Condensing Furnace Standard

Department of Energy Residential Furnace Standards Rulemaking

PG&E supports DOE proposed condensing furnace standard as cost effective the nation and California. Based upon PG&E independent analysis PG&E believes DOE’s analysis is accurate. The following entities also support the standard:

* NEEP
* ACEEE
* CEC
* NRDC
* EEI
* Earth Justice
* The Consumer Federation of America
* National Consumers Law Center
* Massachusetts Union Of Public Housing Tenants
* Texas Ratepayers' Organization to Save Energy

Opponents of the Furnace standard believe DOE should withdraw rulemaking since it is not cost effective because the analysis is flawed. The opponents of the standard are:

* SCG
* AGA
* APGA
* AHRI
* HARDI
* ACCA
* NAHB

**Key Issues**

* Energy Efficiency reduces revenues for non-decoupled gas utilities.
* Opposing Energy Efficiency is a threat to SCG’s business as a decoupled gas-only California utility regulated by the CPUC which has adopted Energy Efficiency as top priority.
* PG&E’s customers, especially low income renters, benefit from higher efficiency furnaces since it reduces their utility costs without increasing their rent costs. Rent costs are based on location
* Furnace standards have not been updated for more than 30 years
* PG&E’s well-founded support for the furnace standard is based upon DOE’s and PG&E’s rigorous cost effectiveness and feasibility analyses.
	+ PG&E conducted a review of DOE cost effectiveness methods and assumptions and verified that a condensing furnace standards is cost effective
	+ Feasibility issues related to difficult installations (row houses in Philadelphia) were researched and found to be either exaggerated or properly incorporated into the DOE analysis
* Opposition analysis by Gas Technology Institute (GTI) analysis uses the DOE LCC tool to develop the worse case results based on their choice of inputs
* PG&E’s support for federal furnace standards aligns with the CPUC and CEC climate goals and efficiency objectives.
* PG&E’s public support of the furnace standard demonstrates PG&E’s environmental leadership.