



Jason Thomas

Director Regulatory Affairs
HVAC North America
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June 22, 2023

Ann Bailey
Director, Energy Star Labeling Branch
Submission: HVAC@energystar.gov

RE: Carrier Comments on Environmental Protection Agency's (EPA) Proposal to Sunset ENERGY STAR® Version 4.1 Furnace Specification

Dear Ms. Bailey,

Carrier Global Corporation (Carrier) provides fire safety, security, building automation, heating, ventilation, air conditioning, and refrigeration systems and services to promote integrated, high-performance buildings that are safer, smarter, and more sustainable. Carrier is the founder of the modern HVAC industry and operates across the globe. Our range of products includes unitary residential and commercial products, including ducted and ductless, transport refrigeration products, chillers, and HVAC building services.

Carrier is a strong supporter of the ENERGY STAR program because these product specifications serve a significant purpose in the market. Many utility rebates, tax credits, and Original Equipment Manufacturer (OEM) rebates are aligned with the ENERGY STAR product specifications. The ENERGY STAR label makes it easier for homeowners to identify qualifying product with financial rebates and credits. We support EPA's focus on electric heat pumps so long as EPA paces program changes with the advancement of heat pump technology and electrical grid improvements so that consumer and environmental benefits are realized. Based on the current state of these factors, Carrier believes that sunseting the ENERGY STAR Version 4.1 furnace specification is premature. We are concerned this could inadvertently lead to less environmental benefit than maintaining the specification. For this reason, we strongly encourage EPA to continue the furnace product specification until at least the next DOE furnace efficiency standard is effective, and maybe longer depending on the status of the electrical grid infrastructure, electric utility rates, and gas to electric conversion costs for homeowners at that time.

30 S. Meridian Street, Suite 500, Indianapolis, Indiana 46204

Carrier recommends EPA maintain the ENERGY STAR Version 4.1 furnace specification and work with manufacturers to provide guidance on proper dual fuel installations.

Typically, when most homeowners replace their HVAC system they enter the transaction intending to buy the lowest cost, minimally compliant option of the same size and type unless incentivized with financial rebates, credits, or low-rate financing to upgrade. With the local, federal, and OEM incentives currently available, Carrier believes many homeowners will choose to replace their 80% AFUE gas furnace and air conditioner with an ENERGY STAR furnace and an ENERGY STAR heat pump, commonly referred to as a dual fuel system. If EPA proceeds with sunsetting the furnace specification and associated financial incentives end, the increase in upfront costs of a 95% AFUE furnace compared to an 80% AFUE furnace will be a barrier for most homeowners. A dual fuel system with an 80% AFUE furnace will yield higher greenhouse gas (GHG) emissions than one with a 95% AFUE furnace.

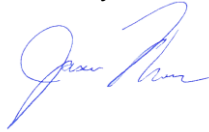
In our opinion a lack of ENERGY STAR furnaces in the market will not motivate homeowners to convert from gas to all-electric heat pump systems. The upfront cost is more than most homeowners can afford. Therefore, we are concerned that customers who only intend to replace their furnace will no longer upgrade to a high efficiency model. Additionally, the homeowners who first intended to only replace their furnace but instead replace their entire system may install a new air conditioner instead of a heat pump because they were not considering ENERGY STAR products when beginning the transaction. For these reasons Carrier believes sunsetting the furnace specification will likely drive consumer purchases to less environmentally solutions.

EPA states they recognize that households may not feel comfortable replacing their furnace. Carrier also recognizes this barrier and finds many homeowners who do feel comfortable making the switch from gas to electric cannot afford to do so. Therefore, we support EPA working with manufacturers to provide guidance about how to use a dual fuel system to save energy and minimize greenhouse gas emissions while staying comfortable. We believe this dual fuel guidance in addition to keeping the ENERGY STAR Version 4.1 furnace specification will yield the largest environmental benefit. Carrier has a significant amount of experience in this area and would gladly work with EPA on such guidance.

Thank you for consideration of this input. Again, Carrier supports the ENERGY STAR program and shares this input for the purposes of helping EPA maintain a strong program that incentivizes consumers to choose efficient products. If you have

any questions regarding this submission, or wish to discuss further, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jason Thomas", with a stylized flourish at the end.

Jason Thomas
Director, Regulatory Affairs
Carrier