

DOE Update

BUILDING ENERGY CODES AND STANDARDS COMMITTEE MEETING

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DOE Update - Overview

- DOE Update
 - Energy Efficiency Standards
 - Non-Weatherized and Mobile Home Gas Furnaces
 - Regulatory Agenda & Settlement in Southern District of NY Timeline
 - Clean Energy for New Federal Buildings and Major Renovations of Federal Buildings
 - CEQ Federal Building Performance Standard
- Court Development
 - Commercial Package Boilers
 - Interpretive Rule

Energy Efficiency Standards

- Non-Weatherized and Mobile Home Gas Furnaces
 - DOE proposes to require a 95% AFUE standard for all non-weatherized residential gas furnaces and mobile home gas furnaces, *i.e.*, a condensing only standard
 - Comments Filed October 6

Energy Efficiency Standards

- AGA Efforts
 - Outreach to other trade groups and members
 - Joint Coalition Comments (27 Signers)
 - Chamber of Commerce GHG comments (7 Signers)
 - AGA Detailed Comments
 - History of supporting energy efficiently and current support
 - Process issues
 - Substantive/modeling concerns

Energy Efficiency Standards

- AGA Detailed Comments
 - Per DOE - 17% of consumers with a non-weatherized gas furnace will experience higher costs due to the proposed standards, including 15% of senior-only households, 14% of low-income households, and 20% of small-business consumers. For households with mobile home gas furnaces, 22% of consumers would be negatively affected by the proposed standard, including 15% of senior-only households and 13% of low-income households
 - AGA Adjustments - 29% of households with non-weatherized gas furnaces will face negative impacts as a result of this proposed rule; 34% of all households in the South with non-weatherized gas furnaces affected by this rule will face higher costs; and 40% of all rule-affected low-income consumers nationally with non-weatherized gas furnaces will have higher costs forced on them

Regulatory Agenda & Settlement Timelines

- Settlement in Southern District of NY Timeline with Regulatory Agenda
 - Pool Heaters
 - June 30, 2023 (RA Final Action May 2023)
 - Commercial Water Heaters
 - July 30, 2023 (RA Final Action July 2023)
 - Non-Weatherized and Mobile Home Gas Furnaces
 - September 30, 2023 (RA Final Action September 2023)
 - Residential Clothes Dryers
 - February 29, 2024
 - Residential Water Heaters
 - April 30, 2024 (RA NPRM May 2023)

New Federal Buildings and Major Renovations

- DOE Rulemaking to Electrify New Federal Buildings and Major Renovations
 - On December 21, 2022, DOE issued a Supplemental Notice of Proposed Rulemaking (“SNOPR”) that would require reductions in Federal agencies’ on-site use of fossil fuels
 - The SNOPR proposes to establish revised energy performance standards for the construction of new Federal buildings, including commercial buildings, multifamily high-rise residential buildings, and low-rise residential buildings per the EPCA, as amended by the Energy Independence and Security Act of 2007
 - This is a continuation of an effort started several years ago, but which was not completed
 - Under the SNOPR, beginning in 2025, federal buildings will be required to reduce their on-site emissions associated with the energy consumption of the building by 90% relative to 2003 levels. In 2030, the proposal would fully decarbonize the on-site emissions in new federal buildings and major renovations
 - The SNOPR aims to accelerate the electrification of the federal building stock by phasing out on-site fossil-fuel usage for end-uses such as heating and water heating
 - AGA staff is reviewing the SNOPR and comments are due February 21, 2023

CEQ Federal Building Performance Standard

- On December 7, 2022, the CEQ issued a Federal Building Performance Standard (“Federal BPS”) requires agencies to cut energy use and electrify equipment and appliances to achieve zero scope 1 emissions in 30 percent of the building space owned by the Federal government by square footage by 2030
- To count toward the Federal BPS goal, facilities must achieve zero scope 1 emissions from on-site fossil fuel use through building electrification
- The primary way to achieve this goal is through the performance pathway under which facilities must achieve zero scope 1 emissions, after exclusions, through efficient electrification of all equipment and appliances
- In short agencies must implement all practicable electrification for space and water heating as well as fully electrify all cooling, cooking, backup generators used for non-emergency services (e.g., demand response), and laundry energy loads

Court Development

- Commercial Package Boilers
 - Rule Remanded to DOE to provide further explanation
 - DOE published a supplement to the final rule on April 20, 2022
 - APGA, AHRI and Spire Challenged / AGA intervened
 - DOE has the authority to impose those standards only if it made a determination —supported by clear and convincing evidence— that they were economically justified
 - Court concluded that the record and DOE’s response to Petitioners’ comments failed to establish that DOE’s determination that the standards were supported by clear and convincing evidence was reasonable
 - In response, DOE issued a new final rule that maintained the same standards as the prior rule
 - DOE’s determination that the standards are economically justified was arbitrary, and its conclusion that clear and convincing evidence supported that determination was unreasonable
 - The Rule fails to address the critical defects in the 2020 Rule, was issued without process required by law, and manifestly fails to provide a full and sound explanation sufficient to justify the standards
 - Oral Argument Scheduled for January 20, 2023
- Interpretive Rule
 - AGA, APGA, Spire and Thermo Challenged
 - In abeyance

Questions

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