

September 30, 2010

Abigail Daken
Environmental Protection Agency
1725 Eye Street NW, Suite 1000
Washington, DC 20006

Dear Ms. Daken:

Thank you for the opportunity to provide input on the Draft 1 ENERGY STAR® Furnace Specification Version 3 (Specification). On behalf of CEE and its Gas Committee (the Committee), please accept the following comments.

CEE is the binational organization of energy efficiency program administrators and a staunch supporter of the ENERGY STAR Program. CEE members are responsible for ratepayer-funded efficiency programs in 43 U.S. states and 8 Canadian provinces. In 2010, CEE members directed over \$7.5 billion of energy efficiency program budgets in the two countries. In short, CEE represents the groups that are actively working to make ENERGY STAR the relevant platform for energy efficiency across North America.

CEE highly values the role ENERGY STAR plays in differentiating energy efficient products and services that the CEE membership supports locally throughout the US and Canada. We appreciate the opportunity to provide these comments.

CEE needs additional data to evaluate the proposed changes

Upon reviewing the proposed changes in reference to the tenets of ENERGY STAR, the Committee determined that there is not a sufficient basis to provide an informed response to EPA. The three aspects highlighted below elaborate on technical information required for CEE to develop informed comments.

Provide analysis and data supporting the energy savings potential, simple payback period, and projected market share of proposed AFUE levels

EPA has stated that ENERGY STAR furnaces currently represent 43 percent of all furnace models, but that it is not cost effective to raise the specification nationally. Rather, EPA proposes moving to regional specifications to ensure cost effectiveness while continuing to identify the most efficient 25 percent of models. While CEE agrees it is time to evaluate the current ENERGY STAR furnace specification, in the next proposal, CEE would like data that proves the proposed AFUE levels meet those tenets of the ENERGY STAR brand. Specifically, CEE requests projected market share, incremental costs, and energy savings for the proposed levels in the U.S. and Canada.

Elaborate on the basis for the proposed air leakage specification requirement

CEE does not have sufficient data to comment on the proposed air leakage requirement. CEE requests analysis behind the proposed 2 percent air leakage requirement that demonstrates expected energy savings, cost effectiveness for the consumer, and expected impacts on share of qualified models. Being a new and relatively poorly understood measure of performance, makes it even more crucial to provide basis to ensure that it meets the tenets of ENERGY STAR. If EPA can provide evidence that this requirement is proven to cost effectively save energy, then the Committee would be supportive of its incorporation into the ENERGY STAR criteria for furnaces.

Provide data supportive of proposed electrical efficiency levels and summary of the benefits and potential implications of the proposed metric

The Committee looks forward to reviewing the next proposal that is expected to have established levels for electrical efficiency. To best evaluate those levels against the tenets of ENERGY STAR, the Committee would like EPA to provide data on the expected therm and kWh savings, incremental cost associated with achieving and demonstrating compliance, and expected impacts on market share of qualified models.

In addition, the Committee would value a summary of how the proposed test procedure is likely to relate to the DOE metric in development, and how EPA is managing any risk associated with finalizing the ENERGY STAR specification before the DOE rulemaking process is complete.

Thank you again for the opportunity to comment. We hope that these comments help in the development of the next draft specification. Please contact Jennifer Anziano, CEE Natural Gas Program Manager, at 617-337-9278 with any questions.

Sincerely,

A handwritten signature in black ink that reads "Marc G. Hoffman". The signature is written in a cursive style with a large initial 'M' and 'H'.

Marc G. Hoffman
Executive Director

Supporting Organizations

Columbia Gas of Massachusetts
Connecticut Light and Power
National Grid
New Jersey Natural Gas
Northern Indiana Public Service Company (NIPSCO)
NSTAR Gas
NYSERDA
Pacific Gas & Electric
Wisconsin Focus on Energy
Xcel Energy
Yankee Gas Service Company