



Consumer Federation of America

IMMEDIATE RELEASE

July 13, 2015

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U.S. CONSUMERS COULD SAVE \$16 BILLION WITH PROPOSED RESIDENTIAL GAS FURNACE STANDARDS

WASHINGTON — Proposed energy efficiency standards for residential gas furnaces could save U.S. households at least \$16 billion according to top consumer experts calling for the adoption of standards. The [Consumer Federation of America](#), [National Consumer Law Center](#), [Massachusetts Union of Public Housing Tenants](#) and [Texas Ratepayers' Organization to Save Energy](#) have submitted comments to the U.S. Department of Energy (DOE) endorsing a proposed Annual Fuel Utilization Efficiency (AFUE) for furnaces of at least 92 percent and say that a 95 percent AFUE (including certain exemptions) would bring even greater consumer savings.

“The standards governing natural gas furnaces have been in place for almost a quarter of a century with no meaningful increase. U.S. consumers cannot afford to wait any longer for pocketbook savings of \$16 billion and total economy-wide energy savings of \$20 billion. These savings must be delivered post haste via new standards,” said Mark Cooper, director of research for CFA.

The consumer groups find:

- Energy savings under the proposed standard would be larger than the cost of fuel saving technologies – about twice as large.
- The payback period on efficient furnaces would be less than half the life of the appliance.
- Many more consumers would enjoy net benefits than bear net costs.
- U.S. households that benefit would have much larger gains when compared to the losses of the individuals who do not benefit from the standard.
- Consumer benefits apply to low-income consumers and in many cases, low-income consumers will benefit *more* than others.
- DOE has underestimated the net pocketbook benefits of the proposed standard.
- The standard brings significant environmental, public health and macroeconomic benefits.

“Low-income households are disproportionately renters, not homeowners. In the absence of strong, economically-justified furnace standards, owners will install less-expensive and less-efficient furnaces, burdening tenants with higher bills for decades to come,” said Charlie Harak, representing National Consumer Law Center in the joint filing. “We must move ahead promptly to adopt these long-overdue standards for furnaces.”

The groups urge the DOE to adopt a standard as soon as possible but certainly by the spring of 2016, which was agreed upon in a court settlement in 2014.

“Home heating is one of the largest single expenditures in the household budget of American families. Not acting is simply not an option—a decade of missed opportunities to create meaningful standards have allowed 15 million inefficient furnaces to waste \$13 billion in energy savings,” said Cooper.

The consumer groups are calling on the DOE to set a two-tiered standard to increase the overall net benefit to consumers and minimize burdens to consumers who might face high installation costs, or have low heating energy needs. Efforts to develop a compromise approach with industry stakeholders have been rebuffed. The groups have concluded that the DOE has the clear legal authority to leave the current standard of 80 percent AFUE in place for small furnaces (up to 50,000 Btu/hr) and adopt a higher standard of 95 percent AFUE for larger furnaces. This would increase net pocketbook savings by another \$5 billion.

“Although the harm done to consumers through years of inaction and stonewalling from the industry on this standard cannot be undone, by adopting a higher standard today, future harm can be prevented,” Cooper concluded.

To read the full filing, click here http://www.consumerfed.org/pdfs/7-13-15%20Joint%20Comments%20on%20Furnaces_Comments.pdf

The Consumer Federation of America is an association of nearly 300 non-profit consumer groups that, since 1968, has sought to advance the consumer interest through research, education, and advocacy.

The National Consumer Law Center is a non-profit organization with a broad mission of seeking economic justice in the marketplace for low-income households.

Massachusetts Union of Public Housing Tenants is a membership organization that represents the interests of the tens of thousands of families that reside in publicly-owned as well as privately-owned but publicly-subsidized housing in Massachusetts.

Texas Ratepayers’ Organization to Save Energy (Texas ROSE) is a non-profit membership organization that represents the interests of millions of Texas families, many of them low-income, on a broad range of energy and utility issues.