From: <u>Hunt, Marshall</u>

To: <u>Eilert, Patrick L</u>; <u>Anderson, Mary</u>

Subject: Furnace Status Draft

Date: Wednesday, September 23, 2015 10:55:24 AM

This is to go to Jan and Karen for use with Nick

Jan and Karen

This is the present status of the DOE Furnace Standard rule making.

- 1. Congress forced DOE to consider the AGA,NRDC, and ACEEE capacity based 2 Tier Standard
- 2. While there may be some dissenters, AGA is in support of the compromise although the capacity level may go up from 55k BTUh. We want it as low as possible.
- 3. Advocating for a 95 AFUE for large furnaces (>55 kBTUh) and 80 AFUE for small furnaces is the best value for the nation and will work for California. Compared to the 92 single standard this would increase by 160% the Quads saved and increase the Net present value by 210%. This is surprising but is because the analysis predicts less fuel switching from gas to electric heating. California does not have fuel switching problems compared to other utilities, especially in the SE, but this is a nationwide standard.
- 4. We are working to have a Statewide IOU C&S Team comment letter. A draft will be out for review Friday and we will then know what position SCG will take.
- 5. There is a potential meeting of EE advocates next Wednesday in Washington DC at which time we will know more. I will already be in DC and will attend the meeting. I recommend that an update be sent to Nick on the 7th with the latest information for his use with AGA colleagues.

Please do not hesitate to contact me if you want more information. This compromise would not have happened if we and other EE advocates had not supported the DOE 92 AFUE standard.

Thank you for your attention to this important issue.

Please review and with your inputs I will send this ASAP.

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