

# Repealing Furnace Standards Would Raise Monthly Utility Bills

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*The U.S. House of Representatives is expected to vote on a resolution to undo federal energy efficiency standards for residential furnaces. If the effort to undo the standards becomes law, it would keep outdated models on the market, raising utility bills for many households replacing their furnace.*

Heating is the largest energy use for most U.S. households, making up a significant portion of many families' utility bills in the winter. Federal standards for home furnaces updated by the Department of Energy (DOE) last fall are set to reduce those heating costs for many households by ensuring new furnaces sold in 2028 and beyond waste less energy. But a resolution now pending in the U.S. House would block the standards and prevent DOE from ever setting a substantially similar standard.

The standards will reduce average household costs by \$350 over the life of a furnace, which takes into account somewhat higher upfront costs. By midcentury, the standards will be cutting carbon dioxide emissions by an amount equivalent to shutting off 24 gas power plants. They will also reduce emissions of nitrogen oxides, which cause asthma attacks, cardiovascular disease, and even premature death.

The standards are widely supported by consumer and environmental advocates and furnace manufacturers.

**Canceling the standards would raise average annual home heating bills for consumers replacing an inefficient furnace by about \$50 per year.**

## Repealing the standards would raise costs by keeping energy-wasting models on the market

Nearly half of U.S. homes—about 50 million—are heated with a gas or propane furnace. Households with an inefficient (non-condensing) gas furnace face annual average heating bills of about \$600. For low-income households, high heating bills can force a terrible choice between paying for heat and other necessities such as food and medicine.

The updated standards will require new furnaces to use about 15% less energy than today's least efficient models, effectively phasing out non-condensing models. Too many consumers today end up with non-condensing furnaces because that's often what a landlord or a builder chooses. The new standards will ensure all models are efficient. Repealing the standards would instead keep energy-wasting models on the market, raising household costs for years to come.



## **Under the standards, most households will switch to condensing furnaces, a proven option**

DOE estimates that the vast majority of consumers who would have purchased a non-condensing furnace before the standards will instead purchase a condensing furnace. Condensing models use more of the heat from the furnace's combustion chamber, reducing energy waste.

Many consumers have already made the switch; about half of new purchases are now condensing models. These more-efficient furnaces are proven replacements for non-condensing models. DOE accounts for the installation costs of condensing furnaces in its analysis of the rule showing that the consumer benefits dwarf the costs. Canada has required new furnaces to be condensing models for more than a decade.

About 1 in 20 households will choose to switch to a heat pump rather than a condensing furnace, according to DOE analysis.

## **Gas utilities have fought efforts to phase out the least efficient furnaces for decades**

The big trade associations that represent gas utilities—the American Gas Association (AGA) and American Public Gas Association (APGA)—have long fought strengthened furnace standards that would reduce consumer bills (and gas utility sales). They stymied two attempts by the Obama administration to raise the standards, and they are now trying to block the new standards in court.

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