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## **Analysis Shows Flaws in DOE Justification for Furnace NOPR**

*Washington, D.C. (June 11, 2015)* –The American Public Gas Association (APGA) has been working with the Gas Technology Institute—an independent technology organization—to conduct a thorough review of the Technical Support Document and the modeling that the Department of Energy (DOE) has used as a justification for the Notice of Proposed Rulemaking (NOPR) released in March, which proposes to establish a 92 percent Annual Fuel Utilization Efficiency standard for natural gas furnaces.

This NOPR proposes to ban the sale of non-condensing furnaces in the United States and instead require only condensing furnaces, as they are the only type of furnace capable of meeting the higher efficiency standard. Because of the difference in combustion technology, condensing furnaces have additional venting requirements associated with their installation that add significant dollars to their overall costs. This raises serious fuel switching issues for APGA and its members, as many consumers, especially those in fixed and low income brackets, will switch to a lower first cost, albeit less efficient, electric furnace to avoid the installation costs of a condensing furnace.

The review and technical analysis of DOE's Technical Support Document has identified several technical and logical flaws. DOE's reliance on flawed methodologies and older information that is inconsistent with current market data leads to a bias towards the higher efficiency standard proposed in the NOPR. APGA strongly believes that DOE should incorporate more robust methodologies and more recent data and in doing so should recognize that there is no economic justification for the higher efficiency standard DOE is proposing.

APGA is pleased that many in Congress also recognize the significant adverse impact this NOPR will have as demonstrated by 121 House members sending a letter to Secretary Moniz of DOE expressing their concern regarding the impact this NOPR will have on natural gas consumers as well as energy efficiency as a whole. Led by Congressman Brooks (R-Ala.), the letter strongly supports the APGA solution for DOE to establish separate product classes for condensing and non-condensing furnaces, each with its own efficiency standard.

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*APGA is the national association of municipally and publicly-owned local distribution systems. There are about 1000 public gas systems serving more than 5 million customers. These public gas utilities are not-for-profit retail distribution entities that are owned by, and accountable to, the citizens they serve. They include municipal gas distribution systems, public utility districts, county districts, and other public agencies that have natural gas distribution facilities.*