



January 29, 2024

Ms. Julia Hegarty
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: The Office of Energy Efficiency and Renewable Energy's Notification of Preliminary Determination and Request for Comment Pertaining to Energy Conservation Standards for Oil, Electric, and Weatherized Gas Furnaces [Docket Number EERE-2021-BT-STD-0031]

Dear Ms. Hegarty:

The American Gas Association ("AGA"), American Public Gas Association ("APGA"), and National Propane Gas Association ("NPGA") (collectively, "Joint Commenters") appreciate the opportunity to provide comments in response to the Department of Energy's ("DOE") notification of proposed determination and request for comment ("NOPD") pertaining to energy conservation standards ("ECS") for certain classes of consumer furnaces.¹ Although not appliance manufacturers, our members provide the energy needed to fuel the consumer weatherized gas furnaces ("WGFs") impacted by this NOPD, making fuel gas providers a critical stakeholder in this work.

AGA, founded in 1918, represents more than 200 local energy companies that deliver clean natural gas throughout the United States. There are more than 77 million residential, commercial, and industrial natural gas customers in the U.S., of which 96 percent — more than 74 million customers — receive their gas from AGA members. AGA is an advocate for natural gas utility companies and their customers and provides a broad range of programs and services for member natural gas pipelines, marketers, gatherers, international natural gas companies, and industry associates. Today, natural gas meets more than one-third of the United States' energy needs.²

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

¹ 88 Fed. Reg. 83426 (Nov. 29, 2023).

² For more information, please visit www.aga.org.

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.³

NPGA is the national trade association of the propane industry with a membership of about 2,800 companies, and 36 state and regional associations that represent members in all 50 states. NPGA members include retail marketers of propane gas who deliver the fuel to the end user, propane producers, transporters and wholesalers, and manufacturers and distributors of equipment, containers, and appliances. Propane gas fuels millions of installations nationwide for home and commercial heating and cooking, in agriculture, industrial processing, and as a clean air alternative engine fuel for both over-the-road vehicles and industrial lift trucks. Approximately 75% of NPGA's members are small businesses with fewer than 100 employees.

Fuel gas providers are critical stakeholders in rulemakings concerning standards for products (such as WGFs) that use gas and support energy efficiency, including cost effective efficiency improvements, for gas-fired products. Commenters are guided by the congressional mandate that appliance efficiency standards should not impose unjustified costs on consumers or deprive consumers of gas products that are suitable for their needs. Such standards are not authorized by statute and would be harmful to fuel gas providers and the consumers they serve.

Comments

For DOE to determine that amended standards are not needed, it must consider whether amended standards will result in significant conservation of energy, are technologically feasible, and are cost-effective,⁴ as well as being economically justified.⁵ Joint Commenters are supportive of DOE's decision that amended standards for WGFs are not statutorily justified at this time, as they are not economically justified. In support of this conclusion, DOE notes that WGFs "have relatively small markets and shipments of these products are expected to flatten or decline; manufacturers facing increased standards for these product categories may opt to focus on products with larger market shares, resulting in certain products or capacities becoming unavailable for consumers as well as further consolidation of the market."

While generally supportive of the NOPD with regards to WGFs, Joint Commenters would like to reiterate the importance of DOE implementing the recommendations from the National Academies of Sciences, Engineering, and Medicine ("NASEM report")⁶ into all its appliance rulemakings, whether for test procedures or energy conservation standards, including for WGFs. The NASEM report comprehensively evaluated the agency's appliance rulemaking process and identified several key areas in which DOE can improve its rulemaking process. Several of these recommendations even align with suggestions Commenters have made over the years regarding economic modeling and data availability that would greatly help all stakeholders better understand the agency's process and ensure that DOE is making its decisions on the most appropriate data and models. Joint Commenters raised this in earlier comments in this docket.⁷

³ For more information, please visit www.apga.org.

⁴ 42 U.S.C. 6295(m)(1)(A) and 42 U.S.C. 6295(n)(2).

⁵ 42 U.S.C. 6295(m)(1)(B); 42 U.S.C. 6295(o)(2)(A).

⁶ *Review of Methods Used by the U.S. Department of Energy in Setting Appliance and Equipment Standards*, NASEM (2021), available at <https://www.nap.edu/read/25992/chapter/1>.

⁷ <https://www.regulations.gov/comment/EERE-2021-BT-STD-0031-0024>.

In the NOPD, DOE notes that is addressing the recommendations of the NASEM report “in a separate rulemaking in parallel with other ongoing rulemakings, including this oil, electric, and weatherized gas furnace NOPD.” Joint Commenters urge DOE to ensure that the public has sufficient notice and comment opportunity in this parallel rulemaking to ensure that all future appliance rulemakings are appropriately implementing the important recommendations of the report.

Additionally, Joint Commenters wish to reiterate earlier comments⁸ pertaining to concerns with DOE’s reliance on flawed projections of natural gas price trends and marginal residential natural gas prices, as well as systemic problems with the agency’s economic analysis of standards.⁹ Similar to the recommendations from the NASEM report, these earlier comments highlight flaws in DOE’s process that must be addressed to better model consumer purchasing decisions and future fuel prices, among other things.

* * *

Thank you for the review and consideration of these comments. If you have any questions regarding this submission, please do not hesitate to contact us.

Respectfully submitted,

⁸ Comments of the American Gas Association, et al. in response to DOE’s request for information pertaining to energy conservation standards for consumer boilers (May 26, 2021). Those comments are incorporated in this submission as “Attachment A.” They are also available here: <https://www.regulations.gov/comment/EERE-2019-BT-STD-0036-0015>.

⁹ To the extent applicable to propane gas prices and trends, NPGA shares these concerns.



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