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**VIA EMAIL**  
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The Honorable Michael S. Regan  
Administrator  
United States Environmental Protection Agency  
1200 Pennsylvania Avenue, NW  
Washington, DC 20460

**Re: Removal of Natural Gas Furnaces from the ENERGY STAR Program**

Dear Administrator Regan:

South Jersey Industries (“SJI”) is an energy services holding company with its headquarters in Folsom, New Jersey. SJI has two regulated natural gas utilities, South Jersey Gas and Elizabethtown Gas. Together, South Jersey Gas and Elizabethtown Gas deliver safe, reliable and affordable natural gas to over 730,000 customers in New Jersey. SJI appreciates the opportunity to submit these comments in response to the above-referenced proposal. For the reasons set forth herein, SJI respectfully requests that the Environmental Protection Agency (“EPA”) immediately withdraw its proposal to remove natural gas furnaces from the ENERGY STAR program.

SJI is committed to protecting the environment and sustaining our region’s natural resources. Indeed, SJI expects to achieve carbon neutrality by 2040 via a number of strategies including the promotion of aggressive energy efficiency measures, the continued modernization of our gas delivery system and the introduction of innovative, low-carbon and carbon-free fuels into our energy mix. With respect to energy efficiency alone, SJI’s two utilities recently expanded their customer-facing energy efficiency programs by \$216 million. Our energy efficiency programs are carefully designed to help the customers of South Jersey Gas and Elizabethtown Gas save approximately \$329 million in energy costs and avoid over 104 million therms of natural gas use over the programs’ lifetime. These savings are equivalent to preventing the release of over 953,000 tons of carbon dioxide into the atmosphere. Moreover, our utilities’ programs have the potential to support the creation of over 4,500 jobs over three years.

SJI believes that EPA’s proposed removal of the ENERGY STAR designation from gas furnaces will have a direct, negative impact on consumers, and will not lead to overall efficiency gains or carbon reductions. Indeed, removing the ENERGY STAR designation from natural gas furnaces will likely lead to consumer confusion and may result in customers trading down to less efficient equipment, thereby *increasing* consumers’ energy costs as well as *increasing* emissions.

Moreover, EPA’s proposed action is inconsistent with ENERGY STAR’s program guidance, which calls upon the agency “to treat fuel types separately, so that consumers may find

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the right products for the fuel type in their home.”<sup>1</sup> SJI believes in customer choice and that customers should have access to the equipment that best fits their needs. Gas furnaces are more efficient and cost-effective than heat pumps in New Jersey and elsewhere in the country. Accordingly, consumers should be empowered to choose which products to purchase, maintain, and use in their homes every day. According to the U.S. Energy Information Administration, 73% of New Jersey households use natural as their primary heating fuel.<sup>2</sup> EPA’s proposal will undermine the ability of customers to choose the most efficient equipment, especially when natural gas-powered appliances are the most efficient, lowest cost, have the lowest emissions, and are the most reliable solution across all fuel types for that customer.<sup>3</sup>

Furthermore, SJI believes that EPA’s proposed action does not take into account the fact that home heating contractors, appliance manufacturers, and other utility trade allies regularly use the ENERGY STAR designation to help consumers make informed decisions on energy efficient appliances for their homes. EPA’s proposal will have a significant, detrimental impact on a great many HVAC contractors, for example, who have built their businesses around promoting high efficiency, natural gas-powered equipment to their customers. We also believe that EPA may have failed to consider the adverse consequences that its proposed action will have on equipment manufacturers and the ability to sunset products by December 2024.

EPA’s rush towards electrification stands to increase overall emissions. Using electric heat pumps in lieu of natural gas equipment will reduce a building’s natural gas consumption, but it will increase its electric consumption. Because our current electric generation mix continues to rely on fossil fuels in substantial part, an increased reliance on electricity will produce more carbon emissions. A policy that stands to increase *both* costs and emissions is unsound. A clear-eyed emissions policy must account for all emissions and cannot focus exclusively on emissions that directly emanate from a building, while ignoring those that come out of the smokestack at the power plant.

Respectfully,

*s/ Dominick DiRocco*

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SJI Utilities

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<sup>1</sup> Environmental Protection Agency. “ENERGY STAR Products Program Strategic Vision and Guiding Principles.” [https://www.energystar.gov/sites/default/files/asset/document/ENERGY\\_STAR\\_Strategic\\_Vision\\_and\\_Guiding\\_Principles.pdf](https://www.energystar.gov/sites/default/files/asset/document/ENERGY_STAR_Strategic_Vision_and_Guiding_Principles.pdf).

<sup>2</sup> U.S. EIA, *New Jersey State Energy Profile*, <https://www.eia.gov/state/print.php?sid=NJ>.

<sup>3</sup> *Energy Conservation Program: Energy Conservation Standards for Consumer Furnaces*, EERE–2014–BT–STD–0031, RIN 1904–AD20, 87 Fed. Reg. 40590 (July 7, 2022).