ECSs unless data demonstrates that this threshold for significant energy savings can be met without being unduly burdensome.

Additionally, the updated Process Rule now requires that DOE establish final TPs 180 days before proposing a new energy conservation standard rulemaking. This provision was intended to "provide enhanced certainty to regulated stakeholders" and ensure that DOE does not regulate "the efficiency of products before specifying how energy use will be measured via TP."⁶ DOE issued an RFI pertaining to TPs for CWAFFs on May 5, 2020, with the public comment period only recently closing on June 4.⁷ Consequently, DOE must follow its new procedures and finalize any potential changes to the CWAFF TPs before formally proposing any changes to the corresponding ECSs, if any such changes are even substantiated.

² See *id.* at Table I-2 – Energy Conservation Standards for Commercial Warm Air Furnaces, available at <https://www.regulations.gov/document?D=EERE-2013-BT-STD-0021-0055>. Note that CWAFF $\geq 225,000$ Btu/hr. is a non-condensing efficiency level.

³ See *id.* at Table IV-6 – Technology Options Screened Out for Commercial Warm Air Furnaces. These safety considerations preclude near condensing technology in gas-fired CWAFFs.

⁴ See https://www.eia.gov/naturalgas/annual/pdf/table_001.pdf and https://www.cmegroup.com/trading/energy/natural-gas/natural-gas_quotes_settlements_futures.html#tradeDate=06%2F18%2F2020.

⁵ 85 Fed. Reg. 8626 (Feb. 14, 2020).

⁶ See <https://www.energy.gov/articles/departments-energy-issues-final-process-rule-modernizing-procedures-consideration-energy>.

⁷ See <http://www.regulations.gov/document?D=EERE-2019-BT-STD-0042-0002>.

3. Support of AHRI comments

Finally, APGA has worked for many years with the Air-Conditioning, Heating, and Refrigeration Institute (AHRI), and in this proceeding, would like to echo the comments they have submitted as they pertain to gas-fired CWAFs. Of note, we agree that there have been no significant advancements in technology since the 2016 DFR (which does not even go into effect until 2023) and that the industry is already experiencing significant cumulative regulatory burden, supporting the determination that DOE need not amend ECSs for CWAFs at this time.

Conclusion

The above comments support a finding that there is likely not a need for DOE to update the CWAF ECSs at this time, and APGA respectfully requests that DOE make such a determination, in accordance with the updated Process Rule and the agency's statutory requirements. We thank you for your review and consideration of these comments. If you have any questions regarding this submission, please do not hesitate to contact me.

Respectfully submitted,



Dave Schryver
President & CEO
American Public Gas Association