



**PLUMBING-HEATING-COOLING
CONTRACTORS ASSOCIATION®**

Best People. Best Practices.®

June 22, 2023

Ann Bailey, Director
ENERGY STAR Labeling Branch
U.S. Environmental Protection Agency
1200 Pennsylvania Ave NW
Washington, DC 20460

Dear Director Bailey,

PHCC is grateful for the opportunity to submit comments on the proposed sunset of the relevant portions of the ENERGY STAR programs which apply to Furnaces and Central Air Conditioners (CAC's). Additional comments will be submitted at a later date related to the possible changes to hydronic heating boilers.

The Plumbing-Heating-Cooling Contractors—National Association (PHCC) is the oldest construction trades association in the country representing approximately 3,200 plumbing and HVACR contractors employing over 64,000 professionals across the United States. Since 1883, this organization and its members have been focused on the safe installation and maintenance of plumbing and HVAC systems.

As you are aware, the ENERGY STAR labeling program has been very successful in guiding consumers to high efficiency products. For more than 30 years, this program has provided an easy to recognize metric which has set the bar for energy saving product incentives, promoted energy conservation, and given contractors a key tool to assure consumers that their purchases would indeed perform as advertised. The ENERGY STAR rating has truly become a benchmark in the plumbing and HVAC industry.

PHCC believes in a balanced energy policy and believes ENERGY STAR was conceived in that light. The program should recognize the best economically justified products available in all energy categories. The Association does not believe it was created to pick winners and losers among the energy categories.

While ENERGY STAR is a voluntary program, it is a program that has far reaching effects. On a recent EPA webinar pertaining to possible actions on boilers, the Department's discussion seemed to imply that labeling of furnaces was no longer necessary as the majority of products sold today are 95% (or better). That is not a coincidence, incentive programs have set their criteria to ENERGY STAR levels, leading consumers to select products that give them financial assistance through rebates. It is further true that the Inflation Reduction Act has gone beyond ENERGY STAR for some incentives by recognizing certain product ratings from CEE but those

same CEE ratings are all related back to ENERGY STAR. In fact some of the products are set at ENERGY STAR levels.

It is the goal of the current Administration and others to move to electrification of U.S. energy needs. That change will not come overnight, and that change will not be inexpensive. Changing from existing fossil fuel energy sources to alternate electrically driven systems will increase costs. Many consumers will continue to select lower cost options and retail their furnace or boiler system. It makes sense to continue to have ENERGY STAR recognize the best performing products for those consumers. Without that recognition or incentive, consumers will make selections of lower efficiency products to save money on the front end. A greater concern would be economically challenged consumers who might elect to repair older, less efficient equipment just to get by.

The proposal further intends to eliminate Central Air Conditioners from the program as well. The Department believes that heat pumps can provide the same benefit. That is true when the application requires both cooling and heating but, in some instances, there are cooling only applications. When the application requires air conditioning, why should a consumer not have an opportunity to easily select high efficiency air conditioning that costs less than a comparable heat pump. It appears that heat pumps are rapidly moving up in sales but again, there is a cost consideration.

The proposal to stop listing products is on a very accelerated timeline. EPA believes it has engaged relevant stakeholders in making this decision, but numerous representatives of installers, distributors, and manufacturers have been in discussions as to how quickly this has come up. Some sectors of industry do not feel engaged.

EPA believes that certifying products needs to stop by the end of 2023 and that no more products will be listed beginning in 2025, what is the hurry? Gas and oil furnaces will still be in existence, CAC's will still be sold. In fact, the air conditioning and heat pump market is likely to be going through a radical market transition at the beginning of 2025 with the lowering of GWP requirements.

The HVAC industry (in particular) is facing an unheralded regulatory burden. The Department of Energy has been working on efficiency standards for a variety of products, EPA has been working on refrigerant transitions, the proposed changes to re-fillable cylinders has taken industry resources, and now the industry has to consider eliminating parts of ENERGY STAR. There needs to be more time for a more orderly transition and more consideration of all the implications of these changes.

Finally, some consideration must be given to the site energy versus source energy discussion. Much of these discussions are based on site energy factors. The reality of grid capacity, grid stability and how much electrical energy is derived from fossil fuels (source energy) is minimized. Again, on a recent call related to eliminating boilers from ENERGY STAR, it was implied that the source energy dilemma is complicated and varies across the country, PHCC



agrees that it is indeed a complex issue. But basing all this work on site energy considerations because it is expedient is not right. The realities to consumers are going to be very different across this country, these are not lighthearted issues and deserve a full analysis. Perhaps someday the U.S. power supply will be clean renewable power, but that will take years and trillions of dollars to accomplish, until then a full and accurate understanding of the power mix is crucial to substantiating all of these changes.

PHCC has a long history of workforce development. The Association has multiple resources for apprenticeship and training and through its state chapters provides the next generation of workers with a first-class technical education. The Association's members understand heat pumps and would benefit from installing millions of systems across the country. Of more concern is the comfort and satisfaction of consumers.

PHCC appreciates the opportunity to have input on the possible changes to ENERGY STAR. This Association is willing to engage as necessary to help move the country forward and wishes to be a part of responsible climate solutions.

Respectfully submitted,

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