

From: [Berman, Janice S](#)
To: [Stavropoulos, Nickolas](#)
Cc: [Lavinson, Melissa A](#); [Eilert, Patrick L](#); [Hunt, Marshall](#); [Anderson, Mary](#); [Miller, Matthew](#); [Johnson, Aaron](#); [Zelmar, Karen](#); [Davis, Vincent](#)
Subject: Urgent Update: DOE Condensing Furnace Standard
Date: Wednesday, October 14, 2015 4:51:35 PM
Attachments: [PGE Comment Letter EERE-2014-BT-STD-0031 10142015 Draft.docx](#)

Nick,

As a follow-up to our discussion about DOE's condensing furnace standard in August, I wanted to let you know that we are planning to submit a letter to DOE today addressing a revised standard DOE issued on July 10, 2015, and supplemented on September 14, 2015. Because PG&E is still endeavoring to collaborate with various parties on discussion of the standard, we plan to meet today's deadline for comments with the **attached** letter indicating that we are still engaged in the dialogue and will submit our formal comments within the next few weeks. We hope that DOE will agree to accept our late submittal.

We understand that you have been heavily involved in this issue through AGA, and we are looking for your perspective and input before proceeding with a revised letter.

Background

The Department of Energy released an initial furnace standard July 10, 2015 that would require a 92% efficient furnace, which is an increase from the current standard of 80% efficient furnace (effective 2015). A noncondensing furnace has AFUE values up to 80 and a condensing furnace will achieve AFUE (Annual Fuel Utilization Efficiency) values above 90. This achieved by adding a second heat exchanger. It was noted in the analysis that in some older homes in the northeast and in Los Angeles customers may pay more for the increased standard that what it would save due to installation difficulties.

NRDC, AGA, ACEEE, ASAP, and others worked on a developing a compromise 2-tier, capacity-based standard, but did not complete negotiations before comment letters were due in July. AGA and others encouraged DOE to revise their analysis to include a capacity based, 2 tier standard. Such a standard would allow noncondensing furnaces up to a certain capacity (Btu input), requiring condensing furnaces for larger capacity units. The theory is that when a large capacity furnace is installed the annual energy use will be higher. Savings are a percentage of the usage so higher usage will yield more savings which can offset incremental costs thereby increasing lifecycle cost-effectiveness. DOE released additional information on September 14, 2015, which included analysis of the impact of a compromise that was brokered by the advocates and industry that considers a 2-tier standard with capacity cutoffs of 45, 55 and 65 kBtuH.

PG&E's Codes and Standards program is supportive of this compromise urges a cutoff at the lower end of the range. We believe it is cost effective and in the best interest of our

customers. We plan to write DOE a letter supporting the lower end of DOE's compromise position and advocating a 50 kBtuH cutoff capacity. This cutoff level allows noncondensing 80 AFUE furnaces with adequate heating capacity and air conditioning airflow to serve the comfort conditioning needs of our customers with furnaces under 50 kBtuH. Furnaces over this size would be required to meet the 92 AFUE requirement.

Positions of Parties

We anticipate the other organizations participating in this rulemaking taking the following stances:

- ACEEE, NRDC and ASAP are taking the same position as PG&E.
- The CEC has emailed us to let us know that they will be urging DOE not to proceed with a capacity based standard. Since the majority of furnaces in California are under 65 kBtuH the capacity standards will not provide significant savings for California.
- SCE and SDG&E are staying neutral to avoid the controversy.
- Our understanding is that SCG, AHRI and AGA are likely to take a stance advocating for the 65 kBtuH cutoff requirement.

Over the past months, PG&E conducted two Statewide Codes & Standards meetings and exchanged communications with SoCalGas and the other IOUs. As occurred previously, PG&E and SoCalGas were unable to reach common ground and will be submitting separate letters.

Please do not hesitate to contact me, as well as our experts Marshall Hunt and Pat Eilert. We value your input.

Thanks,

--Jan Berman



October 14, 2015

Ms. Brenda Edwards, EE-41
Office of Energy Efficiency and Renewable Energy
Energy Conservation Program for Consumer Products
U.S. Department of Energy
1000 Independence Avenue, SW.
Washington, DC 20585-0121

Docket Number: **EERE-2014-BT-STD-0031**
RIN: **1904-AD20**

Dear Ms. Edwards:

Pacific Gas and Electric Company (PG&E) offers the following initial comment in response to the Department of Energy (DOE) Notice of Data Availability (NODA) for Energy Conservation Standards for Residential Non-weatherized Gas Furnaces (NWGFs) published September 14, 2015.

Pacific Gas and Electric Company, incorporated in California in 1905, is one of the largest combination natural gas and electric utilities in the United States. Based in San Francisco, the company is a subsidiary of PG&E Corporation. There are approximately 20,000 employees who carry out Pacific Gas and Electric Company's primary business—the transmission and delivery of energy. The company provides natural gas and electric service to approximately 15 million people throughout a 70,000-square-mile service area in northern and central California. We understand the potential of efficiency standards to cut costs and reduce consumption while maintaining or increasing consumer utility of the products. We have a responsibility to our customers to advocate for standards that accurately reflect the climate and conditions of our respective service areas, so as to maximize these positive effects.

We support DOE continuing to refine their analysis and making it available for public comment in this NODA. We are engaged with stakeholders in an effort to find a consensus compromise and need more time to fully explore the issues and options. We will be filing a letter in a few weeks in which we will make detailed recommendations.

Sincerely,

Patrick Eilert
Manager, Codes and Standards
Pacific Gas and Electric Company