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## Delays, weak standards set by U.S. Department of Energy burden Northeast residents with sky-high heating bills

*Study shows missed opportunities in lowering energy costs and demand through product standards; Department's current recommendations too weak for region*

LEXINGTON, Mass., September 23, 2004, 2004 – Delays by the U.S. Department of Energy (DOE) in issuing new energy efficiency standards for residential furnaces and boilers, commercial air conditioners and other products are particularly harmful to residents of Northeast states, which face some of the highest energy costs in the nation, according to a new study released today. Additionally, DOE's current proposed energy efficiency standards for some of those products are too weak, energy efficiency advocates charge.

The new report by the **Appliance Standards Awareness Project (ASAP)** criticized the DOE for its nearly decade-long delay in setting new appliance and product efficiency standards, and pointed out that setting appropriate new standards would result in lower energy usage, significant bill savings for consumers and businesses, as well as lower energy demand, which would ease the strain on an already burdened electricity distribution system in the Northeast. **Northeast Energy Efficiency Partnerships, Inc. (NEEP)**, a regional non-profit organization that promotes energy efficiency in New England, New York and the Mid-Atlantic states, and a partner organization to ASAP, supports the findings of the report and called on the DOE to set stronger national efficiency standards that will provide relief to the region.

“It does not make sense to move forward with the currently proposed standards, which are too weak for the Northeast,” noted **Susan Coakley**, executive director of NEEP. “Residents and businesses in the region need help in managing every day energy usage, particularly as we move into the home heating season. One way that the DOE can help is in requiring higher efficiency standards, especially for residential furnaces for cold weather states like the ones in the Northeast, which also suffer the highest gas costs in the country.”

According to the federal Energy Information Administration, seven Northeast states – Maine, New York, Vermont, New Hampshire, Massachusetts, Connecticut and New Jersey – are among the top 10 states in the country with the highest retail electricity rates. In addition, seven states – Maine, Connecticut,

Massachusetts, Rhode Island, New York, Pennsylvania and Maryland – of the top 15 states nationally with the highest residential natural gas prices are located in the Northeast.

“A one-size-fits-all national furnace standard ignores the fact that it’s much colder in the Northeast than in the southern states,” said **Andrew DeLaski** of Boston, executive director of ASAP and a principal author of the report. “DOE could fix this problem by setting two standards — one for cold weather states and one for the rest of the country.”

“Enormous energy savings are at stake,” said **Steven Nadel**, a NEEP board member and executive director of the American Council for an Energy-Efficient Economy, who was a principal author of the report. “Strong standards for these three products could slash Northeast electricity demand by about 2,200 megawatts, eliminating the need for as many as seven new power plants in the years ahead.”

Congress originally required that a new furnace standard be in place by 1994 and a new transformer standard by 1996. In 2001, DOE named development of new standards for residential furnaces and boilers, commercial air conditioners, and distribution transformers as “high priorities.” Since then, DOE has repeatedly missed self-imposed deadlines for advancing new standards for these three products as well as legal deadlines for another dozen products. Under Departmental procedures, following the “high priority” designation, initial proposals should have been out by late 2002 and final new standards this fall.

The report’s authors found that among the three “high priority” standards, the largest energy and economic savings would come from updating the residential furnace and boiler standard. But achieving these savings may prove controversial. Currently, DOE only regulates the oil and gas use of furnaces, ignoring the electricity consumed by furnace fans, despite the fact that, in a typical home, a furnace fan uses twice as much electricity as a new refrigerator. Furthermore, DOE has proposed one national standard, regardless of differences in climate and heating needs.

The report asserts that the new standards would save Northeast consumers and businesses \$5 billion (2004) net of increases in product prices due to the standards while cutting key pollutants that contribute to air quality problems and global warming. The full report can be downloaded at [www.standardsASAP.org](http://www.standardsASAP.org).

### **About NEEP**

Northeast Energy Efficiency Partnerships, Inc. (NEEP) is a regional nonprofit organization founded in 1996 whose mission is to promote energy efficiency in homes, buildings and industry in the Northeast U.S. through regionally coordinated programs and policies that increase the use of energy efficient products, services and practices, and that help achieve a cleaner environment and a more reliable and affordable energy system. For more information, please visit [www.neep.org](http://www.neep.org).

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