



LEARN MORE AT
energystar.gov

ENERGY STAR®, a U.S. Environmental Protection Agency program, helps us all save money and protect our environment through energy efficient products and practices. For more information, visit www.energystar.gov.

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460



OFFICE OF AIR
AND RADIATION

April 16, 2024

Dear ENERGY STAR® Furnace Stakeholder or Other Interested Party:

On May 18, 2023, the Environmental Protection Agency (EPA) distributed a proposal to sunset the ENERGY STAR specification for furnaces. The Agency appreciates the extensive stakeholder engagement and comments on this proposal¹. In response to compelling support for continuing the labeling of furnaces, the EPA has decided to propose an update, rather than sunset, to the ENERGY STAR furnace specification. The proposal to sunset the ENERGY STAR specification for central air conditioning is addressed in a separate letter.

The ENERGY STAR program serves an important role in helping consumers realize the benefits of energy efficiency from both a cost and environmental perspective. ENERGY STAR specifications are periodically reviewed and updated through a transparent process to ensure that they provide meaningful differentiation for highly energy-efficient products as markets evolve.

The ENERGY STAR furnace specification includes requirements for gas and oil products and was last updated in 2013. With the Department of Energy's recent finalization of the gas furnace federal minimum efficiency standards at the current ENERGY STAR efficiency level of 95 AFUE and an ENERGY STAR market share of about 40%, the Agency sees an opportunity for further differentiation as the market advances to meet the new minimum requirements effective in December 2028. In addition, increasing the gas furnace efficiency requirement will align the ENERGY STAR specification with eligibility requirements for Section 25C tax credits established under the Inflation Reduction Act. The EPA also proposes to increase efficiency levels for oil furnaces, of which close to 90% of models meet current ENERGY STAR requirements. ENERGY STAR certified oil furnaces would remain eligible for tax credits.

Furnace Specification Revision

With this letter, the EPA is distributing a first draft of the [Version 5.0 ENERGY STAR furnace specification](#) and

is targeting an effective date of 2026. If all furnaces sold in the United States met the proposed requirements, the cost savings would grow to over \$2 billion each year and more than 17 billion pounds of annual greenhouse gas emissions would be prevented.

Key elements of Draft 1 specification revision include:

- An increase in stringency for the gas furnace requirement to 97 AFUE. Nearly 500 furnace models, representing all common sizes and all major manufacturers currently meet [this level](#).
- A proposal to eliminate the regional distinction for ENERGY STAR furnaces, to align with current minimum efficiency standards and simplify program administration and participation. Sales data reported to the EPA indicates that consumers are generally not taking advantage of the U.S. South performance level.
- An increase in stringency for the oil furnace requirement to 87 AFUE. While more stringent than the eligibility requirements for federal tax credits, this level offers a consumer pay back of less than two years². At least 13% of oil furnace models will meet the proposed criteria.

Future Plans

In addition to updating the ENERGY STAR furnace specification, the EPA remains interested in the potential for dual-fuel HVAC systems to serve as a lower cost option in cold climates. The Agency is considering a new specification recognizing furnaces in the context of new dual fuel heating systems (i.e. furnace plus heat pump), relying on system metrics developed in collaboration with industry. The EPA plans to work with stakeholders in 2024 to finalize a test procedure, evaluate performance data and develop a proposed specification. Because the furnaces in these systems will run on a limited basis, it may make sense to specify lower furnace efficiency in the interest of overall cost.

Further, the EPA recognizes that the requirement for heat pumps to be rated with specific furnaces is a barrier to ENERGY STAR certification for heat pumps installed in households with an existing furnace. The Agency is investigating how best to address this situation and seeks stakeholder feedback.

Comment Submittal

The public is encouraged to provide written comments on the proposed furnace specification revision for the EPA's consideration to HVAC@energystar.gov by May 16, 2024. All comments will be posted to the ENERGY STAR Product Development website unless the submitter requests otherwise.

Stakeholder Meeting

The EPA will host a webinar on **Wednesday, May 1, 2024, from 3 to 5 pm ET** to discuss the Draft 1 furnaces specification revision and address initial stakeholder comments and questions. Please register for the webinar [here](#). Stakeholders are encouraged to inform the EPA of any industry events that may conflict with this proposed date.

To track the EPA's progress in these developments, visit the [Furnace Version 5 Specification Development webpage](#) or the [Central Air Conditioners Sunset Proposal webpage](#).

Please direct any specific questions to Holly Tapani, EPA, at Tapani.Holly@epa.gov or 202-564-0679 and Megan McNelly, ICF, at megan.mcnelly@icf.com or 703-934-3726. For test procedure inquiries, please

contact Lucas Adin (DOE) at 202-287-1317 or lucas.adin@ee.doe.gov. Thank you for your participation in the ENERGY STAR program. I look forward to working with you over the next several months to develop the Version 5.0 ENERGY STAR Furnaces specification.

¹A summary and response to comments can be found in the [Sunset Proposal Comment Matrix](#). Individual comment letters can be reviewed on the [sunset proposal webpage](#).

²See [Draft 1 furnace specification data packet](#).

Sincerely,

A handwritten signature in cursive script, appearing to read "Abigail Daken".

Abigail Daken, EPA Product Manager
ENERGY STAR for HVAC

For more information, visit: www.energystar.gov

This message was sent to you on behalf of ENERGY STAR. To manage the types of emails you receive from ENERGY STAR, visit the [subscription center](#).