

Gallarzo, Wednesday R

From: Mackay, Sean C
Sent: Tuesday, March 31, 2015 7:26 AM
To: Kristjansson, Sue
Subject: RE: Another DOE Proposed Rulemaking Impacting Natural Gas Heating

Are we in favor? I have a 1 p.m. that may run over and impact furnace rule.

From: Kristjansson, Sue
Sent: Tuesday, March 31, 2015 8:36 AM
To: Mackay, Sean C
Cc: Chawkins, Ken D; Wooden, Grant
Subject: Re: Another DOE Proposed Rulemaking Impacting Natural Gas Heating

I knew this one was coming. We're looking at this but not as feverishly as the furnace rule.

Board was widely in favor of the CAFE style legislative fix and approved the staff to proceed. We'll probably get more information on the legislative call today.

Sent from my iPhone

On Mar 31, 2015, at 5:29 AM, "Mackay, Sean C" <SMackay@sempra.com> wrote:

Today, the DOE published in the federal register another rulemaking but for residential natural gas boilers that are used in conjunction with radiators or baseboard heating. Do we have these types of systems in SoCalGas' service territory? The proposed rule would change the minimum annual fuel utilization efficiency (AFUE) for the following residential boilers: gas-fired hot water boilers (85 percent AFUE), gas-fired steam boilers (82 percent AFUE), oil-fired hot water boilers (86 percent AFUE) and oil-fired steam boilers (86 percent AFUE). I assume we don't need to worry about the oil burners.

Federal Register Notice: <http://www.gpo.gov/fdsys/pkg/FR-2015-03-31/pdf/2015-06813.pdf>

Also, any feedback from the AGA board meeting yesterday?

DOE Proposed Rule for Residential Boilers Lays Out New Energy Efficiency Standards

By Rebecca Kern | March 30, 2015 09:10PM ET

Residential Boilers

Development: A Department of Energy proposed rule would change the existing energy efficiency standards for gas and oil residential boilers.

March 30 (BNA) -- A Department of Energy proposed rule would change the existing energy efficiency standards for gas and oil residential boilers.

The proposed rule would change the minimum annual fuel utilization efficiency (AFUE) for the following residential boilers: gas-fired hot water boilers (85 percent AFUE), gas-fired

steam boilers (82 percent AFUE), oil-fired hot water boilers (86 percent AFUE) and oil-fired steam boilers (86 percent AFUE).

The DOE has not conducted an analysis of an AFUE standard level for electric hot water boilers and electric steam boilers because their efficiency already approaches 100 percent AFUE, according to the proposed rule.

The proposed rule, which was released March 30 for publication in the Federal Register March 31, also would set new energy conservation standards for the standby and off-modes for gas, oil and electric residential boilers.

Environmental, Cost Savings

The DOE estimates that over a 30-year period, from 2020-2049, the proposed standards would result in emission reductions of 12.9 million metric tons of carbon dioxide, 110,100 tons of methane, 100 tons of nitrous oxide, 300 tons of sulfur dioxide and 32,070 tons of nitrogen oxides.

The agency estimates that proposed AFUE conservation standard, and the standby and off-mode standard would cost residential boiler manufacturers \$4.49 million in conversion expenses.

The agency estimates the rule's cumulative net present value, which is the future value of operating-cost savings minus the increased product costs for boilers purchased from 2020-2049, would range from \$400 million to \$1.3 billion.

Based on these analyses, the DOE has “tentatively concluded” that the benefits of the rule (in energy savings, consumer benefits, consumer life-cycle cost savings, and emission reductions) would outweigh the burdens (the costs of manufacturers and life-cycle cost increases for some consumers).

The rule would go into effect five years after it is finalized by the agency.

To contact the reporter on this story: Rebecca Kern in Washington at rkern@bna.com

To contact the editor responsible for this story: Heather Rothman at hrothman@bna.com

For More Information

The DOE proposed rule is available at <http://op.bna.com/der.nsf/r?Open=sfre-9v4mcj>.

Daily Report for Executives