

Manke, Adam P

From: Kristjansson, Sue
Sent: Sunday, October 4, 2015 6:49 PM
To: Schwecke, Rodger
Cc: Rendler, Daniel; Olson, Gabriel W; Mackay, Sean C
Subject: Recommended Course of Action for DOE Furnace NODA - Review and Response Requested

Importance: High

Rodger,

As you know the DOE issued a Notice of Data Availability (NODA) in response to the many opposition comments they received to the Residential Furnace NOPR. The NODA seeks to find a compromise to the original plan, which was to set a single standard across the Nation for furnaces at 92% AFUE, or condensing furnaces. PG&E filed comments in full support of the DOE's proposal for a single standard and even recommended a higher efficiency standard of 95% AFUE and is preparing a response to the NODA on behalf of the Statewide Codes and Standards Team recommending a smaller furnace size with a threshold of 35Kbtu/hr.

You may recall that one of our reasons for filing our opposition included procedural elements and a flawed methodology used in the analysis by the DOE, which they do not address in this NODA.

The NODA reflects a compromise on behalf of the DOE – one in which there would be two product sizes for the furnace standard.

-the aforementioned 92% condensing furnace

-a new smaller furnace class at 80% AFUE with a Btu input rating to be determined (which would be permitted under certain housing sizes)

Currently the DOE has not recommended a threshold input rating for the smaller product size but initial discussions would indicate that it is in the 45 – 50 Kbtu/hr range. In order for SoCalGas customers to experience the least negative impact, we would require a minimum threshold of 65 Kbtu/hr input rating. It is very unlikely that a compromise will be reached with DOE nationally because the Northern States would need a much higher input rating in order to mitigate the negative impact to their customers.

There are five obvious options available to SoCalGas regarding our position and response, they are:

- 1) Sign on to PG&E's joint letter – eliminated as an option because it does not support our original and continuing concerns with the 92% AFUE recommendation. I have asked my counterparts at SCE and SDG&E to consider remaining neutral and not joining PG&E on this letter considering they had no position in the original NOPR and as of now it appears that they will honor my request.
- 2) File independent comments specific to the smaller furnace size option
- 3) File independent comments dismissing the NODA compromise as it does not address the original concerns regarding the NOPR
- 4) File independent comments that address both the smaller furnace size option for SoCalGas as well as calling out the lack of remedy for our original concerns,
- 5) File no comments at all

I discussed this with Gabriel and Sean and we determined that our best course of action would be option #4.

If you could review these options and let me know if our recommendation is acceptable by no later than Wednesday, October 7th I can then develop the official comments for filing by the October 14th. One note, the AGA has requested an extension to the comment period and if that is granted we will have some additional time to review.

I would be happy to answer any questions you may have.

Thanks!

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