



January 16, 2025

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Dear Members of the U.S. Department of Energy Transition Team:

Thank you for the opportunity to share the American Gas Association's ("AGA") priorities regarding the areas of jurisdiction within the U.S. Department of Energy ("DOE") and the U.S. Energy Information Administration ("EIA"). AGA represents more than 200 local energy companies that deliver clean natural gas throughout the United States. There are more than 79 million residential, commercial and industrial natural gas customers in the U.S., of which 94 percent — more than 74 million customers — receive their gas from AGA members. Today, natural gas meets nearly one-third of the United States' energy needs.¹

AGA has a direct and vital interest in DOE rules that impact natural gas appliances, as AGA's members serve residential and commercial consumers. The majority of such consumers use natural gas appliances, such as furnaces and water heaters. AGA also has an interest in DOE's policies related to the utilization of renewable natural gas and hydrogen in the energy system.

Additionally, AGA and its members are directly affected by EIA information collection requests because our members respond to EIA natural gas surveys. AGA and its members also rely on EIA data issuances for publications and market analyses.

Unfortunately, over the last few years DOE has utilized EPCA's energy efficiency standards process to limit or remove natural gas products and appliances from the market. Such actions violate the meaning and intention of EPCA. Although pursuant to the Energy Policy and Conservation Act ("EPCA") DOE is authorized to issue new or amended energy conservation standards for certain covered products,² the new or amended standards, among other things, need to result in significant additional conservation of energy and be technologically feasible and economically justified. Additionally, an amended standard cannot result in the unavailability in the United States in any product type (or class) of performance characteristics (including reliability, features, sizes, capacities, and volumes). In short, action over recent years has violated EPCA's prohibition of DOE from establishing standards that will remove equipment from the market with performance characteristics important to consumers.

Additionally, DOE has taken steps to eliminate the use of natural gas in federal buildings through issuing a rule that would eliminate natural gas from new federal buildings and major renovations of federal buildings in 2030. This was done despite the fact that such an action would not increase the overall energy efficiency of the buildings and would not result in a reduction of emissions. DOE even declined to provide

¹ For more information, please visit www.aga.org.

² 42 U.S.C § 6291, *et seq.*

a blanket exemption for Department of Defense buildings regardless of numerous national security issues raised during the rulemaking process.

Below is a summary of matters that AGA believes the incoming administration would benefit from reviewing and considering action to correct:

Permit Use of Reliable and Affordable Natural Gas in Federal Buildings

On May 1, 2024, DOE issued a final rule that phases out fossil fuel use in newly constructed federal buildings and buildings that have undergone extensive renovations.³ Specifically, federal agencies must reduce on-site fossil fuel use by 90%, compared with 2003 levels, in construction and renovation projects started between 2025 and 2029. Additionally, the final rule eliminates on-site fossil fuel use in new projects beginning in 2030. Furthermore, the final rule established revised energy performance standards for the construction of new Federal buildings, including commercial buildings, multifamily high-rise residential buildings, and low-rise residential buildings pursuant to the Energy Independence and Security Act of 2007 (“EISA”).

DOE’s final rule implementing the provisions of EISA should be reconsidered and withdrawn.⁴ While the underlying provisions of EISA warrant repeal by Congress for multiple reasons, the rule itself is nevertheless fundamentally flawed. Specifically, DOE completely misinterpreted the requirements of EISA and the plain meaning of the statute, resulting in the elimination of the on-site use of natural gas in new federal buildings and major renovations in 2030. In short, DOE’s rule that phases out fossil fuel use in newly constructed or renovated buildings raises significant legal and practical concerns. Even if the rule aims to achieve decarbonization and energy efficiency goals, DOE’s own analysis shows it would raise energy consumption and not reduce emissions. The elimination of natural gas from federal buildings undermines energy system reliability and affordability as well as limiting consumer choice. Moreover, since DOE declined to issue a waiver to the Department of Defense, the rule could impact mission critical readiness.

Ensure Consumer Access to Efficient Natural Gas Appliances

As noted above, DOE has used the appliance efficiency standards process to eliminate consumer access to efficient natural gas appliances. One of the most harmful rules issued by DOE relates to natural gas consumer furnaces. On December 18, 2023, DOE published a final rule that will eliminate from the market in winter 2028 a common type of natural gas furnace that is currently in millions of homes and accounts for a large percentage of the furnaces that consumers choose to purchase.⁵ The final rule would render illegal a type of furnace that equates to approximately 40-60% of the furnaces shipped to consumers annually. AGA believes that DOE acted in violation of EPCA and, along with others, challenged the rule and two other related issuances in federal court. The court case is currently pending.

DOE’s furnace rule highlights why DOE’s actions and processes should be evaluated and revised to ensure compliance with the enabling statutes and ensure consumers are not harmed by such regulatory actions. Notably, through the DOE rulemaking process, DOE ignored statutory compliant alternatives that would have increased energy efficiency and benefited consumers. Most concerning is the impact of DOE’s actions on low-income and senior households. Specifically, as related to the furnace rule, AGA calculates that DOE’s actions are projected to raise costs on 34% of those customers impacted by the rule. This

³ *New Federal Buildings and Major Renovations of Federal Buildings*, 89 Fed. Reg. 35384 (May 1, 2024).

⁴ See e.g., 42 U.S.C. § 6834(a)(3)(D)(i).

⁵ *Energy Conservation Program: Energy Conservation Standards for Consumer Furnaces*, 88 Fed. Reg. 87502 (Dec. 18, 2023).

includes increased costs on 41% of low-income and 33% of senior households impacted by the rule. The impact of all of DOE's rules on low-income and senior households cannot and should not be ignored. Due to the legal infirmities and the negative impact of DOE's rules and proposals on consumers, such actions should be fully reviewed and revised.

Furthermore, activities within DOE's Building Technology Office have been directed to promote electrification technologies and building electrification infrastructure and have ignored the direct use of natural gas as an affordable and energy-efficient solution for homes and businesses. DOE should review its current programs and initiatives to ensure each adopts a fuel-neutral approach, rather than focusing solely on electrification as the primary pathway to energy efficiency and emissions reductions. Natural gas, including renewable natural gas ("RNG") and hydrogen, plays a vital role in promoting affordable, reliable, and resilient energy services while advancing national goals. By incorporating diverse energy sources to the energy mix, DOE can create policies that respect consumer choice, optimize infrastructure use, and support emissions reductions across all sectors.

This review should include, among others, the following rules, proposals, guidance, issuances, programs, and funding opportunities:⁶

- **Natural Gas Consumer Furnaces** – A final rule illegally eliminating efficient natural gas non-condensing furnaces from the market.⁷ This matter is currently under court review.⁸
- **Commercial Water Heating Equipment** – A final rule illegally eliminating efficient natural gas non-condensing commercial water heaters from the market.⁹ This matter is currently under court review.¹⁰
- **Interpretive Rule on Furnaces and Water Heaters** – A final interpretive rule issued by DOE detailing, *inter alia*, the rationale for the agency's ability to eliminate natural gas products from the market.¹¹ This matter is currently under court review.¹²
- **Natural Gas Consumer Water Heaters** – A final rule illegally eliminating certain efficient natural gas instantaneous water heaters from the market.¹³
- **Natural Gas Cooking Products** – A direct final rule that would remove a limited number of gas cooktops from the market but would only result in *de minimis* energy savings.¹⁴

⁶ In addition to the items below, the administration should review actions by other agencies that could impact the natural gas industry and consumer choice, such as, U.S. Department of Housing and Urban Development, *Adoption of Energy Efficiency Standards for New Construction of HUD- and USDA-Financed Housing*, Docket No. FR-6271-N-01, among others.

⁷ *Energy Conservation Program: Energy Conservation Standards for Consumer Furnaces*, 88 Fed. Reg. 87502 (Dec. 18, 2023).

⁸ *AGA v. DOE*, D.C. Cir. Nos. 22-1030, 23-1285, and 23-1337.

⁹ *Energy Conservation Program: Energy Conservation Standards for Commercial Water Heating Equipment*, 88 Fed. Reg. 69686 (Oct. 6, 2023).

¹⁰ *AGA v. DOE*, D.C. Cir. Nos. 22-1030, 23-1285, and 23-1337.

¹¹ *Energy Conservation Program for Appliance Standards: Energy Conservation Standards for Residential Furnaces and Commercial Water Heaters*, 86 Fed. Reg. 73947 (Dec. 29, 2021).

¹² *AGA v. DOE*, D.C. Cir. Nos. 22-1030, 23-1285, and 23-1337.

¹³ *Energy Conservation Program: Energy Conservation Standards for Consumer Gas-fired Instantaneous Water Heaters*, 89 Fed. Reg. 105188 (Dec. 26, 2024).

¹⁴ *Energy Conservation Program: Energy Conservation Standards for Consumer Conventional Cooking Products*, 89 Fed. Reg. 65520 (Aug. 12, 2024).

- **Natural Gas Consumer Boilers** – DOE issued a notice of proposed rulemaking that would have eliminated efficient natural gas boilers from the market.¹⁵ A withdrawal of the proposal is anticipated to be published on January 17, 2025. Nevertheless, the proposal to remove boilers from the market in violation of EPCA is concerning.
- **Miscellaneous Gas Products** – A proceeding is pending that would inappropriately expand DOE’s control over various natural gas products, such as, vented gas log sets, indoor vented decorative hearth products, outdoor decorative hearth products, and outdoor patio heaters, in violation of EPCA.¹⁶
- **Commercial Packaged Boilers** – The court vacated DOE’s illegal rule related to commercial packaged boilers and the matter is now pending at DOE.¹⁷
- **Consumer Pool Heaters** – A final rule that eliminates certain natural gas pool heaters from the market.¹⁸
- **National Definition of a Zero Emissions Building** – This guidance issuance would prohibit onsite combustion of fuels in future building construction.¹⁹ The definition, intended to provide industry guidance to support new buildings moving toward zero emissions, rules out the use of natural gas with carbon capture and other low or zero-carbon fuels, including RNG, hydrogen, and other biofuels in any building codes that adopt DOE’s definition of zero-emissions.
- **National Blueprint for Building Decarbonization** – The emissions reduction pathways do not contemplate the role the direct use of natural gas and other fuels can play in decarbonization, focusing only on electrifying space and water heating.
- **Technical Assistance for the Adoption of Building Energy Codes** – Funds awarded to promote the adoption of new building energy codes are based on a methodology that unfairly biases against the direct use of natural gas.²⁰

DOE has utilized various methods to shift the purpose of the energy efficiency rulemaking process away from the plain meaning of EPCA and the statute’s overall intent in a way that harms consumers. This starts with DOE’s own processes. Specifically, DOE has established what it calls the “Process Rule,” which is published in the Code of Federal Regulations.²¹ In reality, the Process Rule is not an actual federal rule,

¹⁵ *Energy Conservation Program: Energy Conservation Standards for Consumer Boilers*, EERE-2019-BT-STD-0036, RIN 1904-AE82, 88 Fed. Reg. 55128 (August 14, 2023).

¹⁶ See *Energy Conservation Program: Energy Conservation Standards for Miscellaneous Gas Products*, Docket No. EERE-2022-BT-STD-0017.

¹⁷ See *APGA v. DOE*, 72 F.4th 1324 (D.C. Cir. 2023).

¹⁸ *Energy Conservation Program: Energy Conservation Standards for Consumer Pool Heaters*, 88 Fed. Reg. 34624 (May 30, 2023).

¹⁹ See National Definition for a Zero Emissions Building, <https://www.energy.gov/eere/buildings/national-definition-zero-emissions-building> (last visited January 14, 2025).

²⁰ See Inflation Reduction Act of 2022 (IRA): Assistance for the Adoption of the Latest and Zero Building Energy Codes Funding Opportunity Announcement (FOA) - Equivalency Methodology Supporting Funding Eligibility for Section 50131 of the IRA, <https://infrastructure-exchange.energy.gov/FileContent.aspx?FileID=0dcab580-0055-478d-aad2-d639f551a195> (last visited January 14, 2025).

²¹ See *Energy Conservation Program for Appliance Standards: Procedures, Interpretations, and Policies for Consideration in New or Revised Energy Conservation Standards and Test Procedures for Consumer Products and Commercial/Industrial Equipment*, 86 Fed. Reg. 70892 (Dec. 13, 2021).

and it is not binding on DOE. DOE's processes should be reviewed and revised, consistent with EPCA, and any rule on DOE's process should be binding and enforceable on the agency.

DOE should also update and revise how it conducts its analysis to ensure compliance with the Administrative Procedure Act and EPCA, as well as use appropriate mechanisms to evaluate revisions to any energy efficiency standards. A particular focus should be on the following areas, among others:

- **Separate Product Classes** – DOE should establish separate product classes for condensing and non-condensing natural gas products. EPCA protects consumer choice by ensuring energy conservation standards are not likely to result in the unavailability of any covered product type (or class) of performance characteristics currently available to consumers.
- **Full Fuel Cycle** – DOE should fully implement the recommendations of the National Academy of Sciences regarding the use of full fuel cycle measures into the establishment of energy conservation standards.²² Full fuel cycle metrics would enable a more comprehensive analysis of the total energy usage and environmental impacts of appliance energy efficiency standards.
- **Low-Income and Senior Households** – DOE's rules should not harm any customers, particularly DOE's actions should not increase costs on low-income and senior households.
- **Fuel Switching** – DOE should be fuel neutral. Congress designed the energy conservation standards to be fuel neutral and not favor one energy source over another. By considering fuel switching as a benefit in some contexts and ignoring it in others, DOE has improperly favored a single energy source, contrary to its authority and against consumers' interests.
- **Economic Justification** – DOE should pay greater attention to the justification for the standards, as required by EPCA's requirement that standards be economically justified. DOE should attempt to find significant failures of private markets or irrational behavior by consumers in the no-standards case and should consider such a finding as being necessary to conclude that standards are economically justified.
- **Cost Analysis** – DOE should expand the cost analysis segment of the engineering analysis to include ranges of costs, patterns of consumption, diversity factors, energy peak demand, and variance regarding environmental factors.
- **Market-Based Evidence** – DOE should put greater weight on ex post and market-based evidence of markups to project a more realistic range of likely effects of a standard on prices, including the possibility that prices may fall. This would improve future analyses.
- **Market Failure** – DOE should place greater emphasis on providing an argument for the plausibility and magnitude of any market failure related to the energy efficiency gap in its analyses. For some commercial goods in particular, there should be a presumption that the market actors behave rationally unless DOE can provide evidence or argument to the contrary.
- **Supply Side** – DOE should give greater attention to a broader set of potential market failures on the supply side, including not just how standards might reduce the number of competing firms, but also how they might impact price discrimination, technological diffusion, and collusion.

²² *Energy Conservation Program for Consumer Products and Certain Commercial and Industrial Equipment: Statement of Policy for Adopting Full-Fuel-Cycle Analyses Into Energy Conservation Standards Program*, 76 Fed. Reg. 51281 (August 18, 2011).

- **Energy Prices** – DOE should update its approach to energy prices in the rulemaking process. DOE routinely uses energy price projections that overestimate the cost of natural gas.
- **Random Assignment** – DOE should revise its utilization of random assignment in rulemakings. The manner in which DOE uses random assignment in its analysis is technically flawed and it results in a meaningful impact on DOE results.
- **Test Procedures** – DOE should be required to publish final test procedures for appliances before initiating a minimum efficiency standards rulemaking for the same appliance.
- **Minimum Requirements** – DOE must meet a minimum 3-year payback period before DOE can propose a minimum efficiency requirement for the covered product.

DOE Should Encourage the Market for Natural Gas Heat Pumps

Natural gas heat pumps can provide efficient heating and cooling to commercial and residential customers. Advanced gas heat pump systems can provide homes and businesses with highly efficient space heating, water heating, and cooling options. Importantly, gas heat pumps used for space heating can maintain high-efficiency levels even in colder climates.

Gas heat pumps move heat from one place (“the source”) to another (“the sink”). Because gas heat pumps move heat rather than generate heat, the product can achieve efficiency ratings over 100%. Gas heat pumps use gas-powered technology to pressurize refrigerants and heat exchangers to move heat efficiently from outside a building to the inside. Natural gas heat pumps also use about half the energy of a typical furnace or water heater to provide the same services. These units can operate in heating and cooling modes and can heat spaces and water.

Gas heat pumps are already available for commercial buildings. With the market growing rapidly, the expectation is that various new products for both residential and commercial uses will be widely available in the coming years. DOE should encourage the market for natural gas heat pumps and eventually establish efficiency standards for the products. This encouragement could include incorporating gas heat pumps into DOE’s Appliance and Equipment Standards Program and adding the products to DOE’s eeCompass tool. DOE could also consider refocusing or expanding existing grant opportunities to include gas heat pumps. DOE’s goal should be to improve access to this efficient natural gas product and reduce the costs for early adopters of this technology.

DOE Should Not Interfere with Building Codes and the ANSI/ASHRAE Process

In the United States, two model codes are adopted for energy efficient buildings - the *International Energy Conservation Code* (residential and commercial) published by the International Code Council, and the ASHRAE 90.1, *Energy Standard for Sites and Buildings Except Low-Rise Residential Buildings*. These codes establish the minimum energy performance requirements for all building aspects, including insulation, fenestrations, lighting, water use and HVAC-R. During the most recent revisions of these two codes, proponents of all-electric buildings including representatives from DOE and Pacific Northwest National Laboratory (“PNNL”) have proposed revisions that would severely restrict, if not ban, the use of natural gas and propane appliances. PNNL reviews the proposed revisions to determine the estimated energy savings of the code for DOE. AGA has expressed concerns to the International Code Council about both DOE and PNNL having voting seats on the International Energy Conservation Code Consensus Committees and having the ability to unduly influence the process.

The Appliance Standards and Rulemaking Federal Advisory Committee Should Have Sufficient Industry Representation

The Appliance Standards and Rulemaking Federal Advisory Committee (“ASRAC”) was established by the Appliance and Equipment Standards Program to support DOE’s process for developing energy efficiency standards for appliances and commercial equipment. ASRAC was created as a discretionary advisory committee to provide advice and recommendations related to efficiency standards and test procedures, among other things. ASRAC facilitates the use of negotiated rulemakings to engage stakeholders, collect data, and work toward consensus on energy efficiency standards.

ASRAC is comprised of approximately 12 committee members that are appointed by the Secretary of Energy. Members include Government employees or representatives of entities from the following: energy efficiency, appliance and commercial equipment standards, and industry (including manufacturers and trade associations representing manufacturers, component manufacturers and related suppliers, and retailers), utilities, energy efficiency/environmental advocacy groups, consumers and at least one DOE employee. Ensuring sufficient natural gas industry and utility representation on ASRAC is a priority for AGA. Representation from the natural gas industry and utilities is essential to ensure that diverse perspectives are included in ASRAC’s discussions, which will aid in the committee’s decision-making process. Notably, AGA nominated a candidate for ASRAC in both 2022 and 2024 when DOE sought nominations. Unfortunately, the Secretary of Energy did not add AGA’s representative to ASRAC. Looking forward, it is essential that the interests of the natural gas utility industry are fully represented on ASRAC.

DOE Should Support Renewable Natural Gas and Hydrogen

AGA is committed to reducing greenhouse gas emissions through smart innovation, new and modernized infrastructure, and advanced technologies that maintain reliable, resilient, and affordable energy service choices for consumers. As part of this commitment, it is recognized that RNG and hydrogen are two low-carbon fuels that can help LDCs and their customers meet their energy needs and environmental goals. The introduction of these renewable fuels into the energy infrastructure will diversify the energy grid, strengthening its reliability. AGA believes that America’s gas network can and should be leveraged to enable the delivery of renewable fuels, such as RNG and hydrogen, to customers. As LDCs look to utilize new and existing pipeline infrastructure to deliver energy sources beyond geologic natural gas, the incorporation of RNG and hydrogen into the energy system is just one of the many steps AGA members are taking to promote sustainability, reduce emissions, and maintain commitments to deliver safe, cost-effective, and reliable energy. Our members recognize the integral role that RNG and hydrogen can play in reducing the carbon footprint of their operations and their customers. As a result, many AGA members have already begun demonstrating their commitment to introduce RNG and/or hydrogen into the existing gas system through initiating pilot programs, research and development concerning hydrogen blending and impact on end-use appliances. Additionally, hydrogen, in particular, has risen to the forefront since the establishment of the Regional Clean Hydrogen Hubs Program and allocation of \$8 billion towards building the hydrogen hubs across the U.S.²³ Seven projects were selected for the award and are currently in phase 1 of the process.²⁴ Sixteen AGA members are part of the hydrogen projects that were selected.

Unfortunately, even with so much attention and excitement surrounding the benefits of these fuels, projects are met with backlash from groups and have, in some instances, stopped or delayed the approval of needed energy projects. AGA members are doing their part to find solutions to the challenges facing

²³ See <https://www.energy.gov/articles/biden-harris-administration-announces-7-billion-americas-first-clean-hydrogen-hubs-driving> (last visited January 14, 2025).

²⁴ *Id.*

the industry today and AGA encourages DOE and the incoming administration to work with the industry to realize the positive benefits that RNG and hydrogen can bring to the energy sector. AGA believes that DOE should look for opportunities to support large-scale RNG and hydrogen production and eliminate cost and permitting barriers. DOE should also continue to conduct research into hydrogen related to production, transportation, distribution and storage, and end-use appliances and equipment. Finally, AGA encourages the incoming administration to work towards removing regulatory barriers for the use of hydrogen and RNG as a fuel.

DOE and EPA Should Not Remove Gas Appliances from the ENERGY STAR Program

ENERGY STAR is a joint program of the U.S. Environmental Protection Agency (“EPA”) and DOE. The ENERGY STAR label identifies top-performing, cost-effective products, homes, and buildings. AGA and its members support energy efficiency and conservation efforts, including the efficient use of natural gas in homes and businesses. AGA supports the ENERGY STAR program’s mission to provide “simple, credible, and unbiased information” on a product’s energy efficiency.²⁵ Past proposals to eliminate certain natural gas appliances from ENERGY STAR have undercut the entire value and purpose of the program.²⁶ ENERGY STAR should not be used in a manner that harms DOE’s and EPA’s equipment and utility partners, deprives consumers of accurate information about natural gas equipment, and could lead to higher energy use and emissions.

AGA members are doing their part to ensure customers have access to efficient natural gas appliances. In 2022, U.S. utilities achieved substantial energy savings through natural gas efficiency programs, totaling 336 million therms, equivalent to 1.7 million metric tons of avoided CO₂ emissions.²⁷ The majority of the therms saved, roughly 41%, were due to residential programs available to customers. In 2022, utilities in North America spent \$1.51 billion on these programs, a 37% increase from 2021.²⁸ Utilities budgeted nearly \$1.8 billion for 2023, indicating a continued commitment to efficiency programs.²⁹ ENERGY STAR-certified gas furnaces, for example, have been a central offering within these utility programs. Natural gas utility efficiency programs promote the use of ENERGY STAR home heating equipment and often rely on ENERGY STAR certification when determining eligibility for utility-provided incentives including appliance rebates.³⁰ Appliance rebates are housed within the ‘Customer Incentive’ portion of natural gas utility energy efficiency programs, and roughly 60% of natural gas utility budgets for 2022 were spent on such incentives. Dedicating over half of the annual budget to rebates, loans, and other financial incentives for customers showcases natural gas utilities’ continued commitment to helping customers lower their energy needs and subsequently save on their energy bills. AGA’s Natural Gas Efficiency Programs Report, 2021 & 2022 Program Year was published in October 2024,³¹ and includes information on natural gas efficiency and low-income weatherization programs for the 2021 and 2022 program years. Additionally, appendices to the AGA report outline in detail the amount spent on energy efficiency in the various states and regions in addition to therms saved.

²⁵ See ENERGY STAR Overview, available at <https://www.energystar.gov/about> (last visited January 14, 2025).

²⁶ See <https://www.energystar.gov/sites/default/files/asset/document/HVAC%20Sunset%20Letter.pdf> (last visited January 14, 2025).

²⁷ See AGA, 2021 and 2022 Natural Gas Efficiency Programs Report, <https://www.aga.org/research-policy/resource-library/natural-gas-utility-efficiency-programs/> (last visited January 14, 2025).

²⁸ *Id.*

²⁹ *Id.*

³⁰ *Id.*

³¹ See <https://www.aga.org/wp-content/uploads/2024/10/2021-2022-Natural-Gas-Efficiency-Programs-Report.pdf> (last visited January 14, 2025).

DOE and EPA should follow ENERGY STAR's Products Program Strategic Vision and Guiding Principles, which recognize that specifications should be designed "to treat fuel types separately, so that consumers may find the right products for the fuel type in their home, as most make product replacements without switching fuel types."³² The prior attempts to eliminate natural gas from the ENERGY STAR program would have rendered unavailable to customers ENERGY STAR appliances that are right for their homes, and incentivizing switching fuel types is in violation of ENERGY STAR's principles.

The incoming administration should evaluate all pending and recent ENERGY STAR program revisions to ensure any changes are consistent with the program's principles and provide accurate information to consumers. Notably, there are recent and currently pending changes to the ENERGY STAR program related to natural gas furnaces³³ and boilers.³⁴

Regarding natural gas furnaces, on January 10, 2025, EPA issued the Final Version 5.0 ENERGY STAR Furnace Specifications with a target effective date of July 31, 2026 ("Final Version 5.0").³⁵ In Final Version 5.0, EPA establishes performance requirements of 97% AFUE for the U.S. North³⁶ and 95% AFUE for the U.S. South³⁷ for natural gas furnaces. AGA supports the regional distinctions for ENERGY STAR natural gas furnaces, *i.e.*, the U.S. North and South distinctions. The regional split for natural gas furnaces in the ENERGY STAR program reflects the reality that in the southern half of the U.S., generally, homes require less heat when compared to the northern half of the U.S. Therefore, having different gas furnace efficiency requirements and labels used for different regions of the country is appropriate.³⁸

The Final Version 5.0, however, should be revised so that the level in the U.S. South is 92% AFUE. Specifically, AGA recommends, as it previously mentioned to EPA, that the levels be set at AFUE 97% in the U.S. North and 92% in the U.S. South starting sometime in 2026. Under AGA's proposal, there would be a 2-percentage point increase in AFUE applied to each regional specification, as related to the levels in effect prior to Final Version 5.0. This change would be a 2-percentage point increase in AFUE in both regions, setting the U.S. South at 92% and the U.S. North at 97%, and thus preserving significant product availability for most consumers. Furthermore, this would allow for significant energy savings in the U.S.

³² EPA, "ENERGY STAR Products Program Strategic Vision and Guiding Principles," available at https://www.energystar.gov/sites/default/files/asset/document/ENERGY_STAR_Strategic_Vision_and_Guiding_Principles.pdf (last visited January 14, 2025).

³³ See ENERGY STAR Version 5.0 Furnaces Final Specification, available at <https://www.energystar.gov/furnace-version-5-pd> (last visited January 14, 2025).

³⁴ See Email from ENERGY STAR; ENERGY STAR Residential Boilers Discussion Guide and Early Stakeholder Feedback, June 5, 2023, available at https://www.energystar.gov/sites/default/files/asset/document/ENERGY%20STAR%20Residential%20Boilers%20Discussion%20Guide_0.pdf?_gl=1*103ldbi*_ga*MTAwNjkzMjc5OS4xNjcwNDI3MzMw*_ga_S0KJTVVLQ6*MTY4NTk4ODU4Ny4yODEuMS4xNjg1OTg5MzA5LjAuMC4w (last visited January 14, 2025).

³⁵ See ENERGY STAR Version 5.0 Furnaces Final Draft Specification, available at <https://www.energystar.gov/furnace-version-5-pd> (last visited January 14, 2025).

³⁶ The U.S. North is defined as Alaska, Colorado, Connecticut, Idaho, Illinois, Indiana, Iowa, Kansas, Maine, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, New Hampshire, New Jersey, New York, North Dakota, Ohio, Oregon, Pennsylvania, Rhode Island, South Dakota, Utah, Vermont, Washington, West Virginia, Wisconsin, and Wyoming.

³⁷ The U.S. South is defined as Alabama, American Samoa, Arizona, Arkansas, California, Delaware, District of Columbia, Florida, Georgia, Guam, Hawaii, Kentucky, Louisiana, Maryland, Mississippi, Nevada, New Mexico, North Carolina, Oklahoma, Puerto Rico, South Carolina, Tennessee, Texas, and Virginia.

³⁸ See AGA's December 19, 2024 Letter on the December 2024 Furnace Proposal, available at <https://www.energystar.gov/sites/default/files/2024-12/AGA%20Comments.pdf> (last visited January 14, 2025).

North, where the average usage is more than twice that of the U.S. South, while continuing to incentivize more efficient, cost-effective options in the U.S. South.

Regarding the June 5, 2023 proposal to eliminate efficient natural gas boilers from the ENERGY STAR program,³⁹ this proposal should be withdrawn. AGA strongly opposes any such proposal to remove natural gas products from the program. The ENERGY STAR label serves as a crucial tool for consumers to make informed decisions about the energy efficiency of appliances. Eliminating this label for natural gas equipment will leave consumers with less information, potentially leading them to purchase less efficient products.

In short, it is essential to maintain the ENERGY STAR label for natural gas products to ensure consumers can differentiate between gas appliances. The ENERGY STAR label plays an important role in guiding consumer decisions, promoting energy efficiency, and has been instrumental in transforming the market towards more energy-efficient appliances.

EIA's Natural Gas Data Collection Should be Supported and Improved

EIA is the statistical agency of DOE, and it provides independent data, forecasts, and analyses regarding energy. AGA members respond to EIA data collection surveys and rely on EIA data issuances for market analyses and publications. AGA supports EIA's collection of data and believes certain areas can be improved.

AGA believes that EIA should update its data collection concerning RNG and hydrogen. Currently, EIA does collect data related to RNG. However, the collection of such information should be expanded, revised, and a separate survey created.⁴⁰ Furthermore, EIA only collects limited information on hydrogen and AGA believes that this effort should be expanded so that it can start to gather and track the integration of hydrogen into the energy system.

AGA wants to ensure that EIA continues to collect appropriate and useful data. One area of concern is EIA's proposal to collect information on residential utility disconnections.⁴¹ EIA maintains that the proposal is intended to collect data so that there can be the appropriate levels of budgetary support for various assistance programs across the United States, including energy assistance programs. Disconnecting customers is always a last resort for LDCs when dealing with unpaid bills. AGA members work with customers on various payment and assistance options while continuing to coordinate with state and federal agencies in these efforts. Though EIA's proposal to collect certain data is well intentioned, it may not be the most judicious use of agency resources or provide the information needed for the stated purpose. Furthermore, the proposed survey sampling techniques and intent to publish disconnection data at the utility level would further confuse the public and policymakers on how assistance allocations are made. Due to issues with the proposal, EIA's new information collection effort on disconnections should be revised, narrowed, and focused so that it can yield the intended outcomes desired by EIA.

Thank you for your time and consideration. AGA is committed to being a resource for DOE and stands ready to work with the incoming administration on these important matters that will ensure affordable and reliable energy for Americans.

³⁹ See ENERGY STAR Residential Boilers Discussion Guide and Early Stakeholder Feedback, June 5, 2023, available at https://www.energystar.gov/sites/default/files/asset/document/ENERGY%20STAR%20Residential%20Boilers%20Discussion%20Guide_0.pdf?_gl=1*103ldbi*_ga*MTAwNjkzMjc5OS4xNjcwNDI3MzMw*_ga_S0KJTVVLQ6*MTY4NTk4ODU4Ny4yODEuMS4xNjc1OTg5MzA5LjAuMC4w (last visited January 14, 2025).

⁴⁰ See EIA-176 - Annual Report of Natural and Supplemental Gas Supply & Disposition.

⁴¹ See *Agency Information Collection Proposed New Survey*, 89 Fed. Reg. 82598 (Oct. 11, 2024).

If you have any questions regarding this submission, please do not hesitate to contact the undersigned.

Sincerely,

A handwritten signature in black ink, appearing to read "Matthew J. Agen". The signature is fluid and cursive, with a long horizontal stroke at the end.

Matthew J. Agen
Chief Regulatory Counsel, Energy
American Gas Association