



## AMERICAN PUBLIC GAS ASSOCIATION

March 10, 2023

Office of State and Community Energy Programs  
Department of Energy  
1000 Independence Ave S.W.  
Washington, DC 20585

*Submitted via email to [IRAHomeRebates@hq.doe.gov](mailto:IRAHomeRebates@hq.doe.gov)*

**Re: Comments in Response to Inflation Reduction Act (“IRA”) Request for Information (“RFI”), “Home Efficiency & Electrification Rebate Programs”**

Dear Sir or Madam:

The American Public Gas Association (“APGA”) appreciates the opportunity to respond to the request for information (“RFI”) published by the Department of Energy’s (“DOE”) Office of State and Community Energy Programs (“SCEP”). This input will be important for any guidance DOE plans to issue on the Home Energy Rebate programs, authorized by §§ 50121 and 50122 of the Inflation Reduction Act of 2022 (“IRA”). This effort to get feedback from stakeholders can help ensure that DOE implements these rebates in a way that truly benefits Americans by focusing on improving the energy efficiency of residential and commercial buildings.

APGA is the trade association representing more than 730 communities across the U.S. that own and operate their retail natural gas distribution entities. These include not-for-profit gas distribution systems owned by municipalities and other local government entities, all 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, including electricity generation.<sup>1</sup>

On August 16, 2022, President Biden signed the Inflation Reduction Act (“IRA”), authorizing \$391 billion to support clean energy and address climate change.<sup>2</sup> As part of these efforts, the DOE was granted \$8.8 billion for residential energy efficiency and electrification rebates.<sup>3</sup>

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<sup>1</sup> For more information, please visit [www.apga.org](http://www.apga.org).

<sup>2</sup> Public Law 117-169 (IRA).

<sup>3</sup> 88 FR 6244 (January 31, 2023).

APGA supports the goal to improve energy efficiency in homes, which reduces energy costs for U.S. consumers and reduces pollution. Also, natural gas is the preferred energy choice of homeowners for cooking and home/water heating needs, as it is affordable and reliable, as well as delivered with the efficient pipeline systems operated by public natural gas utilities and others. Given these facts, APGA urges SCEP to consider the following input on § 50121: Home Energy Performance-Based, Whole House Rebate (“Home Efficiency Rebates”).

### **1. Accessible and Equitable Program Design**

As a cost-effective, reliable, and efficient energy source, consumers value the ability to choose natural gas as an energy solution that works best for their budgets and lifestyles. APGA cautions against misguided policies that put all our “eggs in one basket” by eliminating Americans’ ability to choose their preferred energy source. APGA urges SCEP to remain fuel neutral in its efforts to improve residential energy efficiency and ensure that the Home Efficiency Rebates program is accessible and equitable by including natural gas technologies in its design. In doing so, public gas systems and Americans will benefit from program designs that leverage the existing efficiencies, workforce, and infrastructure of public utilities.

### **2. Designing Programs for Maximum Impact**

Given its growing domestic supply and safe, reliable, and efficient delivery system reaching almost every home and business in America, the direct use of natural gas in buildings is an important part of our country’s energy future.

The natural gas pipeline system has declining emissions while new gas customers are continuously added. Accordingly, retrofit solutions utilizing natural gas, on their own, can help achieve the resiliency, energy efficiency, and emissions reductions goals outlined in the RFI. However, natural gas end uses can be even more impactful to these purposes when paired with renewable natural gas (“RNG”)<sup>4</sup> and hydrogen.<sup>5</sup> RNG and hydrogen can help Americans lessen environmental impacts, all while still using the existing, safe, and resilient infrastructure.

To ensure maximum impact, natural gas and other, lower carbon fuels that can be carried through the existing pipeline system should be included in the rebate program.

### **3. Estimating and Measuring Energy Savings**

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<sup>4</sup> RNG is pipeline-compatible, ultra-clean, and low-carbon. It is derived from the breakdown of organic wastes and can be processed to be used in existing natural gas infrastructure interchangeably with geologic natural gas in homes and businesses. Blending even small amounts of RNG with geologic natural gas can produce significant emissions reductions. Because RNG is created by recycling biomethane collected from agricultural waste, landfills, and wastewater treatment plants into a usable product, it has the potential to yield a carbon-negative lifecycle emissions result.

<sup>5</sup> Hydrogen has the capability to be blended with natural gas or possibly used exclusively; both have decreased emissions. In the future, blended hydrogen or hydrogen exclusively may be safely utilized in homes, businesses, and commercial applications.

APGA members are investing in the research and development of efficient technologies both from source and site energy perspectives. Natural gas-fired heat pump technology, for example, is similar to electric heat pump technology from an operational and efficiency standpoint. Additionally, directly using natural gas in appliances is three times more efficient on a full-fuel-cycle basis than electric appliances. Approximately 90% of the energy produced is delivered and directly consumed by natural gas appliances at the point of use. Natural-gas generated electricity delivered to consumers, on the other hand, only achieves about one-third of the same efficiency due to energy lost during conversion and transmission. Accordingly, as SCEP works to implement its rebate program, it should ensure that it is estimating and measuring energy savings on a full fuel cycle basis, as it is the most accurate representation of rebate impacts.

#### **4. Eligible Technologies for Rebates**

SCEP should ensure that it promotes the use of natural gas-fueled appliances in its Home Efficiency Rebates program. In addition, APGA asks that SCEP exercise caution in relying upon certain ENERGY STAR programs, such as the “Most Efficient List.” Some of these programs have taken a misguided direction and do not include natural gas-fueled appliances. If the DOE uses EPA’s voluntary program or others with only electric appliances as criteria, it may encourage fuel switching from more efficient to less efficient appliances. Instead, DOE should set criteria that allow efficient gas-fired technologies to be eligible for rebates, even if that means looking outside of programs like ENERGY STAR.

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APGA appreciates the IRA’s commitment to making America’s homes more energy efficient, which contributes to our goals for a low-carbon energy future. We look forward to working with SCEP as appropriate to ensure successful implementation of this rebate program. If you have any questions regarding this submission, please do not hesitate to contact me.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Stuart Saulters", with a stylized, flowing script.

Stuart Saulters  
Vice President of Government Relations  
American Public Gas Association