HARDI HEATING AIR-CONDITIONING REFRIGERATION DISTRIBUTORS INTERNATIONAL

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October 12, 2021

Ms. Kelly Speakes-Backman
Acting Assistant Secretary and
Principal Deputy Secretary for Energy Efficiency and Renewable Energy
U.S. Department of Energy
Office of Energy Efficiency and Renewable Energy
1000 Independence Avenue SW
Washington, DC 20585

Submitted electronically

RE: Energy Conservation Program for Appliance Standards: Energy Conservation Standards for Residential Furnaces and Commercial Water Heaters [Docket ID: EERE–2018–BT–STD-0018]

Dear Ms. Speakes-Backman,

On behalf of Heating, Air-conditioning & Refrigeration Distributors International (HARDI) I write to offer comments on the Department of Energy's (DOE) proposed interpretative rule regarding Energy Conservation Standards for Residential Furnaces and Commercial Water Heaters [Docket ID: EERE–2018–BT–STD-0018].

HARDI is a trade association comprised of over 800 member companies, more than 400 of which are U.S.–based wholesale distribution companies. Over 80 percent of HARDI's distributor members are classified as small businesses that collectively employ more than 60,000 U.S. workers, representing more than $40 billion in annual sales and an estimated 70 percent of the U.S. wholesale distribution market of heating, ventilation, air-conditioning and refrigeration (HVACR) equipment, supplies, and controls.

HARDI members provide HVAC equipment to contractors to meet the needs of consumers based on their existing systems and budget. HARDI supports federal regulations that ensure consumer choice is protected while improving energy efficiency. For this reason, HARDI has been involved

in DOE's efforts to develop energy efficiency standards for residential furnaces for over a decade.

HARDI appreciates DOE's request for comments on this proposed interpretative rule, however we disagree with the agency's decision to change how utility is measured when determining which features should be protected in regulated products. HARDI believes the agency is misguided in determining that utility can only be quantified by its positive state. Consumers routinely find negative utility in products and preventing a change that will lead to negative utility should be examined by DOE in determining which features should be protected.

For many existing homes and several new construction applications there is simply no condensing furnace option that does not lead to negative utility for consumers. For existing homes, the need to change the venting system to install a condensing furnace leads to changes in living spaces that are unnecessary if the equipment is replaced with a non-condensing furnace or water heater. Additionally, non-condensing furnaces and water heaters prevent a consumer from needing to install heat-tape and other freeze mitigation equipment used to prevent the freezing of condensate in the vent that if not used could be damaging to the furnace or water heater. For consumers with heating equipment that is only in-use part time, the need to constantly heat the venting system would be impractical.

The proposed interpretative rule examines the January 15, 2021 interpretive rule's change in determining utility and the Department has chosen to ignore the well-reasoned change for updating the definition of utility in favor of returning to the old definition simply because it was historically used. Just because a definition was used previously does not make it correct for all future uses. In the proposed interpretative rule, DOE has stated that installation and retrofit requirements are not to be used in determining utility, HARDI strongly disagrees with this assessment as installation

requirements including increased equipment sizing and new ventilation systems can disrupt the utility of the dwelling it is placed in.

In determining the next update to furnace efficiency regulations, DOE is in the position to radically change how consumers will be able to use this new equipment. These changes include the need for new venting, new equipment locations with associated ductwork changes for HVAC or water line locations for water heaters, and additional equipment to prevent condensate from freezing. While cost is not a factor in utility, the changes in living spaces caused by these retrofits do impact the utility of the new equipment, often in negative ways. DOE must be holistic in its examination of utility, limiting the definition simply to how a consumer interacts with the equipment in daily life is not a proper measurement of utility. This definition is wholly inadequate for products that are not interacted with by the consumer. HVAC equipment is often considered an invisible good, if the product continues to operate as designed the consumer is unaware of its existence. DOE has chosen in its examples of utility to look at appliances that consumers are forced to directly interact with, these are not apples to apples comparisons to furnaces and water heater equipment. This ill-suited comparison shows that the historical definition of utility used by DOE is insufficient when applied to furnaces and water heaters. The January 15, 2021 interpretative rule used well-reasoned logic in developing a new definition of utility that can be used for products like furnaces and water heaters.

Additionally, HARDI wants to remind DOE that EPCA lists multiple performance characteristics which prevent DOE from finalizing a rule that would outlaw equipment including the characteristic of size. Size is not specifically limited to the size of the equipment itself, the change in size caused by the encroachment of a consumers living space due to new venting or increased closet size would violate EPCA's protections. In addition to being a protected characteristic under EPCA, DOE

should consider changes in living space as a function of utility of equipment as it has a direct impact on the consumer through its existence including its use.

In conclusion, the proposed interpretative rule is misguided and should not be finalized because it will lead to a decrease in consumer choice and force equipment with negative utility on consumers. It is the duty of the Department to ensure that as technologies change the definitions the Department uses are updated to continue the strong consumer protections included in EPCA.

Sincerely,



Alex Ayers
Director of Government Affairs
Heating, Air-conditioning, & Refrigeration Distributors International