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U.S. Sets First Regional Energy-Saving Standards for ACs and Furnaces, Upgrades National Heat Pump Standards

Consensus Standards Developed by Advocates and Industry Will Save Consumers Billions

Washington, D.C. (June 10, 2011) – A diverse coalition of consumer, manufacturing, and environmental groups praised new energy efficiency standards just released by the U.S. Department of Energy (DOE) establishing the first-ever regional standards for central air conditioners and furnaces, as well as strengthened national standards for heat pumps. The new rules are based on a joint recommendation filed with DOE by the groups in 2009.

“Climates as different as those of Minneapolis and Miami need different furnace and AC standards,” said Andrew deLaski, Executive Director of the Appliance Standards Awareness Project (ASAP). “Until now, we’ve had one-size-fits-all national standards. These new, regional standards are a major breakthrough that will benefit consumers and the environment.”

Once the latest updated standards take effect, a typical new air conditioner in the South will use about 40% less energy, and a typical new furnace in the North will use about 20% less than before national standards were established in the late 1980s. According to DOE’s analysis, the improvements to the air conditioner and heat pump standards announced today will save 156 billion kilowatt hours of electricity over 30 years, or about enough to meet the total electricity needs of all the households in Indiana for three years, while delivering net savings of more than \$4.2 billion to U.S. consumers. The new furnace standards will save 31 billion therms of natural gas, or about enough natural gas over 32 years to heat all the homes in New York State for more than 11 years and save consumers \$14.5 billion. DOE posted the rule at http://www1.eere.energy.gov/buildings/appliance_standards/residential/residential_furnaces_cac_hp_direct_final_rule.html.

“The agreement on which the new DOE rule is based is another great example of industry and advocacy groups collaborating to save energy and improve the environment,” said Stephen Yurek, President and CEO of the Air-Conditioning, Heating, and Refrigeration Institute (AHRI), one of the organizations that negotiated the agreement. “It represents a major step forward in the nation's drive to increase energy efficiency. It will save energy and will provide industry with greater certainty in the marketplace, which enables more investment, enhances global competitiveness, and preserves jobs,” he said.

The energy savings from the new DOE standards also will deliver big benefits for the electric system, the environment, and public health. Improved air conditioner efficiency will reduce hot-summer-day electric demand by about 4,000 megawatts, or roughly the output of 13 large, gas-fired power plants. Global warming carbon dioxide emissions will be cut by up to 143 million

metric tons over 30 years, an amount about equal to the annual emissions of 25 million passenger vehicles. Power plant emission of mercury and smog-forming nitrogen oxides will also be cut.

"These standards are a triple win: a win for consumers, a win for public health, and a win for the environment," said David Goldstein, Energy Program Co-Director of the Natural Resources Defense Council (NRDC). "Under the new standards, air conditioners will still keep homes cool on hot summer days but will use less electricity, particularly during high demand days. This will lower electricity bills and the potential for brownouts and blackouts and will also reduce the amount of deadly air pollution that causes 'ozone alert' or 'red alert' days that can lead to serious health problems and even premature death. Furnaces and heat pumps that meet the new standards will heat homes using less energy, while lowering energy prices for all consumers due to decreased demand."

These standards will also protect low-income households, most of whom are renters dependent on their landlords to provide the heating system. "These new regional furnace standards will ensure that landlords install efficient systems, which will make tenants' heating bills much more affordable," said Charlie Harak, Managing Attorney of the National Consumer Law Center (NCLC) in Boston, Massachusetts.

Bipartisan legislation passed by the Senate Energy and Natural Resources Committee earlier this year also included standards based on the groups' 2009 agreement. However, even with this DOE announcement, a bill will still be needed since an additional key provision of the agreement can only be done via legislation. It would allow states to include even higher minimum efficiency levels for heating and cooling systems in their building codes for new homes. The Senate bill also includes standards for several other products based on similar consensus agreements.

"Now that DOE has rolled out the first regional standards for heating and cooling equipment, we urge Congress to complete the picture by acting on the consensus agreement regarding new home building codes, as well as the other standards," said Kateri Callahan, President of the Alliance to Save Energy. "We all know that constructing buildings efficiently 'from the ground up' is the easiest, most cost-effective way to ensure that owners of new homes reap the benefits of energy efficiency while reducing their carbon footprints."

The signatories to the joint agreement on which the standards are based are: American Council for an Energy-Efficient Economy (ACEEE), Alliance to Save Energy, the Appliance Standards Awareness Project (ASAP), Air-Conditioning, Heating, and Refrigeration Institute (AHRI), California Energy Commission (CEC), Natural Resources Defense Council (NRDC), Northeast Energy Efficiency Partnerships (NEEP), Northwest Power and Conservation Council (NW Council), and more than a dozen individual furnace and air conditioner manufacturers. Others on record in support of the new standards include consumer groups such as the National Consumer Law Center (NCLC) and Consumer Federation of America (CFA), gas and electric utilities such as National Grid and Avista Corporation and the Northwest Energy Efficiency Alliance.

The new furnace standards will apply beginning in May 2013 and the new air conditioner and heat pumps standards in January 2015. The original national furnace standards took effect in 1992 and today's rule is the first update. Initial national standards for air conditioners and heat pumps took effect in 1992, and a previous DOE update became effective in 2006.

“With summer approaching, the high cost of energy is once again on consumers’ minds as their air conditioning needs increase,” said Steven Nadel, Executive Director of ACEEE. “These new standards continue a long-term trend that has dramatically raised the efficiency of these essential products, delivering huge benefits for consumers.”

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National Consumer Law Center® (NCLC®) is a non-profit organization specializing in consumer issues on behalf of low-income and other vulnerable people. Since 1969, NCLC has worked with legal services and nonprofit organizations as well as government and private attorneys across the United States, to create sound public policy for low-income and elderly individuals on consumer issues.