

Manke, Adam P

From: Kristjansson, Sue
Sent: Sunday, October 4, 2015 7:13 PM
To: Schwecke, Rodger
Cc: Rendler, Daniel; Olson, Gabriel W; Mackay, Sean C
Subject: RE: Recommended Course of Action for DOE Furnace NODA - Review and Response Requested

Answer to the PG&E question is:

-Pat Eilert of PG&E (PG&E is the official lead for the Codes and Standards program for California)
-Steven Long of SCE
-Chip Fox of SDG&E
-Me for SoCalGas

PG&E only has final say over what they choose to submit on behalf of PG&E. They filed independent comments to the NOPR as we did but SCE and SDG&E remained silent. PG&E is attempting to get the strength of the California IOU's to support his position but that does not look like it is going to happen. We will not sign on to their comments and I am quite confident that SCE and SDG&E will remain silent again.

Pros and Cons:

- 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.
 - a. Pro: I see no pro with this option. It is counter to our original position with the DOE.
 - b. Con: We would be completely reversing our position and, in my opinion, weakening our overall position in the gas industry. Also, we do not want a 92% AFUE nationwide and that is what PG&E is proposing with a very low threshold for the smaller furnace class.
- 2) File independent comments specific to the smaller furnace size option
 - a. Pro: We could present our position on a threshold of 65 Kbtu/h as acceptable to SoCalGas customers in the hopes that would be the minimum threshold determined
 - b. Con: We will have taken our eye off the ball by acknowledging only the compromise and ultimately abandoning our original concerns in their entirety
- 3) File independent comments dismissing the NODA compromise as it does not address the original concerns regarding the NOPR
 - a. Pro: This would send a clear message that we do not plan to be distracted from our original concerns
 - b. Con: We could be seen as unyielding and difficult
- 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,
 - a. Pro: This would show that we are willing to work toward a solution that is amendable to all but that we do require that the DOE address the other concerns.
 - b. Con: I do not see a Con to this choice
- 5) File no comments at all
 - a. Pro: Allows for interaction at the higher level by the natural gas industry associations (AGA and APGA)
 - b. Con: Leaves our fate in the hands of the associations. Could be seen as SoCalGas abandoning any involvement in the issue.

Hope this helps.

Sue Kristjansson
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From: Schwecke, Rodger

Sent: Sunday, October 04, 2015 6:59 PM

To: Kristjansson, Sue

Cc: Rendler, Daniel; Olson, Gabriel W; Mackay, Sean C

Subject: RE: Recommended Course of Action for DOE Furnace NODA - Review and Response Requested

Sue,

I throw you some questions as I think of them. First, who are the members of the Statewide Codes and Standards Team and does PG&E have final say in what is submitted?

I would like the pros and cons of each option and especially why option 4 is the best for us.

Rodger

From: Kristjansson, Sue

Sent: Sunday, October 04, 2015 6:49 PM

To: Schwecke, Rodger <RSchwecke@semprautilities.com>

Cc: Rendler, Daniel <DRendler@semprautilities.com>; Olson, Gabriel W <GOlson@semprautilities.com>; Mackay, Sean C <SMackay@sempra.com>

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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