

BECS MEETING

Update on Federal Regulations Impacting the Use of Natural Gas in Homes and Buildings

Matthew Agen

Chief Regulatory Counsel, Energy, AGA

January 15, 2025



Overview

- DOE Litigation
 - Interpretive Rule
 - Furnace Rule
 - Commercial Water Heater Rule
- Efficiency Standards
 - Consumer Water Heaters
 - Boilers
- ENERGY STAR
 - Furnaces
 - Boilers
- Transition Issues

Background on Final Rules

Interpretive Rule

- DOE Rejected Separate Product Classes for Condensing/Non-Condensing Products

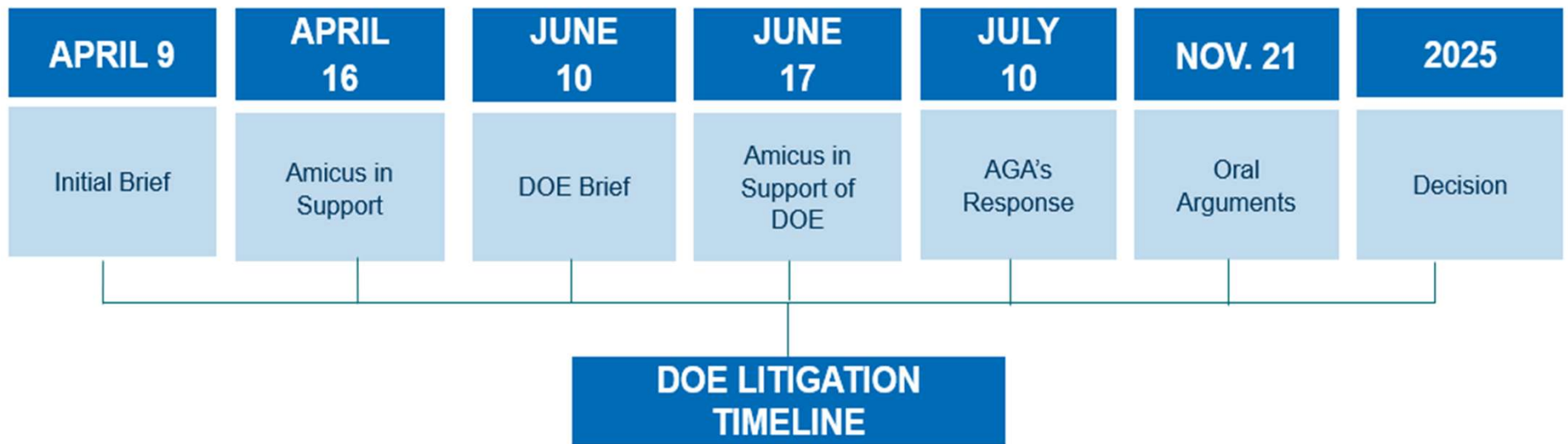
Furnace Rule

- Final Rule mandates 95% AFUE level, effectively eliminating non-condensing furnaces
- Affects 50-60% of Non-Weatherized Gas Furnaces Shipments
- Loss of 9% of space heating for consumers

Commercial Water Heater Rule

- Final Rule sets a condensing-only standard
- Requires gas-fired storage water heaters and storage-type instantaneous water heaters to have a 95% thermal efficiency
- 96% thermal efficiency for gas-fired instantaneous water heaters and hot water supply boilers except storage-type instantaneous water heaters.

DOE Litigation



Consumer Water Heaters and Boilers



Consumer Water Heaters

Instantaneous WH Final Rule December 2025
Eliminates Non-Condensing Instantaneous Water Heaters



Consumer Boilers

DOE proposes a 95% Efficiency Requirement
Condensing Only Standard

ENERGY STAR

- 2023 - EPA proposes to sunset furnaces and boilers from the ENERGY STAR Program:
- AGA's Efforts
 - Furnace – Comments filed on June 22, 2023
 - Boilers – Comments filed on July 7, 2023
 - CEO Letter – Filed on December 20, 2023
 - Coalition Letters
 - Meetings with EPA Staff
- April 2024 - EPA proposes to update the furnace efficiency level to 97 AFUE
- December 2024 – Draft Final Version 5.0
- January 2025 - Final Version 5.0, Effective July 2026
 - 97% AFUE for the U.S. North
 - 95% AFUE for the U.S. South
- Boilers - Pending



Transition Issues

- Executive Orders
- Regulatory Freeze
 - Pending Matters
- Guidance v. Final Rules
- Congressional Review Act
- Confirmation of Nominees
- Transition Letter to DOE
 - Efficiency Standards
 - Separate Product Classes, *etc.*
 - Natural Gas Ban in Federal Building
 - DOE and National Lab Code Activities
 - ENERGY STAR
 - Appliance Standards and Rulemaking Federal Advisory Committee



Questions

Matthew Agen
magen@aga.org