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



## OFFICE OF AIR AND RADIATION

December 5, 2024

Dear ENERGY STAR® Furnace Stakeholder or Other Interested Party:

With this letter, the Environmental Protection Agency (EPA) is distributing the <u>Final Draft of the Version 5.0</u> <u>ENERGY STAR Furnace Specification</u>. The EPA would like to thank the many stakeholders who have invested time and effort to contribute feedback that has informed this product specification process. Any final comments may be submitted no later than December 19, 2024, to HVAC@energystar.gov.

The EPA received many comments on the Draft 1 specification from a wide range of stakeholders. Most commenters indicated support for a specification revision in lieu of a sunset. Commenters requested a wide range of effective dates for Version 5.0, ranging from 2025 to 2032, citing reasons such as the typical timeline for ENERGY STAR specification revisions, current qualifying model availability, upcoming Department of Energy (DOE) standards effective dates, and Inflation Reduction Act (IRA) incentives expiration. Several stakeholders supported the proposed 2026 effective date.

While many commenters expressed support for the proposed 97 AFUE level for gas furnaces, several requested that the EPA maintain the regional distinction and less stringent requirements in the South, noting that the cost/benefit analysis in the South does not support purchasing a higher-efficiency gas furnace because of the fewer number of heating days in the region. One commenter also provided compelling data showing limited ENERGY STAR market penetration in the South.

A more extensive summary and response to the comments received are addressed in the <u>Comment Response</u> Matrix.

## Key elements of Final Draft specification include:

- The regional distinction for gas furnaces is maintained in the Final Draft to provide consumers in the South better consumer payback and to take into account the market landscape of furnaces in the South specifically, as shown by data that stakeholders provided with their comments.
- The performance requirements for gas furnaces are 97 AFUE for the North and 95 AFUE for the South. Seven percent of gas furnace models currently meet the 97 AFUE level, while 45% meet the 95 AFUE level. All common sizes and major manufacturers are represented in the qualifying models at both of these levels. For the North, the annual savings compared to a new standard 80 AFUE furnace are 10.4 MMBtu and for the South the annual savings are 4.2 MMBtu. EPA calculated consumer payback of 5 years and 11 years respectively, using 2023 regional gas prices. While the payback will vary greatly from market to market, a 95 AFUE level in the South will be more favorable to consumers than the 92 AFUE level several stakeholders suggested. The oil furnace 87 AFUE level remains unchanged from Draft 1.

- The effective date is July 31, 2026. EPA considers this to be an appropriate timeline based on the interest of a large number of impacted stakeholders. This date will enable the revision to become effective ahead of the manufacturing ramp up for the 2026/2027 heating season.
- The UL certification reference for oil-fired furnaces has been corrected from UL 726 to UL 727.

#### **Comment Submittal**

To the extent you have any final feedback for the EPA's consideration, please submit written comments to <a href="https://dww.nc.gov/hvAc@energystar.gov">https://dww.nc.gov/hvAc@energystar.gov</a> by December 19, 2024. All comments will be posted to the ENERGY STAR Product Development website unless the submitter requests otherwise.

As a reminder, all documents related to this process are posted to the <u>Version 5.0 ENERGY STAR Furnaces</u> Specification Development webpage.

Please direct any specific questions to Abigail Daken, EPA, at <a href="mailto:daken.abigail@epa.gov">daken.abigail@epa.gov</a> or 202-343-9375 and Megan McNelly, ICF, at <a href="mailto:Megan.McNelly@icf.com">Megan.McNelly@icf.com</a>. For test procedure inquiries, please contact Julia Hegarty (DOE) at <a href="mailto:julia.hegarty@ee.doe.gov">julia.hegarty@ee.doe.gov</a>. Thank you for your participation in the ENERGY STAR program.

Sincerely,

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Abigail Daken, Product Manager ENERGY STAR HVAC and Water Heating U.S. Environmental Protection Agency

Enclosures:

ENERGY STAR Version 5.0 Furnaces Final Draft Specification
ENERGY STAR Version 5.0 Furnaces Final Draft Data Package

ENERGY STAR Version 5.0 Furnaces Draft 1 Comment Response Matrix

### For more information, visit: www.energystar.gov

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