



May 9, 2011

Abigail Daken
US Environmental Protection Agency
Ariel Rios Building 6202J
1200 Pennsylvania Avenue, NW
Washington, DC 20460

Dear Ms. Daken:

The Consortium for Energy Efficiency would like to thank you for your invitation to provide input on the Draft Final Version 3.0 ENERGY STAR® Furnace Specification.

CEE is the binational organization of energy efficiency program administrators and a staunch supporter of the ENERGY STAR Program. CEE members are responsible for ratepayer-funded efficiency programs in 43 U.S. states and 8 Canadian provinces. In 2010, CEE members directed over \$7.5 billion of energy efficiency program budgets in the two countries, and gas efficiency program budgets, have grown to over \$1 billion. In short, CEE represents the groups that are actively working to make ENERGY STAR the relevant platform for energy efficiency across North America.

CEE highly values the role ENERGY STAR plays in differentiating energy efficient products and services that the CEE membership supports locally throughout the US and Canada. We agree that it is time to revise the ENERGY STAR furnace specification and fully support advancing energy performance for furnaces. The ENERGY STAR brand plays an important role in CEE member programs, and therefore it is important that any changes to criteria are consistent with the established brand attributes and principles. We offer these comments on the merits of this proposal in that spirit and appreciate the opportunity to provide these comments

CEE Has Concerns about Setting Future ENERGY STAR Performance Requirements

To avoid leaving savings on the table and maintain relevance in the market, ideally ENERGY STAR would continue to evaluate all specifications frequently and make revisions as dictated by market changes. CEE recognizes that specifying future ENERGY STAR requirements provides manufacturers with long lead times, reduces the number of specification revision processes, and ensures ENERGY STAR continues to ramp up its performance requirements over time. However, if these scheduled increases fail to reflect future market conditions, CEE's members may choose not to promote ENERGY STAR-

labeled products. If the strategy of specifying future requirements goes forward, EPA would be well served to explicitly inform stakeholders they reserve the right to amend the future requirements to protect the integrity of ENERGY STAR. ENERGY STAR should include a market review at least 6 months before a scheduled change will go into effect to ensure they will be in line with ENERGY STAR guiding principles. Coordination and alignment with CEE's tiered specifications, which represent performance valued by voluntary efficiency programs that is likely to be incented, will increase the effectiveness of this strategy

We support EPA indicating which specific issues will be reconsidered for Version 4.0 and asking stakeholders to share any relevant information on these items with EPA.

If EPA chooses to move forward with setting Version 4.0 requirements in 2011, we would like to understand EPA's strategy for harmonizing version 4.0 with current requirements for "Most Efficient."

Proposed Version 3.0 Requirements Are Appropriate for the Near Term

We are pleased that EPA has revisited the cost-effectiveness issue for the southern states, and we support setting a level that will be cost-effective for consumers and yield an attractive payback consistent with ENERGY STAR's brand promise. We request that EPA share a summary of its analysis and findings with CEE and other stakeholders for use in assessing cost effectiveness in local programs.

CEE is committed to working with EPA to ensure that the ENERGY STAR brand for furnaces remains strong. Thank you again for the opportunity to comment. We hope that these comments help in the development of the next draft specification. Please contact Kara Rodgers, CEE Natural Gas Senior Program Manager, at 617-337-9262 or kr Rodgers@cee1.org with any questions.

Respectfully yours,



Marc G. Hoffman
Executive Director