



February 28, 2019

Appliance and Equipment Standards Program  
U.S. Department of Energy  
Building Technologies Office  
Mailstop EE-5B  
1000 Independence Avenue SW  
Washington DC 20585-0121

RE: Notice of Petition for Rulemaking; Docket No. EERE-2018-BT-STD-0018

The National Multifamily Housing Council (NMHC), National Apartment Association (NAA) and National Leased Housing Association (NLHA) submit the following comments in support of the Petition seeking an interpretive rule stating that the Department of Energy's proposed energy conservation standards for residential furnaces would result in the unavailability of "performance characteristics" within the meaning of the Energy Policy and Conservation Act of 1975, as amended.

For more than 25 years, the National Multifamily Housing Council (NMHC) and the National Apartment Association (NAA) have partnered to provide a single voice for America's apartment industry. Our combined memberships are engaged in all aspects of the apartment industry, including ownership, development, management and finance. NMHC represents the principal officers of the apartment industry's largest and most prominent firms. As a federation of more than 160 state and local affiliates, NAA encompasses over 73,000 members representing nearly 9 million apartment homes globally. The National Leased Housing Association (NLHA) represents private and public providers of federally assisted rental property. Though NLHA's constituencies are many, the goal of the Association is one: the provision and maintenance of quality affordable rental housing for low- and moderate-income households. Taken together NMHC/NAA/NLHA members provide housing for many of the nation's 26.5 million renter households — 22.1 percent of all households — living in apartment homes in buildings with at least two units.

In promulgating the rule on efficiency standards for non-weatherized residential gas furnaces, DOE affirmed a regulation which effectively disallows atmospherically-vented furnaces in climate zones across the country. The efficiency standards the Department adopted were premised on incomplete and inaccurate economic assumptions regarding the multihousing industry.

Our organizations have submitted extensive comments on the Department's proposed efficiency standards for non-weatherized residential gas furnaces over the years. We have consistently raised concerns about the features of gas furnace products for use in multifamily properties. The Department's 2011 Regional Efficiency Standard failed to consider the significant physical and technical challenges that the installation of 90% annualized fuel use efficiency (AFUE) furnaces would pose for certain multifamily housing configurations. DOE assured multifamily

industry stakeholders that the technical concerns related to retrofit installations would be addressed in a subsequent enforcement rule due to be published in late 2012. However, this enforcement rule was never published. Several years later, the Department moved away from the regional efficiency approach and proposed a national rule requiring non-weatherized gas furnaces achieve a minimum efficiency level that would by design require significant building retrofits. DOE failed to consider the impact of this requirement on housing providers and the residents they serve.

In the context of existing multifamily properties, owners seeking to replace a gas furnace in an individual apartment home would be required to undertake the construction of an entirely new ventilation system within that apartment to meet the horizontal venting requirements of the condensing furnace unit – in many properties there is not sufficient clearance on the exterior wall of the property to locate a ventilation pipe due to existing windows and doors. Eliminating windows or limiting their operability is not an option in a residential unit. Depending on property and the equipment in use, altering the venting for the furnace may necessitate replacement of the gas hot water heater. In addition to the ventilation requirements, the plumbing issues attendant to this technology will also pose a considerable expense for owners who are seeking to replace an old or malfunctioning furnace with a new, efficient gas furnace. The cost impact of changing out flues and adding combustion air ducts to existing buildings impacts fire-rated floor assemblies. DOE has never included an analysis of the venting system/condensate system installation costs for multistory multifamily properties in proposals to require Category IV furnaces as the federal minimum efficiency products.

The multifamily housing industry supports the goals of the Energy Policy and Conservation Act (EPCA) to reduce energy demand and increase energy efficiency. Our members rely on federal programs like Energy Star to benchmark property operations and make purchasing decisions about appliances. We do not believe that Congress intended to prioritize energy efficiency over housing safety and affordability. In discussions with some housing providers, we have learned that they will seek to repair – rather than replace – older furnaces as a direct consequence of DOE having eliminated efficient, atmospherically vented gas furnace class of product in the name of higher efficacy.

NMHC, NAA and NLHA assert that multistory multifamily housing is uniquely harmed by DOE's decision to establish a high efficiency (92% AFUE) for non-weatherized gas furnaces that is dependent upon condensing technology without having properly considered the impact of the elimination from the marketplace of an efficient (80% AFUE) non-condensing gas furnace.

We urge DOE to develop a rulemaking that recognizes the technical constraints of multifamily properties and fully considers the costs of installation and the projected energy savings.

Submitted by:

National Multifamily Housing Council

National Apartment Association

National Leased Housing Association

