American Gas Association

June 23, 2005

Rachel Schmeltz
ENERGY STAR Product Manager
Environmental Protection Agency
Ariel Rios Building, SW, MS 6202J
1200 Pennsylvania Avenue, NW
Washington, DC 20460

Re: Draft 2 Eligibility Criteria Energy Star Program Requirement for Air Source Heat Pumps and Central Air Conditioner Equipment

The American Gas Association represents 195 local energy utility companies that deliver natural gas to more than 56 million homes, businesses and industries throughout the United States. AGA member companies account for roughly 83 percent of all natural gas delivered by local natural gas distribution companies in the U.S. AGA is an advocate for local natural gas utility companies and provides a broad range of programs and services for member natural gas pipelines, marketers, gatherers, international gas companies and industry associates. Natural gas meets one-fourth of the United States' energy needs.

AGA appreciates the opportunity to comment on the proposed modifications to the EPA ENERGY STAR program on Central Air Conditioners and Heat Pumps. Regarding the second draft date, May 27, 2005 and currently out for comment, AGA is opposed to eliminating the Product Type, gas/electric packaged units from the Energy Star Qualifying Products. The use of a gas fired space heating component is certainly more efficient than using electric resistance type heating when total energy use also referred to as source energy is determined.

By eliminating the gas/electric package units, all electric single package equipment that qualify for the ENERGY STAR cooling SEER and EER and provide a space heating function can use electric resistance heating elements but not fuel gas. This would essentially be promoting electric resistance heating at the expense of more source efficient systems that use fuel gas as the heating function.

Manufacturers would have no incentive to develop and produce gas/electric package units if they were not eligible to qualify for the ENERGY STAR program. As currently listed in the ENERGY STAR program, the heating function using fuel gas, oil or electric resistance type heating is permissible provided that the cooling requirements meet the SEER and EER requirements. Deleting the use of fuel gas as an option for heating is counter to energy conservation. It may also encourage fuel switching since anyone considering a single packaged air conditioning piece of equipment with the need of a space heating function will find that an ENERGY STAR fuel gas fuel model that meets the ENERGY STAR requirements for cooling

(i.e. SEER and EER) is not eligible for the ENERGY STAR program. Yet the same model that uses electric resistance heating for space heating is eligible. This certainly is not promoting energy efficiency.

To provide you with a comparison of source energy use and emissions from four typical types of residential space heating systems, attached is a chart that provides a comparison based on Department of Energy (DOE) records and 2005 DOE representing average energy costs. As you will see, when considering source energy is considered in determining total energy use, the 94 percent AFUE residential natural gas furnaces uses considerably less energy and has many times less CO_2, SO_2 and NO_x emissions than an electric resistance furnace.

In summary, AGA supports the continued use of the Product Type – Single Package Equipment (including gas/electric package unit) within the ENERGY STAR program.

Please don't hesitate to call me if you have any questions.

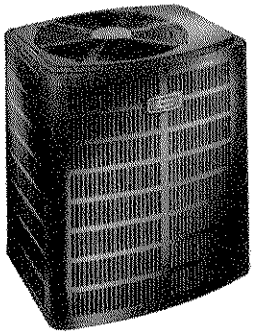
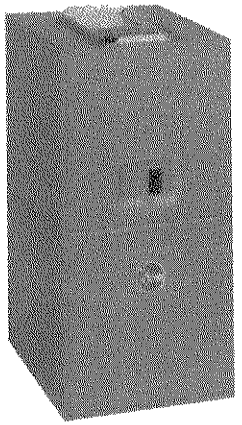
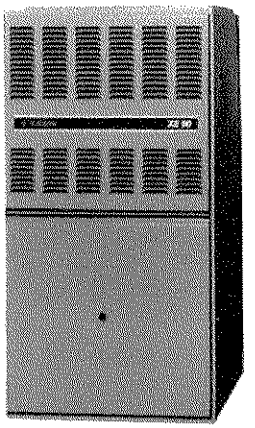
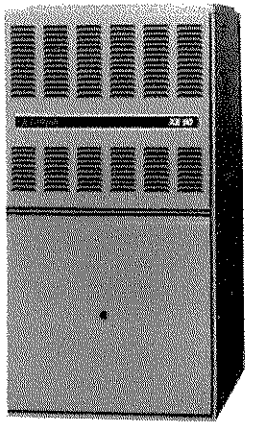
Sincerely,

Jim Ranfone

James Ranfone
Managing Director,
Building Codes & Standards

Residential Energy Efficiency Ratings
Space Heating

DOE site-specific energy ratings are misleading. *While DOE rates an electric appliance with a more efficient energy rating than a similar gas appliance, in reality that electric appliance consumes more source energy, pollutes more, and costs the consumer more to operate.*

	Electric Heat Pump	Electric Resistance Furnace	Natural Gas Furnace	Natural Gas Furnace
				
DOE NAECA Efficiency Rating:	**6.8 HSPF**	**98 AFUE**	**80 AFUE**	**94 AFUE**
Source Energy Consumption (MMBtu/yr):	**109.4**	**229.1**	**84.0**	**71.6**
Energy Cost[1]/year[2]	**$784**	**$1,642**	**$826**	**$704**
CO_2 Emissions (lbs/unit/yr)[3]:	**18,835**	**39,439**	**9,240**	**7,876**
SO_2 Emissions (lbs/unit/yr):	**105.7**	**221.4**	**0**	**0**
NO_x Emissions (lbs/unit/yr):	**66.0**	**139.0**	**8.8**	**7.5**
2004 Shipments (Sales)	**1,886,000[4]**	**500,000[5]**	**3,269,000[6]**	**250,000[6]**

[1]Energy Cost is based on 2005 DOE representative average unit costs for energy where electric rate is 9.06 cent/kWh; gas rate is 10.92 $/MMBtu
[2]American Gas Association, *Natural Gas is Least Expensive Home Energy in 2005, DOE Says*, PR-17, March 2005
[3]Emission estimates are based on DOE's 1993 Technical Support Document: Energy Efficiency Standards for Consumer Products
[4]ARI Statistical Release
[5]Estimated
[6]Estimated based on data from GAMA - *Consumers Continued to Choose Efficient Heating Equipment in 2004,* February 4, 2005
HSPF=Heating Seasonal Performance Factor, AFUE=Annual Fuel Utilization Efficiency