*History*

* The last time minimum efficiency standards for residential non-weatherized gas furnaces were adopted was in National Appliance Energy Conservation Act of 1987. In 2011, DOE proposed updated cost effective standard levels for this equipment based on a negotiated agreed levels by a joint coalition of manufacturers and efficiency advocates, including the California Energy Commission. Litigation from the American Public Gas Association in 2012 halted implementation of the standards for non-weatherized gas furnaces and forced DOE to open a new rulemaking.

*Opportunity for Stakeholder Engagement*

* In March 2015, DOE released for public review an extensive analysis on the costs and impacts of an proposed updated standards for residential non-weatherized gas furnaces. DOE’s analysis showed that there are cost effective, technically feasible efficiency gains with the proposed standards. DOE extended the initial 90-day comment period an extra month and has hosted three public meetings to get stakeholder input on the proposed levels and the analytical tools DOE used to support the rulemaking.

*Lost Energy Savings Opportunity*

* This Senate Bill, if passed, would prohibit DOE from finalizing standards that would resulting in significant energy savings.
	+ The 30-year nationwide energy savings at-risk is 27.8 billion therms. This is the equivalent of the gas used in over two years by the entire State of California.

*Recommendation*

* Oppose S. 1029 due to the significant, cost effective, technically feasible energy savings that would be lost. Since it has been more than the mandated 6 years since DOE last updated the standard and if, by passage of this Bill, DOE is further delayed from establishing updated national standards, a provision should be included to waive preemption and allow the California Energy Commission to adopt cost effective state standards as soon as possible in support of California policy goals.