

February 6, 2012

Ms. Brenda Edwards
U.S. Department of Energy
Building Technologies Program
Mailstop EE-2J
1000 Independence Avenue, SW
Washington, DC 20585

Re: Enforcement of Regional Standards for Residential Furnaces and Residential Central Air Conditioners and Heat Pumps; Docket No. EERE-2011-BT-CE-0077

Dear Ms. Edwards:

These comments are submitted by the Air-Conditioning, Heating, and Refrigeration Institute (AHRI) in response to the U.S. Department of Energy's (DOE) Notice of Data Availability (NODA) published in the December 7, 2011 Federal Register. That NODA provided information on the framework for developing regulations covering the enforcement of regional energy conservation standards for residential furnaces and residential central air conditioners and heat pumps.

AHRI is the trade association representing manufacturers of heating, cooling, water heating, and commercial refrigeration equipment. More than 300 members strong, AHRI is an internationally recognized advocate for the industry. AHRI develops standards for, and certifies the performance of, many of the products manufactured by our members. In North America, the annual output of the HVACR industry is worth more than \$20 billion. In the United States alone, our members employ approximately 130,000 people, and support some 800,000 dealers, contractors, and technicians.

Prior to addressing the specific issues listed in the framework document we have some comments on the general concept of this enforcement regulation. Everyone acknowledges the unique challenge presented by the enforcement of regional standards. Recognizing this, DOE's programs to enforce these requirements may need unique elements. The complexity of regional enforcement also cannot fall on one sector or one mechanism alone. Rather, the collective responsibility of the government and industry (manufacturers, distributors and contractors) together can achieve a robust enforcement plan. AHRI proposes a multi-prong approach that includes: (a) properly defining the scope for enforcement, (b) redesign of the FTC Energy Guide label, (c) public education by DOE, (d) reformatting of the AHRI directory, (e) awareness-raising communications by manufacturers, distributors and contractors.

Proper Scope for Enforcement

DOE should not make the enforcement of the regional efficiency standards a bigger task than it needs to be. The only products that require any enforcement of a regional standard are

Non-weatherized gas furnaces with AFUE ratings less than 90 percent

Mobile home gas furnaces with AFUE ratings less than 90 percent

Split-system air conditioners either with SEER ratings less than 14 or with SEER ratings of at least 14 but EER ratings not complying with the Southwest Region standard

Single packaged air conditioners with EER ratings less than 11.0.

All other products identified in Tables 1 and 2 of the framework document can be installed anywhere in the United States. Those products do not require any additional enforcement requirements as a result of regional standards. To carry this one step further using non-weatherized gas furnaces as an example, the enforcement of the regional standard should address only those units with AFUE ratings less than 90 percent that might be installed in a Northern Region state after May 1, 2013. When practical considerations, such as the cost of shipping and delivery, are taken into account, many units shipped by the manufacturer to a distributor that is located in a Southeastern or Southwestern region state do not have a practical possibility of being installed in a Northern region state. A furnace shipped to a distributor in Dallas or Tucson is unlikely to be sold to a contractor who will install it in a Northern region state. Consequently, any enforcement regulation for non-weatherized gas furnaces applied to distributors and contractors should focus on the Northern region to which the higher standard applies and only to those distributors and contractors who are located in a state in the Southern region but whose typical business/service area territory includes some part of the Northern region.

FTC Label

The Federal Trade Commission (FTC) Energy Guide labels for residential furnaces, air conditioners and heat pumps, modified as proposed by AHRI, will be the single most useful tool for effectively implementing the regional standards. The modified FTC label can be used in conjunction with the model listing information provided in the respective AHRI efficiency certification program directories for residential furnaces, air conditioners and heat pumps to enforce those regional standards. A copy of our comments to the FTC on its November 28, 2011 Advanced Notice of Proposed Rulemaking for these label changes is attached.

DOE Public Awareness Campaign

We recommend that DOE conduct an educational advertising campaign aimed at contractors and consumers. There are two versions of a simple message. Both contractors and consumers should be informed of the new, higher regional requirements and when they go into effect. Contractors should be further informed that any installation of a non-complying model after the effective date is a violation of federal law. Consumers should be further informed that a contractor who installs a less efficient, non-complying model in their home after the effective

date is not providing a unit that is as efficient as the law requires. Although the norm is for DOE to rely on manufacturers to produce equipment that complies with efficiency standards, the issue of complying with a regulation that limits the installation of equipment calls for a DOE action to make consumers aware of the impending change. This will minimize any market pressure from consumers for less efficient, and presumably lower price, models in those regions which have higher minimum standards while at the same time supporting contractors who will bear the burden of explaining the new efficiency requirements to consumers in the region.

The effectiveness of the DOE education campaign will be enhanced if it is coordinated with the FTC and the changes that will be made to the Energy Guide label to address the regional standards.

Reformatting the AHRI Directory

The Energy Independence and Security Act (EISA) of 2007 includes a statement that the DOE Secretary shall use, to the maximum extent practicable, nationally recognized certification programs of trade associations to enforce standards. The AHRI directories are the authoritative source for certified performance information on the residential furnaces and residential central air conditioners and heat pumps available for installation in the U.S. The directory is relied upon by the contracting, building and consulting engineering community to develop specifications and to determine the efficiency of matched components. To facilitate DOE's use of AHRI's certification programs to the maximum extent practicable, AHRI stands ready to reformat its directory to make clear the appropriate efficiency requirements by region.

Awareness-raising Communications by Manufacturers, Distributors and Dealers

Products covered by regional standards are often sold through a multiple distribution process from the manufacturer, to a distributor, to an installing contractor, and finally to the end consumer. At each step the businesses in the distribution process can raise awareness of regional standards through bulletins, meetings and sales literature. AHRI commits to working with DOE to develop those tools to raise awareness throughout the channel, building upon the recommended revisions to the FTC label and suggested DOE public awareness campaign.

General Comments

As noted during the December 16, 2011 public meeting, the alternative enforcement approaches described in the framework document were not specific proposals but examples intended to serve as talking points. In that context, we reaffirm our position that none of the three potential approaches provide the proper balance of fulfilling DOE's obligation as an enforcer while minimizing both the complication of the process by which equipment moves through the distribution chain to the ultimate consumer and the additional costs to manufacturers, wholesalers/distributors and contractors, and not imposing undue burden on the contractor who installs equipment in compliance with the regional standards. We believe that the enforcement approaches proposed by DOE are not adequate, in particular with respect to split air conditioners where the matching of the same condensing unit with different indoor coils could result in different energy efficiency ratings. In that particular case, the tracking of serial numbers from

the point of manufacture to the point of distribution or installation presents serious logistical issues and is likely to be overly burdensome or even impractical. We recommend that the enforcement requirements for the regional efficiency standards include the following basic concepts.

Be applied only to those models that cannot be installed in a region (e.g. enforcement requirements for the regional furnace standard should address only models that have AFUE ratings less than 90 %.)

Limit the manufacturer's obligation to informing distributors about the regional standards and the region(s) where certain units may not be installed.

Limit the distributor's obligation to informing installers about the regional standards and the region(s) where certain units may not be installed.

Limit the contractor's obligation to some form of acknowledgment of awareness of the regional standards. In those cases where the efficiency rating of the unit installed differs from the efficiency rating shown on the model's FTC Energy Guide label, the installer shall provide the consumer with an AHRI certified performance document showing the estimated efficiency of the installed unit. These AHRI documents have been used in the past to certify system qualification for Federal 25c tax credits as well as state and local efficiency rebate programs. These documents have been available for several years and have been widely used by contractors.

We believe that an effective enforcement plan for regional standards encompasses the recommendations above and could be implemented without a complicated and burdensome tracking process. Any requirement to track unit shipments by unique serial number at any level of distribution is an unnecessary intrusion that could potentially disclose proprietary competitive information, create an enormous reporting burden contrary to Executive Order 13563 on Improving Regulation and Regulatory Review, and ultimately raise costs for consumers.

The Regional Standards Enforcement Framework Document includes the following footnote at the bottom of page 3:

The Department notes that the current regulations, as amended by the direct final rule, inadvertently states that regional standards are applied to the products based on "manufactured" date rather than the "installed" date.

DOE seems to think it made a mistake. We urge DOE to reconsider. The direct final rule, as written, does properly address the implementation of the regional standards.

Since NAECA amended EPCA in 1987 the effective date of standards, whether prescribed by statute or by DOE, has always been expressed in terms of date of product manufacture. The rationale for standards effective dates being based on date of product manufacture is to avoid having existing standards compliant inventory become stranded in the distribution system suddenly incapable of being sold and installed lawfully. The EPCA principle of expressing standards effective dates in terms of date of manufacture has continued as recently as the 2007

amendments to EPCA. Section 325(m)(4)(A) of EPCA, as amended in 2007, 42 U.S.C. § 6295(m)(4)(A), states that whenever standards for furnaces, central air conditioners, and heat pumps are amended, the amended standards apply to products manufactured after the date that is 5 years after the date of publication of the final rule amending the standards. For example, if and when DOE amends the regional furnace standard contained in its June 2011 direct final rule, any amended furnace standard will apply to furnaces manufactured on or after a specified date. The effective dates for regional standards in DOE's June 2011 direct final rule are consistent with this approach expressing the effective date of the standards as the dates of product manufacture.

DOE may be relying on Section 325(o)(6)(E)(ii) of EPCA, as amended in 2007, 42 U.S.C. § 6295(o)(6)(E)(ii), for the interpretation presented in the footnote. EPCA section 325(o)(6)(E)(ii) may at first glance appear to be in conflict with EPCA section 325(m)(4)(A) in stating that an additional regional standard for furnaces, central air conditioners or heat pumps beyond the base national standard "shall apply to any such product installed on or after the effective date of the standard in States in which the Secretary has designated the standard to apply." However, there is a way to resolve this apparent conflict and preserve EPCA's intent to express standards effective dates in terms of date of manufacture so as not to strand previously lawful products in the distribution chain. Section 325(o)(6)(E)(ii) should be interpreted to provide that any such regional standard for such products shall apply to products manufactured on or after the effective date of the standard and installed in States in which the Secretary has designated the standard to apply. So interpreted, there will be no conflict between the effective date of regional standards and the effective date of base national standards, which, under EPCA section 325(o)(6)(E)(i), 42 U.S.C. § 6295(o)(6)(E)(i), expressly applies to date of product manufacture. Nor will there be any conflict with any other provision of EPCA. Continuing the example from above, every model of residential non-weatherized gas furnaces manufactured on or after May 1, 2013, will have to have an AFUE rating of at least 80%. It is only the subset of these models which have an AFUE rating of less than 90% that will not qualify to be installed in the North. The remainder of these furnace models (i.e. models with AFUE ratings of 90% or higher) may be installed in all states. The implementation of the regional standards is predicated on the geographic location of the installation, not the date of manufacture.

Response to the Framework Document Request for Information

The following comments address the specific issues listed in the framework document

1. The appropriateness of the three potential approaches, other approaches and on variations that would improve the effectiveness of enforcement of regional standards;

Addressed above.

2. The periodicity/timing of data submissions for regional standard enforcement including how the existing certification requirements on manufacturers may need to be altered to accommodate the regional standards approach;

AHRI does not support additional reporting requirements for regional standards beyond the reporting called for under current regulations.

3. The information that would be necessary (either maintained or submitted) to help the Department determine a basic model is compliant with the Department's standards and whether a given unit has been installed in a proper geographic location;

Addressed above. Additionally, it should be noted that there are over 10 million serial-numbered residential HVAC units (packaged AC/HP, split system coil, split system, condensing unit, or furnace) installed each year. The potential paperwork burden under the most ambitious program outlined in the framework document would be overwhelming.

4. The appropriate level of detail when tracking installation location both for internal records and for the Department to ensure DOE can systematically enforce its regional standards.

Addressed above.

5. The benefits and burdens of the three potential enforcement schemes the Department is considering;

None of the three potential enforcement schemes in the framework document will provide an appreciably higher rate of compliance with the regional standard than an enforcement process that embodies the concepts we have noted. All of the three schemes will create an unnecessary administrative burden at all levels of distribution, inject DOE into existing business practices, and add unnecessary cost for all parties involved in the distribution and installation of equipment, and result in substantial increase in the cost of operation of DOE's appliance standards program for HVAC products.

6. The existing record keeping schemes currently utilized by manufacturers, distributors, and installers that the Department could leverage to reduce burden;

DOE should recognize the existing record keeping schemes. The enforcement regulations should do no more than explain how DOE would use those existing schemes if it has cause to question the compliance with the regional standards by a particular party.

7. The consideration of a waiver process to mitigate any unintended consequences of regional standards adopted in the June 2011 direct final rule;

Pursuant to section 504 of the Department of Energy Organization Act, 42 U.S.C. § 7194, DOE has legal authority to waive compliance with standards prescribed under the Energy Policy and Conservation Act (EPCA) on an individual case-by-case basis in response to a petition for exemption submitted by a person claiming special hardship. The granting of a waiver follows an adjudicatory proceeding conducted by DOE's Office of Hearings and Appeals (OHA). See 10 C.F.R. § 1003.20 et seq. DOE has recognized that exemptions from EPCA standards compliance require adjudicatory action by OHA on a case-by-case basis involving OHA consideration of the petitioner's particular claim of hardship or inequity. See 69 Fed. Reg. at 50998 (August 17, 2004). That is the only legal authority DOE has to grant a waiver of EPCA standards compliance. DOE does not have legal

authority to grant a blanket waiver of standards compliance to a class or category of impacted persons or entities, with or without OHA involvement.

DOE has already published a final rule establishing 90% AFUE as the minimum efficiency standard applicable to residential non-weatherized gas furnaces installed in the northern part of the United States. Section 325(o) (1) of EPCA, 42 U.S.C. § 6295(o) (1), EPCA's "anti-rollback" provision, prohibits DOE from prescribing an amended standard that is less stringent than its predecessor standard. DOE would violate this prohibition by allowing the installation of furnaces with AFUE ratings less than 90% for a class of installations meeting certain criteria. By doing so DOE would have effectively lowered its standard in contravention of the EPCA "anti-rollback" provision. Again, exceptions from the 90% AFUE furnace minimum standard may be granted only on an individual case-by-case basis by OHA.

Also, we have concerns about the practical application of a waiver process. To illustrate the point, consider the emergency replacement of a furnace during the winter in a Northern state. Under this circumstance, the administrative processes to submit a waiver and obtain a response from DOE must occur quickly enough to not delay the installation of the new furnace. The process must not cause the consumer to be without heat. We are not aware of any process requiring DOE approval that occurs fast enough not to delay the installation of the replacement furnace. Any form of retroactive approval in this situation is infeasible because implementation of such a process would, of necessity, also include the possibility of retroactive disapproval.

Because of these legal and practical concerns we do not support the inclusion of this option in the enforcement regulations.

8. Any changes that would need to be made to the existing certification requirements to accommodate regional standards.

Except for the addition of the EER rating for air conditioners, there are no other changes required to the existing certification requirements. Since the minimum EER standard applies to only four states, we suggest that the added reporting requirement may be no more than a verification indicating that the model meets the minimum EER standard. With the efficiency rating information provided currently, the database can be searched to identify which models may not be installed in a specific region.

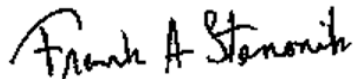
9. How the certification requirements may need to be modified to accommodate the new regional standards scheme, particularly with a view towards which parties should certify, and what, if any, additional information should be provided.

It is not clear how this question differs from number 8. The regional standards do not change the obligation on manufacturers to certify the efficiency ratings of their models. If DOE is considering the imposition of some form of certification requirement on the installing contractor because the regional standards apply to the date of installation we strongly urge DOE to drop such consideration.

During the public meeting there was some discussion that the regional standards may cause DOE to redefine installers as manufacturers. Regardless of whether regulations may suggest such a concept, installers are not equipment manufacturers. The installer has no role in the many steps and costs involved between the initial design concept of a model of furnace, air conditioner or heat pump and the eventual production of units in a manufacturing facility that will be entered into commerce with all the necessary safety and efficiency certifications. To pursue the imposition of certification requirements on installers due to some distorted definition of manufacturer would be a bureaucratic nightmare with no redeeming value.

We appreciate this opportunity to respond to these issues. If you have any questions, please do not hesitate to contact us.

Respectively Submitted,

A handwritten signature in black ink that reads "Frank A. Stanonik". The signature is written in a cursive, slightly slanted style.

Frank A. Stanonik
Chief Technical Advisor

Attachment

February 6, 2012

Federal Trade Commission
Office of the Secretary
Room H-113 (Annex G)
600 Pennsylvania Avenue, NW
Washington, DC 20580

Re: AHRI Comments – Regional Labeling for Heating and Cooling Equipment (16 CFR Part 305) (Project No. P114202)

Dear Sir/Ma'am:

These comments are submitted by the Air-Conditioning, Heating, and Refrigeration Institute (AHRI) in response to the Federal Trade Commission's (FTC) Advance Notice of Proposed Rulemaking (ANOPR) appearing on December 28, 2011. The ANOPR seeks public comment on how best to develop consumer and industry disclosures regarding the new standards for residential furnaces, central air conditioners, and heat pumps, including possible revisions to the current EnergyGuide label.

AHRI is the trade association representing manufacturers of heating, cooling, water heating, and commercial refrigeration equipment including manufacturers of commercial HVAC pumps. More than 300 members strong, AHRI is an internationally recognized advocate for the industry, and develops standards for and certifies the performance of many of the products manufactured by our members. In North America, the annual output of the HVACR industry is worth more than \$20 billion. In the United States alone, our members employ approximately 130,000 people, and support some 800,000 dealers, contractors and technicians.

We appreciate the fact that the FTC and the U.S. Department of Energy (DOE) are working towards a coordinated enforcement program as it will help minimize the regulatory burden on our industry. However, in finalizing this rulemaking, both FTC and DOE should keep in mind that manufacturers are currently required to comply with several DOE requirements and should strive to ensure that no additional regulatory burden is placed on manufacturers.

We believe that the objectives of FTC and DOE can be met through revisions to the existing EnergyGuide labels alone, and that no additional reporting requirements should be imposed on manufacturers. Additional reporting requirements would not provide any benefit to consumers while increasing the regulatory burden on manufacturers. While revising its existing EnergyGuide labels, FTC should consider incorporating a reference in all labels to the AHRI directory of certified product performance, www.ahridirectory.org, so that consumers can ensure that the correct equipment is installed in their region.

The AHRI directory of certified equipment currently plays an important role in helping consumers make informed decisions when purchasing residential furnaces and central air conditioners and heat pumps. We believe that the AHRI directory can even play a bigger role with the implementation of regional standards to ensure that contractors select the right products and that consumers get equipment that can meet the regional standards. We recommend that FTC allow the AHRI directory of certified products to be one of the approved methods for disclosing information associated with the new regional standards for residential furnaces and central air conditioners and heat pumps.

Central Air Conditioners and Heat Pumps:

Attached for your review and consideration are two draft EnergyGuide labels for split-system central air conditioners. The labels can also be applied to single-package air conditioners since the regional standards specify a minimum EER for those products in the U.S. southwest region. The two labels are identical in terms of content but are formatted differently. We believe that the modified labels would enable manufacturers to adequately disclose the information associated with the new energy conservation standards. The draft labels will allow the FTC and DOE to coordinate their enforcement efforts and can be applied on manufacturers' condensing units. Each label includes an efficiency range for SEER and EER and it is clearly indicated that the rating will vary within the ranges shown with different indoor coils. A map that distinguishes the regions within the United States has been included and a table specifying the minimum SEER and EER levels in various regions has been incorporated alongside the map. We feel that the map and the table in each label adequately allow manufacturers to inform distributors, contractors and consumers about the appropriate regions. Each draft label also points consumers and other industry members towards the AHRI directory for information on AHRI certified matched combinations. The manufacturer does not have any control over where and how the equipment is installed once it leaves the manufacturing facility; the draft EnergyGuide labels account for this issue and place the onus upon the party that installs the equipment by specifying that legal installation of the system is dependent on its rating and geographic location. We believe that these proposed EnergyGuide labels will help achieve two important goals: (1) the labels will help FTC to meet its goals of providing consumers and industry members the necessary information about the equipment, and (2) the labels will help DOE with its enforcement of the regional standards.

The efficiency ranges within the existing EnergyGuide labels that pertain to split-system heat pumps, single-package heat pumps, small-duct high velocity systems, space-constrained air conditioners and space-constrained heat pumps should be revised to account for the amended energy conservation standards. FTC should also consider adding a sentence to the EnergyGuide label that points consumers and industry members towards the AHRI directory of certified product performance.

Furnaces:

Attached is a memorandum that was issued by the U.S. Environmental Protection Agency (EPA) on June 13, 2011. The memorandum pertains to EPA's residential furnace specification and includes some language on regional labeling of furnaces that qualify as ENERGY STAR products. FTC should consider EPA's approach and allow the

use of the current EnergyGuide furnace label for non-weatherized and mobile home gas furnaces that meet a minimum of 90% AFUE. For non-weatherized and mobile home gas furnaces that meet a minimum of 80% AFUE, the FTC should include a map in the EnergyGuide label that clearly indicates the states in which these products can be installed; the EPA memorandum includes an example of a regional label. All EnergyGuide labels should be revised to account for the amended energy conservation standards. FTC should also consider adding a sentence to the EnergyGuide label that points consumers and industry members towards the AHRI directory of certified product performance.

On October 24, 2011, AHRI submitted a proposal to Mr. Hampton Newsome on the EnergyGuide labeling of oil furnaces with field-selected input ratings. The letter is attached and pertains to non-weatherized oil-fired, mobile home oil-fired, and weatherized oil-fired furnaces. We urge that FTC consider this proposal and also consider including a reference to the AHRI directory of certified product performance within the EnergyGuide label.

AHRI appreciates the opportunity to provide these comments. If you have any questions regarding this submission, please do not hesitate to contact me.

Sincerely,



Aniruddh Roy
Regulatory Engineer
Air-Conditioning, Heating, and Refrigeration Institute
2111 Wilson Boulevard, Suite 500
Arlington, VA 22201-3001, USA
Phone 703-600-0383
Fax 703-562-1942
aroy@ahrinet.org

Attachments:

1. Sample EnergyGuide Labels for Split-System Central Air Conditioners
2. EPA Memorandum on Revised ENERGY STAR Specification for Residential Furnaces
3. AHRI Letter to FTC on the EnergyGuide Labeling of Oil Furnaces

U.S. Government

Federal law prohibits removal of this label before consumer purchase.

ENERGYGUIDE

Central Air Conditioner
Cooling Only
Split System



Seasonal Energy Efficiency Ratio

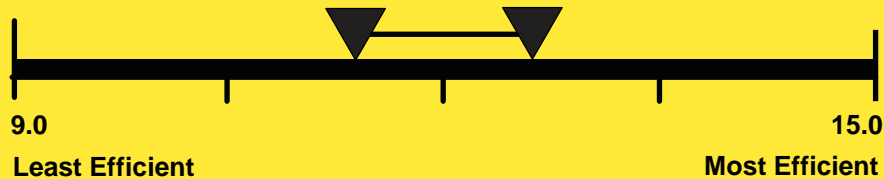
13.0 - 14.2



Efficiency Range of Similar Models

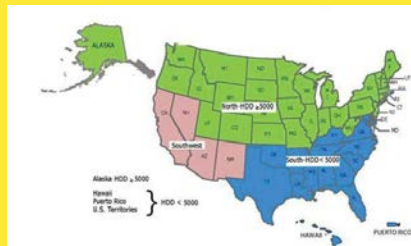
Energy Efficiency Ratio

11.7 - 12.5



Efficiency Range of Similar Models

- Efficiency range based only on split system units.
- This energy efficiency rating is based on U.S. Government standard tests. The rating will vary within the ranges shown with different indoor coils.
- See AHRI directory for certified combinations and ratings at www.ahridirectory.org.
- Legal installation of this system is dependent on its rating and geographic location.
- For more information, visit www.ftc.gov/appliances



Min.	North	South-east	South-west
SEER	13	14	14
EER*	N/A	N/A	12.2
EER**	N/A	N/A	11.7

*Minimum EER for units with a rated cooling capacity less than 45,000 btu/h.

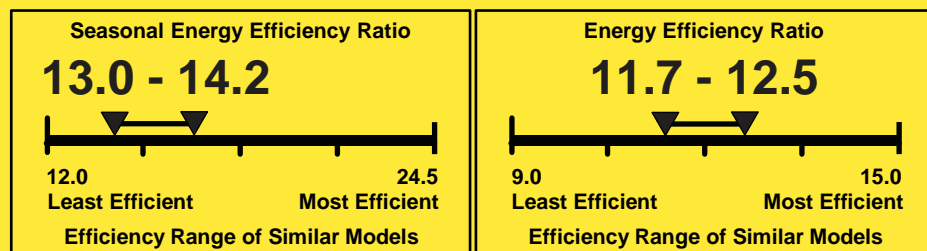
**Minimum EER for units with a rated cooling capacity greater or equal than 45,000 btu/h

U.S. Government

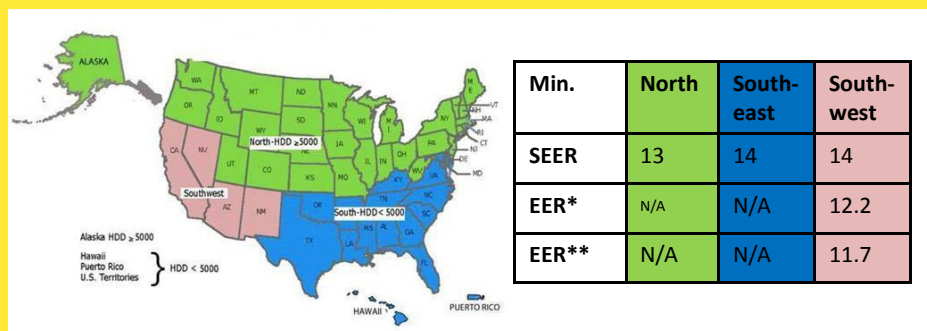
Federal law prohibits removal of this label before consumer purchase.

ENERGYGUIDE

Central Air Conditioner
Cooling Only
Split System



- Efficiency range based only on split system units.
- This energy efficiency rating is based on U.S. Government standard tests. The rating will vary within the ranges shown with different indoor coils.
- See AHRI directory for certified combinations and ratings at www.ahridirectory.org.
- Legal installation of this system is dependent on its rating and geographic location.
- For more information, visit www.ftc.gov/appliances



*Minimum EER for units with a rated cooling capacity less than 45,000 btu/h.

**Minimum EER for units with a rated cooling capacity greater or equal than 45,000 btu/h



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

OFFICE OF
AIR AND RADIATION

June 13, 2011

Dear ENERGY STAR® Furnace Manufacturer or Other Interested Party:

The U.S. Environmental Protection Agency (EPA) is pleased to share with you the attached Final Version 3.0 and 4.0 ENERGY STAR Furnace specifications, test method and labels. EPA would like to acknowledge the many ENERGY STAR stakeholders who have invested substantial time and effort over the past several months to contribute detailed feedback to inform the specification development process. This letter lays out the Agency's final decisions regarding these new requirements and outlines the schedule for qualifying products under the new Version 3.0 and 4.0 specifications.

Minor Edits and Clarifications

A series of minor edits have been incorporated into these final specification documents as a result of additional stakeholder feedback on the Final Draft specifications. Changes to the Eligibility Requirements include:

- **Document Management.** Creation of two separate specification documents for Versions 3.0 and 4.0.
- **Definitions.** Revisions to the definitions of Furnace Fan Efficiency and Heating Degree Days to provide better clarity. The AFUE definition is now harmonized with the definition in 10 CFR Appendix N Subpart B.
- **Product Family.** Under the Test Requirement's section, replacement of the term "Basic Model" with "Product Family" throughout the specification where applicable.
- **Excluded Products.** Clarification of Section 2B: Excluded Products, that furnaces intended only for commercial installation and/or with a rating of 225,000 Btu per hour energy or higher are not eligible for ENERGY STAR.
- **Energy Efficiency Requirements.** Clarification of performance levels to clearly indicate significant digits are to tenths of a percent. For example, U.S. North/Canada $\geq 95.0\%$.
- **Test Requirements.**
 - Removal of the reference to E_{AE} and E_F from Table 2, Test Methods for ENERGY STAR Qualification, as these requirements are not part of the furnace specification.
 - Clarification regarding the sampling plan options for purposes of testing.
 - Addition of new Interim Test Method "Interim Approach for Determining Furnace Fan Energy Use". Changes to the Interim Test Method include:
 - Title change to "Interim Approach for Determining Furnace Fan Energy Use"
 - New Term, $E_{Furnace}$
 - "e" Calculation. In the October 2010 final rule for test procedure on Residential Furnaces and Boilers, DOE included the annual electric standby mode and off mode energy consumption metric (E_{SO}) in the calculation of the Annual Electrical Energy Consumption metric (E_{AE}).

EPA understands that the addition of E_{SO} metric would affect the number of the models that would meet the proposed 2% ENERGY STAR Furnace Fan Efficiency requirement. As the proposed 2% requirement was not intended to include the standby and off mode electric energy consumption, DOE has revised the calculation of e to use $E_{Furnace}$ instead of E_{AE} .

ENERGY STAR Regional Label

Those furnaces that meet requirements for the U.S. South but not the U.S. North may only be labeled with the following U.S. South ENERGY STAR mark which clearly shows the unit only meets requirements for Southern states.



This applies to the units themselves, all product literature and collateral material. Products that meet the requirements for the U.S. North or Canada may be labeled using the general ENERGY STAR certification mark.

Effective Date and Deployment Timeline

EPA shares its Partners' desire for a smooth transition from one ENERGY STAR specification version to the next, with the objective of meeting consumer expectations that ENERGY STAR labeled products fully meet the latest requirements in effect upon their date of manufacture.

With this in mind, EPA has established the following timeline:

- Effective immediately, manufacturers may elect to have their Certification Body (CB) certify their eligible products to the Version 3.0 or Version 4.0 requirements for purposes of ENERGY STAR qualification.
- From October 1, 2011, CBs will be asked to stop certifying new product submittals to the existing ENERGY STAR Version 2.0 specification requirements. Note, however, that existing certifications to Version 2.0 will remain valid for the purposes of ENERGY STAR qualification until January 31, 2012.
- As of February 1, 2012 any product manufactured and labeled as ENERGY STAR must meet Version 3.0 requirements. At this time, all certifications of products to the Version 2.0 specification will be invalid for purposes of ENERGY STAR qualification and CBs will only submit product models certified to Version 3.0 to EPA.

Third-Party Certification

As a reminder, as of January 1, 2011 all new products must be certified by an EPA-recognized Certification Body (CB) before being labeled and marketed as ENERGY STAR. Upon satisfactory completion of all certification requirements, a CB will notify the Partner that the product is ENERGY STAR qualified and will submit qualified product data to EPA for listing on the ENERGY STAR website. For more information on the Third-party Certification program please visit www.energystar.gov/3rdpartycert.

Please direct any specific questions to Abigail Daken at EPA, daken.abigail@epa.gov or (202) 343-9375 and Sarah Medepalli, ICF International, at smedepalli@icfi.com or (202) 862-1268. Thank you for your continued support of ENERGY STAR.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Abigail Daken', written in dark ink.

Abigail Daken
U.S. Environmental Protection Agency
ENERGY STAR HVAC Program

October 24, 2011

Hampton Newsome, Esquire
Division of Enforcement
Bureau of Consumer Protection
Federal Trade Commission
Washington, D.C. 20580

Re: EnergyGuide Labeling of Oil Furnaces with Field-Selected Input

Dear Mr. Newsome:

In December 2008, AHRI submitted a letter to you requesting consideration of changes to the EnergyGuide label for oil-fired warm air furnaces to address models with multiple input ratings. We explained that certain oil furnace models are designed such that the input can be changed by using a manufacturer supplied alternate burner nozzle; this allows the installer to set the input of the furnace in the field depending on the requirements of the installation. In most cases, the AFUE of the furnace model will vary depending on its input rate. In such cases an EnergyGuide label with a single AFUE rating will not necessarily convey accurate information on the AFUE of the furnace at the installed input rate. We noted that our oil furnace manufacturer members want to provide more precise information to the consumer about the AFUE performance of the furnace at the various input rates. Therefore, we requested FTC to allow the option of using an EnergyGuide label showing different AFUEs, with the corresponding range bar, depending on the particular burner nozzle selected by the furnace installer.

On April 13, 2009, we met with you and representatives from the U.S. Department of Energy; the result of that meeting was that AHRI's proposed label was not accepted. Instead, it was suggested that the issue of multiple input ratings could be addressed in other information that supplements the label. Additionally, it was suggested that the EnergyGuide label for split system air conditioners could be used as a template for oil furnaces.

We have discussed that suggestion with our oil furnace manufacturer members and they do not believe that the format used in EnergyGuide labels for split system air conditioners is the best solution for their issue. The EnergyGuide oil furnace label needs to account for varying input rates in addition to the range of AFUE ratings corresponding to each input rate. The split system air conditioner template would not be able to account for this unique feature of oil-fired warm air furnaces.

Hampton Newsome, Esquire
Federal Trade Commission
October 24, 2011

Therefore, we have developed a modified proposed label which attempts to address the concerns expressed by either you or the DOE representatives at the April 13, 2009 meeting. This modified proposed label has the following changes:

- The label displays the different input rates of the furnace and a footnote has been added to explain why more than one AFUE is being shown on the label.
- The label shows the input rate of the oil furnace as shipped from a manufacturer's facility, which is the input rate of the unit if the installer makes no changes to the burner nozzle.
- The label includes check boxes for the other input rates that are available with that model of oil furnace. If one of the alternative nozzles is used, the installer will simply check the box corresponding to the installed input rate.

We believe that this sample label is in the best interest of consumers because it accurately conveys specific information to the consumers about their oil-fired furnaces based on the nozzle installed with the unit. This change will enable furnace manufacturers to provide more precise information to the consumers about their appliances, and at the same time aid consumers in selecting the most efficient oil furnace for their particular circumstances. It should be recognized that consumers are already familiar with multiple range bars and multiple AFUE ratings on EnergyGuide labels for multi-poise gas furnaces and will not be unduly confused by a similar EnergyGuide label for oil furnaces.

We request a meeting with you and appropriate DOE personnel as soon as possible to reinstate the consideration of this matter. Please let me know if we can provide further information that will assist you to expedite your consideration of this request. I can be reached at 703-600-0321. We will call you in a few days to discuss the scheduling of a meeting.

Respectfully submitted,



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SAMPLE FTC LABEL Oil Furnaces – Multiple Input Rates

U.S. Government Federal law prohibits removal of this label before consumer purchase.

ENERGYGUIDE

Furnace - Oil Thermo Products
Expected Input Rate - 105,000 Btu/hr VH-A
(Unless shown by installer's check below.)

☐ 84,000 Btu/hr **Annual Fuel Utilization Efficiency**

78.0 83.0 86.1
Least Efficient Most Efficient

☐ 105,000 Btu/hr **Annual Fuel Utilization Efficiency**

78.0 82.9 86.1
Least Efficient Most Efficient

☐ 119,000 Btu/hr **Annual Fuel Utilization Efficiency**

78.0 82.8 86.1
Least Efficient Most Efficient

☐ 140,000 Btu/hr **Annual Fuel Utilization Efficiency**

78.0 82.4 86.1
Least Efficient Most Efficient

Note: The installer must check ✓ the appropriate box for the installed input rate.

- Efficiency range based only on oil furnaces.
- For more information, visit www.ftc.gov/appliances.
- Annual Fuel Utilization Efficiency values based on input rate.