

**From:** [Anderson, Mary](#)  
**To:** [Eilert, Patrick L](#)  
**Subject:** Re: Update on DOE Rulemaking for Gas Products  
**Date:** Thursday, June 16, 2016 5:36:33 PM

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That isn't necessary. It is just a little stressful.

On Jun 16, 2016, at 5:35 PM, Eilert, Patrick L <[PLE2@pge.com](mailto:PLE2@pge.com)> wrote:

I'm happy to sit in on the call with AGA if you think it will help.

Sent from my iPhone

On Jun 16, 2016, at 5:27 PM, Anderson, Mary <[M3AK@pge.com](mailto:M3AK@pge.com)> wrote:

Reaching out to AGA is kinda like getting a root canal.

I am excited to do that tomorrow. 😊

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**From:** Eilert, Patrick L  
**Sent:** Thursday, June 16, 2016 5:26 PM  
**To:** Davis, Vincent; Zelmar, Karen; Francisco, Jessica  
**Cc:** Dewey, Meghan; Anderson, Mary; Hunt, Marshall  
**Subject:** FW: Update on DOE Rulemaking for Gas Products

Vincent/Karen/Jessica:

Keeping you updated on Commercial Boilers. Based on today's statewide call, SCG is supporting TSL 1. PG&E is supporting TSL 2 which comprises a modest, practical increase in efficiency.

Please see pros and cons outlined by Mary below. She will reach out to AGA tomorrow to solicit their feedback.

Thanks.  
Pat

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**From:** Anderson, Mary  
**Sent:** Thursday, June 16, 2016 5:04 PM  
**To:** Eilert, Patrick L  
**Cc:** Hunt, Marshall  
**Subject:** RE: Update on DOE Rulemaking for Gas Products

Pat,  
We just met with the IOU team today to discuss our comments on the Commercial Package Boiler Standard Comment Letter. It appears that SCG and PG&E are fairly close in their potential position. SCG would

prefer to stay with TSL 1 (84% efficiency) rather than TSL 2 (85% efficiency), PG&E's preferred choice. The effect of either option on gas sales in CA is miniscule. The effect on the EE programs is also minimal since we rebate very few units on an annual basis. The pros and cons of each position are below.

- TSL 1 (84% efficient boilers)
  - Pro: A cost effective proposal
  - Pro: Minimal savings
  - Pro: Most of the boilers in the market would comply with the standard
  - Con: Many more cost effective options available. Even TSL 4 is cost effective from the customer and manufacturer position according to DOE's analysis.
  - Con: Leaves significant, cost effective energy savings on the table.
- TSL 2 (85% efficient boilers)
  - Pro: Double the savings from TSL 1
  - Pro: Cost effective proposal with minimal impact on customer cost
  - Con: Manufacturers may need to tweak existing models to ensure compliance. The standard would not be effective for five years, which makes this feasible for manufacturers.

PG&E C&S team believes that the potential impact to manufacturers is minimal but if it is a bigger problem than we forecast the manufacturers (who are very active in this proceeding) will advocate on their own behalf. DOE can then analyze the impact and move it down to TSL1 if the negative impact of TSL 2 is too great. We do not believe that we should be advocating for the manufacturers' position but for our customers.

Please let me know if you have any questions. Thanks!

Mary

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**From:** Eilert, Patrick L  
**Sent:** Wednesday, June 15, 2016 4:35 PM  
**To:** Davis, Vincent; Zelmar, Karen; Francisco, Jessica  
**Cc:** Dewey, Meghan; Anderson, Mary; Hunt, Marshall  
**Subject:** Update on DOE Rulemaking for Gas Products

Vincent/Karen/Jessica:

In our previous email regarding gas products (attached), we mentioned commercial boilers, commercial water heaters, and gas furnaces. We are

almost ready to file comments on commercial boilers and will recommend Trial Standards Level 2. DOE's analysis includes TSL 3 and TSL 4, both of which represent higher efficiency than TSL2, so our recommendation is modest.

We are providing this "heads up" since our position will likely differ from AGA's and SCG's, as explained below.

Thanks.  
Pat

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**From:** Anderson, Mary  
**Sent:** Wednesday, June 15, 2016 3:56 PM  
**To:** Eilert, Patrick L; Hunt, Marshall  
**Subject:** DOE Commercial Package Boiler Standard Comments Due on Friday

Pat,  
We are finalizing the Commercial Package Boiler Standard Comment letter. We have been working with the other IOUs to finalize our comments, which are due on Friday. The Department of Energy (DOE) is recommending a standard (Technical Standard Level (TSL) 2) that allows condensing and non-condensing boilers but will not allow an atmospheric (most atmospheric boilers are not allowed in California due to NOX requirements). The proposed change will increase the efficiency of package boilers by 5%. According to the 2014 Commercial Saturation Study, 3% of commercial customers in California have commercial package boilers. The proposed efficiency standard will have a minimal effect on gas sales in PG&E's service territory. The C&S team believes that DOE's proposed level (TSL2) is a prudent and cost effective proposal. This will provide PG&E customers with both condensing and non-condensing options and provide cost effective savings.

We believe that SCG and AGA will request either a suspension or a major delay in this proceeding since the Test Procedure Rulemaking has not been finalized yet. We believe that while the test procedure hasn't been finalized that the benefits of the efficiency standard will far outweigh any potential market impacts. We have not finalized our comment letter nor have we received SCG's final position on this rulemaking. We have shared our thoughts on this rulemaking and have had two meetings to discuss this rulemaking and have one more scheduled for tomorrow. If you have any questions please let Marshall or me know.

Thanks!