

October 12, 2015

Ms. Brenda Edwards, EE–41

Office of Energy Efficiency and Renewable Energy

Energy Conservation Program for Consumer Products

U.S. Department of Energy

1000 Independence Avenue, SW.

Washington, DC 20585–0121

**Re: Pacific Gas and Electric Company comments on the Notice of Proposed Rulemaking on energy conservation standards for residential furnaces**

**Docket Number: EERE-2014-BT-STD-0031**

**RIN: 1904–AD20**

Dear Ms. Edwards:

This letter comprises the comments of the Pacific Gas and Electric Company (PG&E) in response to the Department of Energy (DOE) Notice of Data Availability (NODA) for Energy Conservation Standards for Residential Non-weatherized Gas Furnaces (NWGFs) published September 14, 2015.

Pacific Gas and Electric Company, incorporated in California in 1905, is one of the largest combination natural gas and electric utilities in the United States. Based in San Francisco, the company is a subsidiary of PG&E Corporation. There are approximately 20,000 employees who carry out Pacific Gas and Electric Company's primary business—the transmission and delivery of energy. The company provides [natural gas](http://www.pge.com/myhome/edusafety/systemworks/gas/index.shtml) and [electric service](http://www.pge.com/myhome/edusafety/systemworks/electric/index.shtml) to approximately 15 million people throughout a 70,000 square-mile service area in northern and central California. We understand the potential of appliance efficiency standards to cut costs and reduce consumption while maintaining or increasing consumer utility of the products. We have a responsibility to our customers to advocate for standards that accurately reflect the climate and conditions of our service territory, so as to maximize these positive effects.

We appreciate this opportunity to provide the following comments on this NOPR. We support DOE updating the current standard adopted over 30 years ago. In our comment letter submitted in July of this year, we commended the DOE for the thorough analysis performed in support of a proposed standard level of 92% Annual Fuel Utilization Efficiency (AFUE). We support DOE continuing to refine their analysis and making them available for public comment in this NODA.

In this most recent NODA, DOE is considering a cutoff creating a “small furnace definition” (between 45 MBtuH and 65 MBtuH) which would allow smaller furnaces to be exempt from meeting a condensing based standard. Due to California’s mild climate, most existing furnace installations only need furnaces with capacities below the thresholds being considered in the NODA. New dwellings being built to stringent California Building Energy Efficiency Standards (often referred to as Title 24) require even smaller capacity furnaces. By exempting lower capacity furnaces from a higher standard, potential energy savings will not be realized. Also, as we noted in our July 2015 comments, California has more dwelling units occupied by tenants, especially by lower income families, who will benefit from higher AFUE furnaces without increases in rent due to the location dominated rental market. If DOE moves forward with a two-tiered standard, we strongly recommend a cutoff of 45 MBtuH below which noncondensing furnaces would be allowed. This cutoff size is the lowest size analyzed by DOE.

If DOE moves forward with a dual capacity standard, we support 95% AFUE for equipment above the chosen capacity threshold. The analysis provided by DOE indicates that the best combination of national energy savings and net present value to consumers is 80%/95% (small/large) AFUE.

In conclusion, we would like to reiterate our support to DOE for refining the rulemaking analysis for energy conservation standard for NWGFs. We recommend that DOE issue a SNOPR as soon as possible. This SNOPR should propose a standard of 95% AFUE for furnaces with an input capacity above 45,000 MBtuH. A new standard that replaces the decades old non-condensing furnace standards with new cost effective AFUE levels will serve to support California energy policies.

We thank DOE for the opportunity to be involved in this process and encourage DOE to carefully consider the recommendations outlined in this letter.

Sincerely,

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| Patrick Eilert  Manager, Codes and Standards  Pacific Gas and Electric Company |  |