July 9, 2015

The Honorable Ernest Moniz, Secretary
United States Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585

Dear Secretary Moniz:

The National Energy and Utility Affordability Coalition (NEUAC) respectfully submits the following comments on the new furnace efficiency rules (Docket No. EERE-201-BT-STD-0031;RIN 1904-AD20).

NEUAC is a broad based coalition of diverse organizations dedicated to heightening awareness of the energy needs and burdens of low-income utility consumers. Our coalition is made up of local and state utility assistance managers and advocates, utility representatives, fuel fund staff, utility regulators, human service-related nonprofits, weatherization managers, auditors and program developers and others with a personal or professional interest in reducing energy poverty.

NEUAC takes no position on the proposed guidelines that will make up the new furnace efficiency ruling. Our goal in these comments is to urge that the Department of Energy carefully consider how the rule could potentially add to the burden of low-income consumers. We understand that energy efficiency is an important tool in reducing the energy burden for struggling households. Many of our members work in the energy efficiency and weatherization arenas.

However, those who struggle with energy poverty also have been most impacted in recent years by the recession, severe weather crises and continued reductions to the Low Income Home Energy Assistance Program (LIHEAP). LIHEAP funding has been reduced by more than 30 percent since 2010 and now serves only 19 percent of eligible households.

The other 81 percent of eligible households are often in fragile circumstances and these are the citizens for whom we are most concerned when it comes to adapting to new furnace efficiency standards. Added up-front costs for equipment or retrofits could jeopardize the well-being of these vulnerable families in a disproportionate way both initially and into the future, including further reducing the efficacy of LIHEAP dollars.

Higher energy and energy-related costs have a disproportionate impact on vulnerable households, many of which currently pay as much as half their total income on home energy. And this potential additional burden impacts owners as well as renters. U.S. Census data reveal that 53 percent of low-income natural gas-supplied households are owner-occupied. Their nine million furnaces will likely have higher replacement costs under new efficiency rules. And renters are at the mercy of landlords who often pass along infrastructure costs to their tenants.
NEUAC believes that there is opportunity for low-income consumers to benefit from higher furnace efficiency, but not without serious consideration for the unique circumstances of vulnerable households. This group of low-income consumers will need extraordinary consideration to ensure they have reasonable access to support that would mitigate the cost of new furnace technology.

We look to the leadership within the Department of Energy to take the needs of all Americans into consideration in creating new furnace efficiency standards, but in particular those who could be most burdened.

Respectfully,

Monique Lovato, Executive Director
National Energy and Utility Affordability Coalition