

October 6, 2022

Mr. Alejandro Moreno
Acting Assistant Secretary
Office of Energy Efficiency and Renewable Energy
U.S. Department of Energy
1000 Independence Avenue S.W.
Washington, D.C. 20585

Re: Energy Conservation Standards for Residential Non-Weatherized Gas Furnaces and Mobile Home Gas Furnaces. RIN: 1904:AD20.

Dear Acting Assistant Secretary Moreno:

We are writing to express support regarding the U.S. Department of Energy's (DOE) proposal to update the efficiency of new residential non-weatherized gas furnaces and mobile home gas furnaces, as well as recommend appropriate steps to support our customers during this period of transition.

This diverse group of gas and electric utilities share not only a long-standing commitment to cost-effective efficiency gains for our customers, but also to supporting our customers and communities as they seek to reduce the environmental impact of their energy consumption. Of equal importance to the utilities in this coalition is the role we must and do play in ensuring that all consumers can continue to meet their energy needs affordably and equitably. For this reason, we support common-sense, cost-saving improvements to existing efficiency standards, coupled with programs to provide the financial resources to enable customers to make the transition and minimize the impact of upfront costs.

We recognize that DOE's recent proposal to update the efficiency of new residential non-weatherized gas furnaces and mobile home gas furnaces could ultimately save the average family that installs one of these furnaces about \$60 annually. DOE estimates that for low-income households affected by the proposed standard the cost of improved efficiency would pay back in lower bills within 2.1 years on average, which reflects in part the high proportion of low-income households which rent. DOE found that more than three times as many low-income households would benefit from the proposed standard than would be made worse off. We also recognize that there are upfront costs that some customers may face for needed retrofits to homes or businesses that require consideration, particularly for low- and moderate-income residential customers.

The proposed new standard is the first meaningful change in the federal home furnace standard in more than three decades and is based upon long-established condensing technology. We fully support this decision and recommend that it be partnered with mechanisms to address the high costs that can be associated with some retrofit to accommodate the adoption of new, more efficient gas furnaces or the switch to electric heating, such as heat pumps.

We believe DOE can help Americans achieve meaningful cost savings, while benefiting the environment, by establishing rebates and incentive programs that could be used to support state-regulated efficiency and rebate programs. Taking such action would assist electric and natural gas customers by reducing the upfront costs of achieving greater home heating efficiency.

We believe this recommendation is consistent with your current authority, given DOE has established and supports a number of energy efficiency programs and provides grants to States to enable greater efficiency in homes and businesses, including programs authorized under the recently enacted Inflation Reduction Act of 2022 (Public 117-169) and Infrastructure Investment and Jobs Act (Public Law 117-58), among other federal policies and programs.

We urge DOE to responsibly address the economic factors under the rule by embracing this recommendation.

Thank you for considering our views.

Yours sincerely,

Hammad Chaudhry
Senior Manager for Conservation and Load Management, **Avangrid**

Greg Elcock
Vice President of Energy Efficiency and Distributed Resource Planning, **Consolidated Edison**

Tilak Subrahmanian
Vice President, **Eversource**

David Velazquez
Executive Vice President, Utility Operations, **Exelon**

Chris Hilborn
Vice President, Customer Insights and Solutions, **Liberty Utilities**

Helen Burt
Chief Customer Officer, **National Grid**

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