

From: [Anderson, Mary](#)
To: [Hunt, Marshall](#)
Cc: [Eilert, Patrick L](#)
Subject: RE: Draft Furnace email
Date: Wednesday, October 14, 2015 7:57:19 AM

Please see my comments

From: Hunt, Marshall
Sent: Wednesday, October 14, 2015 7:34 AM
To: Anderson, Mary
Cc: Eilert, Patrick L
Subject: Draft Furnace email

Draft

Jan

Thank you for the opportunity to clarify points that you raise.

The Department of Energy released an initial furnace standard that would require a 92% efficient furnace, which is an increase from the current standard of 80% efficient furnace (effective 2015). A noncondensing furnace has AFUE values up to 80 and a condensing furnace will achieve AFUE (Annual Fuel Utilization Efficiency) values above 90. This achieved by adding a second heat exchanger. It was noted in the analysis that in some older homes in the northeast and in Los Angeles customers may pay more for the increased standard that what it would save.

NRDC, AGA, ACEEE, ASAP, and others worked on the capacity based standard but could not complete negotiations before comment letter were due in July. AGA and others went to the Congress to force DOE to revise their analysis to include a capacity based, 2 tier standard. Up to a certain capacity (Btu input) noncondensing furnaces are allowed. The theory is that when a large capacity furnace is installed the annual energy use will be higher. Savings are a percentage of the usage so higher usage will yield more savings which can offset incremental costs thereby increasing LCC. The Department of Energy released additional information and has requested comments on the furnace proceeding. As part of the newly released information DOE has issued a compromise, based upon the congressional requirement, that raises the capacity cutoff to 50 kBtuH. PG&E's C&S program is supportive of this compromise. We believe it is cost effective and in the best interest of our customers. Every single manufacturer makes furnaces that meet this standard. And the incentive programs do not provide many incentives (if any) for furnaces due to the low cost effectiveness of the measure. The impact to the market is minimal since the new standard would take effect no sooner than 2021

SCG would like to set the capacity cutoff at 65 kBtuH which would exclude most of the furnaces in California from the standard. Since most homes in California are less than 65 kBtuH due to home size and climate. PG&E initially advocated for a 45 kBtuH capacity cut off.

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