AMERICAN PUBLIC GAS ASSOCIATION

October 6, 2021

Ann Bailey, Director
ENERGY STAR Product Labelling
US Environmental Protection Agency
1201 Constitution Ave NW Washington, DC 20004
Submitted via email to MostEfficient@energystar.gov

RE: Response to Changes to ENERGY STAR Most Efficient List Criteria

Dear Director Bailey,

The American Public Gas Association (APGA) was extremely disappointed that the US Environmental Protection Agency (EPA) only listened to certain stakeholders and revised the criteria for the ENERGY STAR Most Efficient list. APGA is the trade association for approximately 1,000 communities across the U.S. that own and operate their retail natural gas distribution entities. Our members take pride in delivering clean, affordable, and reliable energy to the family, friends, and neighbors in the communities they serve. Public gas systems are not-for-profit and locally accountable to these citizens, recognizing the fuel they deliver is essential for cooking, clothes drying, and space and water heating, as well as for various commercial and industrial applications.

The lack of transparency surrounding EPA's decisionmaking in this instance is frustrating. Not fully knowing the rationale for the change, APGA offers this input for consideration, as we believe EPA is making a significant mistake by omitting natural gas appliances from the prestigious Most Efficient list.

1. **EPA Is Stifling Innovation**

There are fuels now, such as renewable natural gas (RNG) and hydrogen, that can be used in existing gas distribution systems. RNG is pipeline-compatible, ultra-clean, and low-carbon. It is derived from the breakdown of organic wastes and can be processed to be used in existing natural gas infrastructure interchangeably with geologic natural gas in homes and businesses. Hydrogen has the capability to be blended with natural gas or used exclusively; both produce a lower carbon footprint when utilized for energy. That is today, and further decarbonization with these gases can occur in the future if the Administration doesn't enact policies to stifle innovation. Removing gas appliances from the Most Efficient list not only discourages continuing innovation around the use of alternative fuels like RNG and hydrogen, but also ignores the opportunity to leverage existing infrastructure and our skilled utility workforce as America moves toward a more sustainable future.

Innovation is also underway for the appliances themselves. Natural gas-fired heat pump technology, for example, is similar to electric heat pump technology from an operational and efficiency standpoint. The purpose of the EPA ENERGY STAR Most Efficient list is to "recognize products that deliver cutting edge

energy efficiency with the latest in technology innovation." [1] Continuing to recognize natural gas-fired heat pumps and their efficiencies is aligned with the agency's goals for this program. This equipment will only improve, using clean and reliable natural gas now, and RNG and hydrogen in the future.

2. EPA Is Risking Energy Resiliency

Energy supplied by APGA members plays a critical role in ensuring resiliency in the communities they serve. A recent report by the Natural Gas Council reveals:

> The operational characteristics of the natural gas transportation network, in combination with the physical properties of natural gas, effectively minimize the likelihood and severity of service disruptions. In the rare event of a disruption, impacts are typically localized and brief. History demonstrates that disruption of firm pipeline transportation and/or storage services resulting from severe weather events are extremely rare.[2]

After Winter Storm Uri, American families recognize now, more than ever, that energy availability is not negotiable, and the direct use of natural gas is a key component in ensuring homes and businesses receive the energy they need, especially in emergencies. Throughout Winter Storm Uri, pipeline infrastructure for delivering natural gas to homes and businesses remained operational. Price increases and any outages were instead the result of upstream challenges due to the impact of severe weather on production.

Overall, natural gas service disruptions are rare. Customer impacts from an unplanned outage only affect about 1 in 800 natural gas users per year. By comparison, electric distribution systems average one outage per year per customer.[3] A reliable and diverse energy supply is critical, and APGA questions whether EPA took that into consideration prior to its recent edits to the Most Efficient list. APGA urges the agency to protect America's energy resiliency by encouraging continued use of gas appliances.

3. EPA Is Squandering Existing Energy Infrastructure Efficiencies

APGA supports the Administration's efforts to decrease greenhouse gas (GHG) emissions from buildings and all sources. However, as the US works to transition to a lower carbon energy system, policy changes, like removing certain appliances from the Most Efficient list, do not support Administration goals. If these changes are pursued and implemented, the existing, environmental benefits achieved through the direct use of natural gas in home appliances will be lost, resulting in more GHG emissions. Directly using natural gas in appliances, such as stoves, clothes dryers, water heaters, and furnaces is three times more efficient on a full-fuel-cycle basis than electric appliances. Approximately 90% of the energy produced is delivered and directly consumed by natural gas appliances at the point of use. Natural-gas generated electricity delivered to consumers, on the other hand, only achieves about one-third of the same

[1] Energy Star, "ENERGY STAR Most Efficient 2021," https://www.energystar.gov/products/most_efficient
[2] Natural Gas Council, "Natural Gas: Reliable and Resilient." http://naturalgascouncil.org/wp-content/uploads/2019/04/Natural-Gas-Reliable-and-Resilient.pdf
[3] Gas Technology Institute, "Assessment of Natural Gas and Electric Distribution Service Reliability." https://www.gti.energy/wp-content/uploads/2018/11/Assessment-of-Natural-Gas-Electric-Distribution-Service-Reliability-TopicalReport-Jul2018.pdf

efficiency due to energy lost during conversion and transmission.[4] This direct use of natural gas results in lower GHG emission levels.

Recent data shows that only about 4% of total US GHG emissions come from residential natural gas use, and that number continues to decline as appliances become more efficienct over time. The residential customer averages about a 1.2 percent decline per year in carbon emissions, despite consistent growth in the size of homes. Also, the pipeline network is getting cleaner, as emissions from the US natural gas distribution system have declined 73% since 1990, while more natural gas customers continue to be added to the system every year.[5]

EPA needs to recognize that APGA members are good stewards of the environment, evidenced by the way they maintain and operate their utilities. The energy they deliver is clean and reliable and should be allowed to fuel America's efficient appliances now and in the future. Administration policies need to encourage, not suppress the use of decarbonized gases and innovative appliance technologies. APGA's members agree that action is needed to lower emissions and stand ready to work together in this effort.

Respectfully submitted,

Dave Schryver
President & CEO
American Public Gas Association

[4] American Gas Association, "A Comparison of Energy Use, Operating Costs, and Carbon Dioxide Emissions of Home Appliances – 2018 Update," https://www.aga.org/globalassets/research--insights/reports/ea-2018-02-appliance-cost-and-emissions-comparison-2018-update.pdf

[5] EPA, "Inventory of U.S. Greenhouse Gas Emissions and Sinks" https://www.epa.gov/ghgemissions/inventory-us-greenhouse-gas-emissions-and-sinks