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Air Conditioning Contractors of America

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Submitted via regulations.gov

October 3, 2022

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

Re: *Energy Conservation Program: Energy Conservation Standards for Consumer Furnaces, EERE-2014-BT-STD-0031 and/or regulatory information number (“RIN”) 1904-AD20*

Dear Ms. Hegarty:

We write you today in response to the July 7, 2022 Department of Energy ("DOE"), issued notice of proposed rulemaking ("NOPR") proposing to revise energy efficiency standards for residential natural gas furnaces. The Air Conditioning Contractors of America (ACCA) is a national association of heating, ventilation, air conditioning, and refrigeration (HVACR) contractors. Our over 3000 member companies are recognized as industry leaders, responsible for \$44 billion in annual sales from designing, installing, and maintaining more than half the HVACR systems that heat and cool homes, protect our food supply, ensuring the possibility of modern medicine, and enabling data centers to operate. Our members are on the front lines of energy efficiency and respectfully submit these comments in opposition to the proposed rule.

As we have previously stated in our November 18, 2016 comments for EERE-2014-BT-STD-0031; Energy Conservation Standards for Residential Furnaces (RIN) 1904-AD20 ACCA members are extremely concerned the NOPR would eliminate consumer choice and the ability of the technical expert to have the full suite of options to recommend for their customers comfort and financial needs. Eliminating an entire category of natural gas furnace, i.e., non-condensing furnaces, currently used in millions of homes. **Specifically, the proposal, if adopted, would negatively impact individual homeowners, including low-income households, small businesses, and seniors.**

UNNECESSARY BURDEN ON AMERICAN HOMEOWNER

Heating, ventilation, and air conditioning (HVAC) systems are the largest consumers of energy in America. ACCA, members design, install, and maintain residential and commercial

heating, ventilation, air conditioning, and refrigeration systems and ACCA takes great pride of being a watchdog for the consumers on behalf of our members.

In 2020, approximately 59.2 million households had gas or propane space heating, and DOE's analysis shows that the proposal will negatively impact, i.e., increase costs for, millions of consumers that can least afford it. Specifically, DOE's data shows that the proposal will result in higher overall costs for 15 percent of senior-only households, 14 percent of low-income households, and 20 percent of small business consumers. Notably, for consumers with mobile homes, 22 percent of all customers would be negatively impacted, including 15 percent of senior-only mobile home households and 13 percent of low-income mobile home households. DOE should not issue a rule with such unacceptable impacts on low-income households, seniors, and energy insecure consumers.

Federal and state lawmakers and regulators focus significant time on the HVAC industry because of the energy our products consume. Former Secretary of Energy Ernest Moniz shared with the Washington Post back in June 1, 2016, that he believed energy efficiency improvements within the HVACR industry could have an enormous impact towards addressing peak demand for electricity going forward. ACCA agrees with the Secretary, but the Department of Energy (DOE) is not focused on the problems our members see every day.

The problem of poor HVAC installations is rampant in part due to many public officials believing that industry-recommended installation standards and training programs are aspirational and do not require trained technicians. If DOE would turn their attention to educating and incentivizing homeowners to demand that HVAC systems are installed according to the industry's recommended minimum standards, including proper equipment sizing, ducts re-design and sealing, and appropriate refrigerant charges, then our industry would immediately be able meet Secretary Moniz's wish for a 25 to 30 percent improvement in efficiency, and far exceed the goals from this furnace rule.

HVAC manufacturers are producing highly efficient products, meeting, and exceeding DOE's regulatory demands. However, if DOE does not require minimum installation and design standards that manufacturers recommend and continue focusing your attention on pushing another efficiency regulation once again, we will continue to miss the desired mark and negatively impact consumers, which is exactly what this rulemaking will do.

INSTALLATION COST DO NOT ADD UP

Data from a survey of over 700 of ACCA's members back in 2016 showed the estimated cost of installing a condensing furnace is \$569 more than installing a non-condensing furnace. Factor in inflation, labor shortages, and increased labor cost, and supply challenges ACCA believes DOE's cost assumptions inadequately reflect the true cost to the consumer.

By not working with ACCA and tapping to real data and expertise on cost and installation, this rule will result in most homeowners without the prospect of seeing a net benefit.

Additionally, we will see a significant increase in homeowners opting to repair their existing equipment versus working with a licensed professional to replace it.

CONCLUSION

Simply eliminating a nationwide option for installation is not reasonable. There are situations where homeowners may not be able to install a condensing furnace in their home or may not be able to afford the additional cost associated with installation of this type of furnace.

Overlooked

- Increased costs due to venting.
- Extensive and expensive venting modifications must be made to accommodate a condensing furnace.
Extensive and expensive electrical upgrades that will be required to accommodate a condensing furnace.
- Building code restrictions for apartments and condominiums. In row houses, town houses and multi-family dwellings a condensing furnace may not even be an option because the side venting required is impossible due to physical limitations, building code issues, and/or prohibitively high cost.
- Burdens on landlords. Heating costs are borne by the tenant, whereas the landlord bears the burden of the upfront cost for the furnace. A landlord will not see a return on their cost for the more expensive but higher efficient furnace through lower heating bills. When faced with a higher priced furnace plus additional costs for special venting, landlords will likely turn to alternative heating options resulting in increased monthly utility bills for their tenants and additional safety concerns.
- Undue burden on low-income consumers. Consumers, especially those in lower income brackets, often times do not have the luxury of worrying about operating costs over an extended period of time. Rather, their primary concern is whether they can afford the new appliance at all, even without the cost hurdle of new venting. For these residents, the higher costs for a condensing gas furnace will mean they switch to a less efficient heating sources which will result in higher monthly utility bills.
- Regional burden. Consumers, especially those in Southern U.S. will see even less payback.

ACCA strongly believes that this furnace rule, intended to increase efficiency, once again completely overlooks the data pointing to the need to focus on installed HVACR efficiency. This Rule is not needed, and removes consumer choice, and will continue DOE's long record of undermining realized energy efficiency goals and increasing costs to consumers.

Unfortunately, proceeding will have substantial implications for HVAC contractors, manufacturers, distributors, energy providers, and most importantly the customer/consumer. Modifications to furnace efficiency standards will significantly affect the availability and affordability of consumer heating equipment. DOE's role should not be

the elimination of products but incentivizing behavior and consumer education for alternatives for affordable heating options for consumers and small businesses.

ACCA appreciates your review and consideration of our comments. If you have any questions, I can be reached at (703) 824-8841 or barton.james@acca.org.

Respectfully,

A handwritten signature in black ink that reads "Barton C. James". The signature is fluid and cursive, with a large, sweeping flourish at the end.

Barton James
President & CEO