May 18. 2023 EPA Energy Star Notice



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Dear ENERGY STAR® Residential Heating and Cooling Equipment Partner or Other Interested Stakeholder:

Consistent with the Environmental Protection Agency's (EPA) focus on the potential for electric heat pumps to deliver energy-efficiency gains, pollution reduction and cost-savings to consumers, the ENERGY STAR program is proposing to sunset the certification pathway to the ENERGY STAR label for residential furnaces and central air conditioners (CACs). This will allow EPA to evolve the ENERGY STAR portfolio of product specifications toward identifying the most efficient electric equipment now available to consumers.

This proposal involves sunsetting the ENERGY STAR Version 4.1 Specification for Furnaces and removing CACs from the ENERGY STAR V6.1 Specification for CAC and Heat Pump Equipment. A similar sunset proposal will be considered for gas and oil appliances in the context of forthcoming revisions of the ENERGY STAR V3.0 Specification for Boilers, the Version 1.0 Specification for Dryers, and the ENERGY STAR V1.0 for Commercial Packaged Boilers.

With the passage of the Inflation Reduction Act, EPA sees an unprecedented opportunity for the ENERGY STAR program to support the national transition to the most energy efficient equipment available. The Agency recognizes an important responsibility to guide consumers to the choices that support the efficient electrification of residential space conditioning. As such, EPA is proposing to phase out the labeling and promotion of residential gas furnaces and CACs. Leading up to this sunset proposal, EPA has heard from a range of stakeholders emphasizing the opportunity the Agency has to focus the ENERGY STAR label on efficient electric products like air source heat pumps in order to highlight products that reduce energy consumption, improve energy security, and reduce pollution. In fact, heat pumps are as much as four times more efficient than even the most efficient condensing gas furnaces. Notably, while indoor NOx pollution is associated with gas appliances, electric appliances are not responsible for any direct emissions and garner significant emissions reductions even when source or upstream emissions from electricity generation are factored in.

With respect to cooling, stakeholders have highlighted the need for the ENERGY STAR label to serve as a market signal moving the United States towards energy efficient heat pumps. Estimates indicate that if all CACs were replaced by heat pumps about 50 Mt of CO2 would be avoided over 10 years and billions of dollars in heating costs would also be saved. EPA agrees that ENERGY STAR can serve as a trusted resource in helping American households understand the value of replacing their CACs with heat pumps. At the same time, EPA recognizes that households in the coldest climates may not be comfortable relying solely on a heat pump and may therefore retain their existing furnace in the near term. EPA intends to serve as a trusted source for consumers by providing guidance about how to use such a dual fuel system to save energy and minimize greenhouse gas emissions while staying comfortable.

Proposed Timing

EPA recognizes the investment ENERGY STAR brand owner and utility partners have made in certifying and promoting products in these categories and is sensitive to providing a reasonable transition period. The Agency proposes to sunset the ENERGY STAR Version 4.1 Specification for Furnaces and remove CAC from the ENERGY STAR V6.1 Specification for CAC and Heat Pump Equipment effective December 30, 2024, with no new certifications accepted after December 30, 2023.

Sincerely,

Ann Bailey, Director ENERGY STAR Labeling Branch US EPA

For more information, visit: www.energystar.gov

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