ENERGY STAR® Version 5.0 Furnaces Final Draft Specification Stakeholder Comment Response Matrix

Topic	Comment	EPA Response
Oil Furnace Criteria	One stakeholder shared that they received negative feedback from industry partners relative to the oil furnaces criteria in the Draft. They noted that an increase to 87 AFUE for oil furnaces is unnecessary, will cause field issues with condensation, and will cause consumers to incur a significant installation cost increase. Properly sized stainless chimney liners will need to be installed in existing chimneys, and manufacturers will need to use more expensive materials to ensure the integrity of the heat exchanger, all for consumers to only save $15 to $20 per year on the fuel oil bill.	Installation costs for this analysis were taken from the DOE TSD for oil furnaces, which do take into account costs associated with updating or repairing existing flue venting, including vent resizing and chimney relining. Also, most jurisdictions require chimneys to be lined in any case, and many oil furnaces at this AFUE use PVC exhaust. Lastly, our understanding is that checking and often relining the chimney is generally recommended for an 85 AFUE oil furnace as well, so this does not represent a change in the installation consequences of the ENERGY STAR specification.
Gas Furnace Criteria	One stakeholder supported the requirements for gas furnaces. Four stakeholders opposed the proposed requirements for gas furnaces and recommended some alternative options: ➢ Maintain the current requirements (90 AFUE for the US South and 95 AFUE for the US North) for gas furnaces. ➢ Set the levels at 97 AFUE for the US North and 92 AFUE for the US South, with an effective date sometime in 2026. ➢ Set the US South level to 92 AFUE, with an effective date in 2031 or 2032 to align with current IRA fund distribution related to home energy rebate programs. ➢ Add a proposal for hybrid heating systems (heat pumps with gas furnaces for supplemental heat) with a minimum efficiency for gas furnaces set to accommodate Category I furnaces.	The EPA is finalizing the Version 5.0 specification with gas furnace requirements at 97 AFUE in the US North and 95 AFUE in the US South. With high market share for furnaces in the North, the current levels no longer provide meaningful distinction for consumers or drive market transformation. For the US South region, a 95 AFUE gas furnace has the quickest payback. The effective date for Version 5.0 is July 31, 2026, as proposed in the Final Draft. This leaves an unusually long time for manufacturers and programs to adjust to the new specification and was chosen to be clear of the main furnace purchasing season. The EPA will continue efforts, outside of this revision process, in collaboration with stakeholders to explore options for ENERGY STAR recognition of dual fuel systems. .
Regional Differentiation	Four stakeholders appreciate and support EPA's proposal to maintain a regional distinction for ENERGY STAR Furnaces.	Thank you for your comments.
Dependence on Final DOE Rulemaking for Consumer Furnaces	Three stakeholders believe that the EPA should suspend changes to the furnace specification given that DOE's final furnace rule is under litigation and a court order is pending. They note that instituting changes to ENERGY STAR based on a contested rule could lead to consumer confusion and frustration for manufacturers, retailers, and consumers, especially if petitioners are successful in their challenge.	The changes to ENERGY STAR are driven by the need for EPA to differentiate efficient models. With the increase in market share of ENERGY STAR certified models, it becomes necessary to increase the stringency of the performance requirements to ensure that the ENERGY STAR label continues to meet consumer expectations that these products represent top performers in terms of efficiency.
Market & Shipment Data	One stakeholder believes that the EPA should provide data on the impact of the IRA tax credit by state or region to properly evaluate the potential for ENERGY STAR Version 5.0. Another stakeholder shared that a 7.3% product market share for 97 AFUE is not sufficient to meet customer needs in the North. They recommend that the EPA address discrepancies to better understand total market availability. They point out that proposal documents state that there are 5,378 models that meet the 95 AFUE level, but the ENERGY STAR Product Finder website shows 4,551 models.	At the levels finalized with this revision, the total market for eligible furnaces includes more options than most ENERGY STAR product categories. With more than 800 models eligible from 53 brands including all major manufacturers, consumers will have a full range of choices at the 97 AFUE level. DOE's Compliance Certification Database was used for the market analysis, providing both the total count of furnaces on the market (ENERGY STAR or not) and count of furnaces which meet the Version 5.0 levels. The ENERGY STAR Product Finder website is limited to units that are ENERGY STAR certified, whether or not they are eligible. Therefore, the number of currently certified gas furnaces at the 95 AFUE level for all regions shown on the ENERGY STAR Product Finder website does not accurately capture the total market opportunity for setting a 95 AFUE for gas furnaces in the US South region for Version 5.0.

Emissions	Two stakeholders noted that the proposal fails to provide analysis or studies on the purported reduction in energy consumption, improvement in energy security, or reduction in pollution. Further, they noted that there is no evidence that includes source emissions or supports that electric systems emit fewer emissions. The same two stakeholders recommended that the EPA use Full Fuel Cycles (FFC) for ENERGY STAR (like the National Academies of Sciences, Engineering, and Medicine and DOE) as such a practice measures energy consumption, environmental impacts, and greenhouse gas emissions, and provides more comprehensive information to the public through labels. By not committing to use or evaluate an FFC analysis of its emissions claims, they believe that the EPA's claims may be at odds with conclusions reached by DOE.	The ENERGY STAR program serves a different, complementary purpose to energy conservation standards, serving as resource for consumers to guide them toward products that save them money on their energy bills. As such, the program focuses on site energy. The other issues mentioned by commenters concerning how the EPA conducts its analysis are noted by the EPA. However, consistent with the principles of the ENERGY STAR program and its voluntary nature, the intent is to determine whether the savings are of a sufficient order of magnitude to justify a specification change. Assumptions related to factors like price can vary widely by region, manufacturer, and the individual considerations of a particular home. The EPA has therefore made assumptions based on reliable data sources, including the DOE, so that it may draw generally meaningful conclusions about energy consumption for ENERGY STAR products.
Incentives & Rebates	Two stakeholders believe that while the proposal attempts to align rebates and incentives under the IRA for furnaces, it instead creates unnecessary confusion that could undermine the effectiveness of the ENERGY STAR label. They note that the proposal sets a standard for oil furnaces in excess of the AFUE required for federal tax credits. They caution that consumers will not know that a furnace could still be rebate eligible even if it does not meet the ENERGY STAR specification. The stakeholders also note that 97 AFUE is currently the highest level of gas furnaces available on the market, so this proposal would significantly limit the opportunity for consumers in the North to take advantage of a fuel-neutral rebate. They recommend that the EPA consider clarifying the ENERGY STAR label to enhance consumer information and awareness, to provide for better purchasing decisions.	The HVAC market has weathered the confusion of several rounds of tax credits coming and going, as well as rebates being available from a wide variety of sources, often for some consumers but not others. The adopted level is the least confusing option for gas furnaces that preserves regional differentiation. For oil furnaces, the tax credit levels named in the Inflation Reduction Act do not correspond to a current ENERGY STAR level. The least confusing choice in this case would be to set the requirement at 90 AFUE for oil furnaces, but the EPA determined that 87 AFUE offers better consumer choice and consumer value. The availability of oil furnaces drops significantly between 87 and 90 AFUE, with very few models achieving an AFUE of 90 or higher.
Notice of Release & Comment Process	Two stakeholders believe that the proposal does not provide evidence on how it is in compliance with its enabling legislation – to promote energy efficiency, reduce pollution, enhance public awareness, preserve the integrity of the ENERGY STAR label, regularly update product criteria, or solicit comments from interested parties. The same two stakeholders believe that the EPA needed to submit the proposal to the normal course of notice and comment rulemaking, pursuant to the Administrative Procedure Act. Since it was only promoted the proposal to a small email distribution list instead of through widespread channels like the Federal Register, they believe that the EPA has abdicated its duties under the Energy Policy Act of 2005. One other stakeholder noted that the EPA has a duty to and should respond to concerns with a cogent and reasoned response supported by data and evidence.	The EPA follows a standard process documented in the ENERGY STAR Standard Operating Procedure (SOP) that the Agency uses for all ENERGY STAR specification actions including proposals related to new and revised specifications and sunsets. ENERGY STAR posts documents for comment by the general public on the ENERGY STAR website. The EPA distributed the proposal to a list of stakeholders while also posting it to the broadly available ENERGY STAR Partner Public Notices web page. The ENERGY STAR SOP provides for a 30-day comment period for proposals with more time allowable as needed. The EPA has also made accommodations for comment submittals beyond the deadline to ensure all stakeholder feedback is considered and has responded to all comments received in this comment/response matrix. The EPA responds to concerns with a cogent and reasoned response, controlling the cost to run the ENERGY STAR program by using data (and in some cases analysis) available from sources outside the Agency. Much of this data is publicly available from other government agencies, from industry trade groups, and from NGOs. Our stakeholders play a critical role in this process, both by bringing data sources to our attention and by sending us data directly. For instance, earlier in the Furnace V5.0 revision process stakeholders provided data regarding the AFUE of furnaces sold by state, which were considered in evaluating separate North and South requirements for furnaces.