

May 17, 2012

The Honorable Steven Chu
Secretary of Energy
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20560

Re: Notice of Compliance Burden for May 1, 2013, Effective Date of Non-Weatherized Gas Furnace Minimum Efficiency Standards Published in June 27, 2011, Federal Register

Dear Secretary Chu:

In the June 27, 2011, Federal Register, the U.S. Department of Energy (DOE) published a direct final rule adopting consensus amended federal minimum efficiency standards for residential furnaces, central air conditioners and central air conditioning heat pumps. The direct final rule also contained standby and off-mode energy consumption standards for these products with the same effective dates as the consensus standards.

In the October 31, 2011, Federal Register, DOE confirmed the direct final rule and the amended standards effective dates contained therein, i.e. May 1, 2013, for non-weatherized furnaces and January 1, 2015, for weatherized furnaces, central air conditioners and heat pumps. The consensus standards adopted by DOE in the June 27, 2011, direct final rule had been presented to DOE in January 2010 by AHRI and several prominent energy advocacy organizations. We did not anticipate that it would take DOE nearly a year and a half to publish a direct final rule adopting the standards as federal regulations. Nevertheless, AHRI did not object when the direct final rule prescribed a compliance lead-time for non-weatherized gas furnace standards that had been compressed to a period of less than two years. By the time DOE confirmed the direct final rule at the end of October 2011, the lead time for compliance with the furnace standards had been further compressed to 18 months. Industry was willing to live with that reduced amount of lead time despite it being much less than the minimum three-year lead time originally anticipated by the industry when the consensus standards were presented to the DOE in January 2010. Although, historically and as a general rule, the Energy Policy and Conservation Act (EPCA) has provided the HVAC industry at least 5 years lead time for compliance with amended residential product standards, the industry accepted less lead time in presenting the consensus standards to DOE and even less time than that following DOE's delay in adopting the consensus standards.

The delay in the anticipated DOE rulemaking on enforcing the new standards has added complexity and uncertainty that potentially make it very difficult for industry to prepare for compliance. We also note the American Public Gas Association legal challenge to the new standards creates additional compliance uncertainty.

AHRI members prefer the non-weatherized gas furnace rule take effect on May 1, 2013 as planned. In order to meet this date, we need specific, final guidance by July 15, 2012 on the following issues:

1. We urge DOE to finalize the effective date of regional standards as date of manufacture and not date of installation. The date of manufacture approach is consistent with all prior HVAC standards rulemakings. Date of installation will create concerns over stranded inventory in the north region, requiring a minimum of 8 months to manage and potentially reposition to the southern region. This presents a significant channel dynamic impacting the manner in which manufacturers, distributors and installers produce, plan, order, ship and stock covered products.
2. Manufacturers require notice and lead-time for any additional data reporting requirements that may be triggered by the enforcement rule. While we do not believe additional reporting requirements are needed (see 2/6/2012 AHRI comments), we simply do not know what DOE is contemplating or what will be finalized. Guidance on this matter is required by July 15, 2012, or DOE must provide a 12-month lead time in the effective date for any such requirements when published.
3. The final FTC labeling requirements for these covered products are also unknown. AHRI provided comments to FTC (see 2/6/2012 AHRI comments). If the labeling requirements are finalized as proposed by AHRI, they can be implemented in a 3-month lead-time period. However, other labeling requirements may require a much longer period.

To comply with the May 1, 2013 non-weatherized furnace standard effective date, AHRI requires final guidance on these issues by July 15, 2012. If DOE is unable to provide such guidance so that manufacturers and industry distribution channels can properly resource and plan for compliance, AHRI will file a petition to delay the May 1, 2013 effective date for 18 months.

Respectfully submitted,



Stephen R. Yurek
President and CEO

Cc: ACEEE
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