



**For Immediate Release**

November 22, 2024

## **Court Hears Arguments in Case to Strike Down DOE Furnace Rule**

*Washington* - The American Gas Association (AGA), in collaboration with other trade associations and a manufacturer, yesterday presented oral arguments before the Court of Appeals for the District of Columbia Circuit in *AGA v. DOE*, a legal challenge to the U.S. Department of Energy's (DOE) final Consumer Furnace Rule establishing new standards for residential furnaces and two other related rules. AGA supports efficiency focused building and appliance energy codes and standards that are technologically feasible, economically justified, and follow statutory requirements – a standard DOE's furnace rule fails to meet.

“DOE acted arbitrarily, capriciously, and contrary to the law by imposing amended efficiency standards for consumer furnaces and other products that would take noncondensing gas-fired appliances off the market,” **said AGA Chief Regulatory Counsel, Energy, Matthew Agen.** “DOE did not provide sufficient evidence that these standards are technologically feasible and economically justified, and we all need to recognize the very real impacts these standards could have on hard working Americans. Finally, DOE failed in its duty to allow stakeholders adequate information and time to comment on critical aspects of the rules. AGA has tried time and time again to work with DOE on these matters but have been left with no choice but to file suit to address these issues.”

The only natural gas furnaces capable of complying with this new rule are condensing furnaces that rely on [vastly different venting systems](#) and are often difficult or impossible to substitute in place of the conventional, noncondensing models due to physical limitations. Consumers who currently rely on noncondensing furnaces would be forced to remodel their homes or businesses to accommodate a condensing appliance, if even possible, or abandon natural gas appliances altogether under DOE's rules.

The Energy Policy and Conservation Act (EPCA) expressly prohibits efficiency standards that eliminate entire product classes.

“As the only natural gas appliances that will function in millions of homes, noncondensing furnaces clearly provide consumers with a unique performance characteristic,” **continued Agen.** “Eliminating noncondensing furnaces is a clear violation of EPCA. That alone is enough to vacate the final furnace rule.”

The final furnace rule also fails to meet EPCA's standard of “economically justified.” According to DOE's own analysis, the average consumer would save only a handful of dollars each year, with some customers taking almost a decade to recoup their replacement costs. Unfortunately, DOE's analysis isn't an accurate representation of reality.

"The meager savings claimed by DOE are inflated by their arbitrary assumptions. Their life-cycle-cost model assumes customers just choose appliances at random," **explained Agen**. "This court has already chastised DOE for using this kind of random assignment economic analysis for one efficiency standard and it's similarly fatal to the challenged rules. To make matters worse, DOE's own data shows that 34 percent of consumers impacted by DOE's furnace rule will face higher costs. This includes higher costs for 41 percent of low-income households and 33 percent of senior only households impacted by the rule."

Read the full legal briefs filed with the court [here](#).

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**About the [American Gas Association](#)**

The American Gas Association, founded in 1918, represents more than 200 local energy companies that deliver clean natural gas throughout the United States. There are more than 77 million residential, commercial and industrial natural gas customers in the U.S., of which 96 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.