



To the Small Business Advocacy Review Panel

Revision of New Source Performance Standards for New Residential Wood
Heaters and Additional NSPS(s) for Other Residential Solid Biomass
Combustion Devices

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Comments for the Small Business Advocacy Review (SBAR) Panel, regarding the, Revision of New Source Performance Standards for new Residential Wood Heaters

Dear Ms. Power:

I am providing these comments to the SBREFA panel, on behalf of the organization I represent, the Hearth, Patio & Barbecue Association (HPBA), and our members, the many small manufacturers, retailers, and service companies whose livelihoods are involved in the manufacturing, marketing and servicing of residential heating appliances.

We appreciate the opportunity to comment on the material that EPA has provided to the SERs, and to provide background on the industry that will bear the burden of this NSPS review.

We are concerned that the materials provided to the SERs never included a full set of regulatory options and analysis. When we reviewed the EPA guidance on this process, (See, EPA-OPEI, *Final Guidance for EPA Rulewriters: Regulatory Flexibility Act as Amended by the Small Business and Regulatory Enforcement Fairness Act*, at 63-64 (subchapter 5.7.7) and 5.8.3 (subchapter 5.8.3) Nov. 2006, <http://www.epa.gov/sbrefa/documents/rfaguidance11-00-06.pdf>) we anticipated that the SERs would see a presentation with enough information to fully "...judge the likely impact of the rulemaking".

We appreciate that EPA has set extremely aggressive internal deadlines for this review, but we believe that all of the SERs would be able to provide the Small Business Advisory Panel (SBAR) much more specific responses had they been able to see the specific regulatory targets. Much of this process seems to be an information gathering process for EPA rather than an opportunity for small business to provide specific feedback to specific options. Moreover, this process often seems to be an informal and extended section 114 information request. If this sector is truly significant to EPA, then it may merit more traditional data-gathering and analysis. We think the interests of small entities would be well served by an opportunity to respond to specific emission targets for each sector, and we hope that the SERs will be afforded that opportunity prior to the NSPS proposal.

We have encouraged SERs, both HPBA members and non-members, to assist EPA in its information gathering process; and we recognize the challenge of gathering information for this small sector, made

up of many very small businesses. We hope the panel will use the input from this SBREFA process to review carefully the issue of national significance of many of the minor product categories. Many of these product types sell a majority of their units in only a single region of our country, as was made clear in the oral meeting. Of the smaller categories, only masonry heaters can be found throughout the U.S. in similar numbers. Cook stoves, coal stoves, and wood furnaces tend to be very regional in their usage pattern. We recognize the value of a review of the current NSPS for wood heaters, and understand the clear intention to add some other types of solid fuel appliances, but we will raise the issue of national significance throughout these comments wherever we think it is warranted.

We have divided our comments into several sections as follows:

- A. Introduction, including some of the history of this entire category
- B. Our response to the specific questions from EPA
- C. Important generic issues for the panel to consider
- D. Special issues related to wood burning fireplaces
- E. Conclusions

A. Introduction

To understand the potential impact of revisions to the Residential Wood Heater NSPS for the small businesses involved, we believe that it is educational to briefly review the history of this category and the process that led to the first promulgation. The affected businesses are comprehensive and include the producing, marketing and servicing of residential solid-fuel fired appliances and who make up a remarkably small segment of the U.S. economy.

Our trade association traces our roots back to 1980, following the second oil embargo, when two earlier groups combined to form the Wood Heating Alliance (WHA). At that time, the late 1970's and early 1980's, there was a massive and sudden demand for wood stoves. These early wood heaters were 'air-tight' in that they were often designed to operate with very little combustion air and smolder for long periods of time. While consumers were pleased with the high heat transfer efficiency of these early products, the regulatory community, especially in the western states, became alarmed at the rate of emissions. Oregon adopted legislation in 1983 that required all new wood stoves sold as of July 1, 1986, to be certified to an emission test that that state had created. Colorado followed this lead with a slightly different regulation that would require a separate certification program.

The WHA worked with these first two states to regulate wood stoves and was involved with EPA in the first NSPS for Residential Wood Heaters, which was a regulatory negotiation (reg-neg). At the time of the first NSPS there were still hundreds of small companies in this industry and several ran multiple small factories around the country. The promulgation of the first NSPS, coupled with the end of the energy crisis, resulted in the demise of most of these small businesses. (Note: See article circulated to the Panel and SERs on August 19, 2010, *There's a Freight Train Coming*, *Hearth and Home Magazine*, December 2009)

The disastrous impact of the first NSPS on wood stove companies is of great concern to many of the SERs who make products that have not been previously covered by the NSPS. The impact on small businesses of the first rulemaking indicates that these companies have a legitimate concern.

Following the completion of the reg-neg and recognizing that the potential impact of any NSPS focused on area sources depends on product-turnover; HPBA piloted a program of “Great Stove Changeouts” in Southern Oregon and in the greater Seattle area. In the Seattle changeout we partnered with the Puget Sound Air Control Agency, the regional office of EPA, and the local American Lung Association (ALA) chapter. In the following twenty years of changeout programs, HPBA has initiated and participated with many local, state, and tribal air agencies, as well as with EPA-OAQPS. At various times OAQPS has estimated that the total number of old residential wood stoves or wood stove inserts in the U.S. is between 9 and 16 million units.

HPBA played a crucial role in several whole town changeouts, predicated on the successful reduction of fine particulate matter (PM) on a smaller scale. The 1988-90 changeout in Crested Butte, Colorado in partnership with the Colorado Department of Health was credited by the state with a 59.5% reduction in fine PM in the years following the program. In a partnership with EPA, the State of Montana, and Lincoln County, Montana, a second whole town changeout took place from 2005-07 in Libby, Montana. The result of the Libby effort was a substantial reduction in both outdoor and indoor PM levels. Both HPBA and EPA have worked closely together to foster changeouts in any state, locality, or tribe interested in reducing particulate levels.

In the last five years, HPBA has worked with OAQPS to help create two voluntary programs (outdoor hydronic heaters and fireplaces) to address solid fuel burning residential equipment. In order to understand why these programs were developed, it is useful to review the history of NSPS and some of the issues that were important at that time.

The original NSPS-listed source category was “residential wood heaters,” which was deliberately chosen to exclude fireplaces, which are not heaters. Beyond that, the reg-neg committee focused narrowly on wood stoves (and some pellet appliances) and deliberately exempted other subcategories of residential wood heaters for various reasons (e.g., the lack of test methods for them, lack of similarity in operation to air-starved woodstoves). Many of the of the product categories being considered in this review are appliances that were deliberately left out of the NSPS.¹

The 1988 NSPS established two phases, and different emission targets for the two different types of emission control technologies. The first phase, which became mandatory at the manufacturing level in 1988, was almost identical to the required Oregon Phase II. In 1990, Phase II of the NSPS became mandatory for manufacturers, and was established at 7.5 grams/hour for non-catalytic heaters and 4.1 grams/hour for catalytic heaters. The NSPS contained a one year ‘exemption’ for small manufacturers. HPBA is unaware of any small manufacturer that was able to make sufficient changes in that year to continue operations at the end of that grace period.

Washington State decided to adopt a more challenging emission standard, although they did not wish to establish their own certification program. Consequently, Washington State adopted a standard requiring that only non-catalytic stoves having certificates from EPA of 4.5 grams/hour or less and catalytic stoves having 2.2 grams/hour or less could be sold in the state after 1995. Since Washington

¹ The state of Oregon had already created a test method for wood stoves, and had initiated a state certification program four years prior to the NSPS, which generated the data upon which Best Demonstrated Technology (BDT) was determined for wood stoves in the NSPS. Without that state program, EPA would have been unable to promulgate the NSPS at that time for lack of test methodology and data.

State was a major market for EPA stoves, and the home of several manufacturers, these numbers have become the de facto standard for new appliances nationwide.

As a result of the original decision to only regulate woodstoves (and some pellet appliances), the industry evolved into two groups of companies, those that predominantly manufacturer products covered by the current NSPS, and those that primarily make products *not* covered by the NSPS. This distinction creates a tremendous difference in the ability these two groups have to respond to the emission target levels suggested in this NSPS revision.

One of the principle distinctions between the two groups is the presence of a functioning in-house emission testing laboratory for the purposes of R&D. Leaving the Canadian and European companies outside this analysis for a moment, there are less than a dozen U.S. companies with an active internal emissions laboratory, and five of these companies are focused exclusively on outdoor residential hydronic heaters. Only a handful of U.S. companies focused on indoor, NSPS-qualified heaters, have maintained operating emission laboratories, and three of these companies are not small entities.

The bulk of small companies that represent the products covered by this NSPS review lack their own testing/certification laboratory for several reasons: 1) Some have been able to afford and arrange for certification testing by third-party consultants; 2) some had an emission testing laboratory early in the previous process, but now have switched to outside consultants since they need only to update their existing certifications; or 3) some never had, or needed, an in-house emission testing laboratory since they have focused on appliances not covered by the current NSPS.

As the SERs will attest, the costs of developing an in-house lab are substantial. Companies need the personnel to operate it, the space in which to operate it effectively (especially given the time frames that are proposed), and the equipment needed to run emissions testing. Solid fuel hearth product manufacturers are under considerable financial stress due to the downturn in home sales and remodeling and the overall downturn in consumer spending for large ticket items. Based on the industry's experience following the first NSPS, HPBA believes that many small entities that are new to this process may need to invest more than they can afford on an in-house testing laboratory before actually developing any new product lines.

B. HPBA's Response to EPA's Specific Questions

The information EPA has presented to the SERs are a series of questions, grouped into three categories:

- 1) Industry Profile
- 2) Costs/Market/Economics
- 3) Emissions/Technology

HPBA has suggested to other SERs that, while they are free to respond to any of the questions EPA raises, HPBA will focus our comments on the Industry Profile section and the SERs should address the Costs/Market/Economics section. HPBA believes that most of the questions in the third section, Emissions/Technology, are extremely technical in nature and beyond the scope of the SBREFA process.

All of the products covered by this NSPS review have seen a marked variation in sales volumes over the last ten years. There have been several surges in consumer demand during this period that have all been related to factors beyond the control of any company in this category, principally sharp run-ups in the cost of home heating because of increases in the cost of fossil fuels.

In the three years of 2000, 2005 and 2008, all of the wood heater categories that could be retrofitted into existing homes saw sharp and temporary increases in demand. In each instance, the subsequent year was the virtual opposite, i.e., demand collapsed. Knowledge of this volatility in demand is vital to understanding the ability of small entities to cope with dramatically increased R&D costs, such as those a revised NSPS might impose. When reviewing cost information and projected R&D costs, it is typical to assume modest annual changes in demand. However, this industry can experience demand increases of 100% or more, often followed the next year by equally large decreases. Obviously, larger businesses can better cope with this tumultuous market behavior than can small entities, especially if their product lines are more diverse and the fluctuating demand is category or segment specific. It affects all manufacturers when the demand fluctuations hit multiple product offerings.

In the case of products (such as fireplaces) that are installed principally in new homes, the dire situation in the new home market is well known. Following more than a decade of relatively consistent growth, the new home market has collapsed. This has been especially challenging for small companies that are attempting to create new products to meet the EPA voluntary fireplace targets.

Industry Profile

1. How many manufacturers are there for each of the product categories?

[e.g., wood stoves, pellet stoves, other solid biomass stoves, masonry heaters, manufactured fireplaces, site-built fireplaces, fireplace inserts, outdoor stoves, indoor and outdoor hydronic heaters and boilers and forced air furnaces, coal burning stoves, cook stoves, single-burn-rate products, pellet fuels, etc.]

The number of manufacturers per category is sometimes difficult to pin down, as companies enter or leave portions of the industry according to market conditions, sometimes with little warning. Determining the wood stove/inserts portion is relatively straightforward, since the NSPS mandates that a valid certificate, issued by OECA, must be in the hands of the manufacturer (or importer) prior to production or importation. The situations for most of the other categories, which fall outside the mandatory NSPS, are much more fluid.

Wood Stoves

When the original NSPS was promulgated, there were believed to be between 200 and 400 small manufacturers of relatively simple “air-tight” wood stoves. Shortly following promulgation the number collapsed to approximately 60 manufacturers, and has been further reduced to 34 manufacturers, and/or importers, of EPA certified wood heaters.

As will be discussed, our trade association has never distinguished among manufacturers and importers on the basis of whether they are U.S. or foreign owned. Instead, HPBA has always recognized U.S. operated manufacturers, and agents who import all of their product line, as manufacturers. In fact, some of the first products to qualify for the first NSPS were woodstoves from companies from New Zealand, and many of lowest emission stoves are currently manufactured in Canada.

In gathering statistics of units shipped each year, HPBA has relied on manufacturers to delineate between the various categories of EPA-listed wood heaters, e.g., free standing heaters, inserts, and zero clearance. The definition of free standing wood heaters is obvious. “Inserts” refers to wood heaters, as defined by the NSPS that are *inserted* into an existing fireplace. “Zero clearance” refers to wood heaters that are clad with protective insulation and may be built into a wall. Some companies who hold EPA certification will build all three; others build just one or two of the types of products. It is very common to certify a wood heater with the EPA that has, as an option, a pedestal. Without the pedestal, the product can be used as an insert, and with the pedestal, the product is a free standing wood stove. Some model lines consist of a single EPA certified appliance, and some model lines can include as many as four certified units. Some certified units will be sold with two different brand names as part of two separate model lines. Within the industry, product and model line profiles vary greatly.

EPA certified wood heaters typically use two major channels of distribution: mass market merchants and specialty retailers. Products made for mass merchants tend to be lighter weight in construction, and, given the lower margins and the purchasing power of the mass merchants, often have lower multiples of manufacturer costs to retail prices. These types of stores typically focus on cash and carry sales, and do not maintain control over the quality of installation. Specialty hearth retailers are instrumental in the distribution of EPA wood stoves and have been especially active in promoting changeouts and the subsequent destruction of old stoves. EPA stoves that move to consumers through this distribution channel typically have a higher multiple of manufactured costs to retailer’s price, but are often installed by a certified technician. Specialty retailers will also often light the first fire with the consumer, and make certain that they understand the operational difference between their new EPA certified stove and their old stove so as to maximize efficient operation and minimize emissions.

Pellet Stoves

Pellet-fueled heaters and multi-fuel pellet heaters may or may not need to be certified due to technical issues in the original NSPS. This lack of certification creates a relatively low barrier for entry and effectively means that the number of small companies in this sub-category can fluctuate greatly. We believe there are at least 27 companies selling pellet stoves/inserts lines in the U.S. market at this time. The size of these lines varies from companies with one unique system to companies with several separate combustion systems.

Multi-fuel heaters typically refer to units that may burn wood pellets, field corn, barley, or other naturally pelletized fuels, such as cherry pits, etc. They may be either room heaters or furnaces. The R&D considerations related to the combustion of corn are additional to the R&D issues related to wood pellets, and can be quite significant, as corn is more difficult to burn without clinkers than wood pellets. This is why not all wood pellet stoves can burn corn or other non-wood fuels.

Pellet or multi-fuel heater manufacturers who have yet to emission certify one of their units, but who will need to do so to comply with the revised NSPS, are especially at risk in this process. There is a suggestion at the conclusion of the memo for EPA, *Pellet Stove Cost Impact*, August 11, 2010 that R&D costs for emissions:

“...apply whether there is an NSPS or not, as manufacturers routinely update their model lines or develop new model lines to meet consumer demand for new features, improved appearance, and improved performance. Therefore, it is difficult to attach the entire R&D cost to the costs associated with meeting a certain emission limit, assuming that the rate at

which a model line is developed remains the same as it would in the absence of an NSPS limit that forces redesign.”

This statement is much more accurate for larger manufacturers, than for smaller entities, who often do not update their model lines very often. Furthermore, it misunderstands the significant difference between preparing a pellet unit to pass the fire safety testing and the much more difficult challenge of preparing that unit to pass a specific emission limit. The smaller companies that currently have more than one combustion system will have to test and certify each combustion system, or discontinue some models. While the list prices for safety testing range from \$6,500 to \$9,000, the actual “as completed” testing of a recent certified pellet stove for Hearthstone was \$17,500, a cost equivalent to the units emission testing. The actual laboratory costs for emissions testing are incurred after a great deal of R&D costs to prepare the unit for emission testing.

Small entities who have never certified a pellet stove, but only have safety tested their products are in for a major shock as they face laboratory costs that are at least as great as safety testing, and *after* they have spent a considerable amount on the in-house preparation to ensure that the unit will meet the requirements at the lab.

Hydronic Heaters

This is a relatively new category of wood heater that has evolved rapidly in the last decade. Hydronic heaters (HH) are located outside a building and heat water, which is then piped to a heat exchanger in the furnace ductwork, or to radiant piping in the floor. They sometimes are referred to as “outdoor wood boilers” (although they are not technically “boilers” since the products are not pressurized systems). These units are especially useful for rural households who have their own wood supply and heat other buildings in addition to their home. There are less than 15 manufacturers in the U.S. all but one of whom are small entities, and who sell from ~9,000/year to ~15,000/year, for an average over the last five tumultuous years of 11,500 units per year. (The barriers to entry in this category are minimal, and companies are constantly entering and exiting this category.) There has been a suggestion from a non-industry source that 67,000 of these units are sold each year, but HPBA is not aware of any actual data to support, or refute, that assertion.

Hydronic heaters are large and sell in a range of \$5,000 to \$35,000 depending on the size, with the most popular sizes averaging approximately \$7,500. These units typically cost \$2,000 or more to install. So far, the impact of the EPA’s Phase II voluntary hydronic heater program on the price of a new, low-emission hydronic heater seems to imply an increase of at least \$2,500, although it is very important to note that no company has met the Phase II target with a large unit (over 200,000 Btu’s).

The key issue for these small entities is the incremental price increase, as identified during the oral comments by an SER who specializes in this category. Will consumers be willing to pay 33% *more* for the improved emissions of these new units? By comparison, if new, low emission automobiles had cost 33% more when first introduced wouldn’t we have expected consumers to have begun maintaining their polluting old cars for a much longer period?

Several years ago hydronic heater manufacturers initiated an ASTM task force and created an ASTM test method for these units, given that the EPA’s method for fueling and testing wood stoves was inappropriate for these units. As noted above, EPA created a voluntary program for hydronic heaters several years ago. That program uses a test method similar to the ASTM method, with the important difference that the EPA method requires the use of crib fuel for batch-loaded models, while the ASTM

method uses cordwood.² Currently, 19 models are qualified under the Phase II standards in the hydronic heater voluntary program. A number of eastern states have adopted, or are in the process of adopting, regulatory programs (including changeouts) for these appliances.

As indicated, these new hydronic heaters are substantially more expensive than previous models. If EPA moves to establish an emission target for this category that goes *beyond* the target set by the voluntary Phase II program it will be extremely difficult for these small entities to make the additional investments to meet a new and lower goal. All of these companies need several years of sales to recoup this initial investment, before they embark on new targets. It is useful to remember that the companies that made woodstoves in the 1980's had the benefit of the Oregon program for several years prior to the key Phase II deadline of the original NSPS.

There is also a related, but separate product category, the indoor hydronic heater. Several companies have been established to import this type of technology from Europe, including one SER representative who has already been successful. The European approach to this type of product often involves heat storage tanks of water, which enables a relatively small firebox appliance to burn rapidly and cleanly, and then store the heat in its thermal mass until needed to keep the residence warm. This process is not unlike the concept used by masonry heaters.

The measurement of emissions in North America and Europe has evolved some important differences that have made it extremely difficult to ascertain any equivalency between the two methods. EPA has just recently begun some technical work in this area of method comparison, but it is unclear to HBPA that this work will be completed in time to apply to this review.

Wood Fired Forced Air Furnaces

This product is typically installed inside a home, often in a basement, co-located with an existing fossil fuel furnace. They were not included in the 1988 NSPS and have been unregulated since. Low energy prices in the 1990's have caused this category to shrink considerably. Today, the five-year averages of sales for all manufacturers of these products are between 30,000 and 35,000 per year. The sales of these appliances have always been regional and today the eight Great Lake states (including New York and Pennsylvania) account for 60% of these sales. The Midwest states of Nebraska, Iowa, Kansas, and Missouri account for an additional 22%. There are at least seven wood furnace manufacturers in the U.S. and all but one of them are small businesses. (There are several companies that make pellet furnaces, but these appliances are so similar to pellet stoves that they are part of that category.)

Furnaces are characterized by fireboxes that are generally much larger than wood heaters, and by the need to respond to thermostatically controlled heat demand very quickly. It has been clear for many years that simply applying the NSPS fueling and test method to these appliances would effectively eliminate them. This type of product is very popular in eastern Canada and Environment Canada along with the Canadian Standards Association (CSA) is working with small companies to create a consensus test method. The resulting method, included in CSA B415.1-10, has only just begun to be utilized by the EPA accredited laboratories. There has been no effort yet to circulate a furnace among laboratories and see what the inter-lab precision might be for this new method.

² The crib fuel specified is a predictable loading of oak 4x4 lumber pieces at prescribed moisture, and the cordwood method uses split oak firewood, of a prescribed moisture level.

A few years ago, a small business in Eastern Canada managed to design a small firebox furnace that was able to be certified to the EPA target, which raises the question: *could the EPA method for wood stoves but used for furnaces?* The company that designed this small EPA-certified furnace had to use the CSA B415.1-10 standard to develop its next generation of furnaces, which needed to have larger fireboxes. Applying the current EPA test standard to fireboxes bigger than 3.0 cubic feet was impossible given the abnormally low minimum burn rates. The CSA B415.1-10 standard, however, enabled this company to create a clean-burning furnace with a 4.7 cubic-foot firebox. This experience has demonstrated to all furnace manufacturers that the CSA B415.1-10 standard is the only appropriate method for assessing the emissions of large wood furnaces.

Masonry Heaters

Masonry heaters are extremely popular in Europe and Scandinavia. Many Americans have experienced the radiant heat comfort of a masonry heater and sought out builders of these products in the U.S. These heaters typically have a relatively small firebox and a long smoke path through a high temperature masonry core before exiting the stack. The user typically builds a very intense, hot fire, which burns quickly and transfers the heat from the exhaust to the special core of high temperature masonry material which then radiates the heat slowly into the dwelling. These products tend to be highly individualized by installing dealers or builders, who typically purchase their masonry cores from small manufactures. There is one large manufacturer in the world, based in Finland that exports to the U.S.

Although the number of these heaters installed each year is relatively small, fewer than 1,000/ year, they are installed in virtually every state in the U.S. (including Hawaii), and are more evenly distributed than several of the categories EPA is currently contemplating for inclusion in a revised NSPS. One of the SERs is a specialist in this category, and HPBA will defer to him for more specific comments.

Coal Stoves and Cook Stoves

Both of these products tend to be manufactured by very small companies (with the exception of one large entity which began with coal but now focuses on wood pellet heaters), often with regional distribution in the U.S. Both products have unique characteristics based on their traditional usage patterns, and neither product type can be effectively tested by the wood heater test method. Coal varies dramatically in its characteristics, from extremely high quality anthracite, which is almost pure carbon and relatively easy to burn, to highly varied bituminous grades which tend to have very high levels of volatile gases when burning.

There is more variation in coal composition than in tree species so that even if a heater could be “tuned” with an air system to burn bituminous coal it would almost certainly not obtain the same results with anthracite coal, and vice versa. HPBA and the coal stove manufacturers believe that EPA has considerably more work to do in this area before they can propose a test method for coal stoves, and it is well beyond the scope of these small entities to provide a method for EPA. There is no test method, no data set on the emissions from these units and no emissions reduction technology demonstrated for these appliances.

Cook stoves are another category currently exempt from coverage in the current NSPS. EPA has been working with the small manufacturers of wood cook stoves to tighten up the existing definition, with a view toward continuing their exempt status in the revised NSPS. HPBA commends these efforts by EPA to mitigate the potential impact of the rule on this handful of small, rural, small business, and

their traditional customers. In addition to being highly regional to the Midwest (principally the Amish, and some Mennonite communities), there are less than 1,000 units sold per year.

There are active and knowledgeable SERs in both the coal stove, and cook stoves category, and HBPA defers to their comments.

2. How many technically different products or model lines does each manufacture produce?

Many small manufacturers in the solid fuel category produce just one or two different products. Wood stoves alone or wood stoves and pellet stoves are typical product lines for several companies. There are, however, some notable exceptions, including some of the SERs, such as American Energy Systems and U.S. Stove Company, who manufacture a variety of product types. There are a number of small companies that specialize in only one type of product: e.g. uncertified pellet stoves, cook stoves, coal stoves, outdoor hydronic heaters, wood furnaces, or indoor wood boilers.

The range of technically different products per small manufacture goes from one to five.

3. What is the market share in the U.S. for each technically different product from each manufacturer?

This question is extremely difficult to answer and even the best informed answer will be extremely qualitative at best. In wood stoves, as defined by the NSPS, there are over a hundred specific products, grouped into a variety of model lines. Even the market share of particular companies is difficult to assess and virtually impossible to quantify for specific model lines. In the case of wood stoves, it is unlikely that any specific product has more than a 5-10% share. For pellet stoves, it is possible that a few models from each of a few separate companies together account for more than 40% of the new units. However, pellet stove sales are extremely volatile doubling or instead halving from year-to-year annually based in part on consumer perception of near term energy costs. This factor further obscures any assumptions about market share. In both woodstoves, and pellet stoves, there are significant manufacturers who are small entities but are foreign owned or located.

4. How many products on the EPA and/or WA certified lists are no longer manufactured? Do these tend to be higher emitting products and/or less marketable products?

The EPA list of certified stoves includes every appliance that has been certified under that program. Hundreds of appliances that have not been manufactured for many years are currently on this list. Additionally, some of the early certificates that were held by companies failed to survive after the first NSPS was promulgated. Many certificates are for products made by companies that have been merged with, and/or purchased by other entities. In some cases, there is one example of a single unit that has been slightly modified and recertified four times over the last 20 years, and was listed separately each time. In other examples companies changed addresses and the same units they produce were listed more than once, i.e. to each address. Specifically, this happened in the merger of Aladdin Hearth Products, Heatilator Inc. and Harman Stove Company, into a single entity under the corporate umbrella of Hearth and Home Technologies. The result of these mergers was that the EPA list had a list of over 60 appliances when there were only 14 models that are actually in production.

HPBA spent a good bit of time earlier this year addressing this issue with our members. The product of this effort was a data base provided to EPA that showed that there are currently 147 appliances on

the certification list that are in production: 110 are non-catalytic wood stoves; 15 are catalytic wood stoves; and 22 are EPA-certified pellet stoves.

5. How many manufacturers are small businesses [per product categories]?

As has been indicated, many of the product categories overlap, especially in the case of woodstoves and pellet stoves. In those two categories, only a few are not small businesses. We believe there are at least 60 small businesses in this overall category, of which approximately 32 are involved in wood stoves, with the balance focused on pellet stoves, outdoor hydronic heaters, warm-air furnaces, coal stoves, Cookstoves, factory built fireplaces, masonry heaters and masonry modular fireplaces.

With the exception of a few large manufacturers, virtually all of the companies in the hearth industry meet the definition of small business.

6. How many manufactures are members of HPBA? BIA? MCAA? MHA? MHOP? PFI?

Most of the appliance manufacturers in the hearth industry are members of HBPA. There are several (less than 10) non-members in the outdoor and/or indoor hydronic heater category combined. There are also several small coal appliance and cook stove appliance manufacturers, and at least two wood furnace companies who are not members of HPBA. We are aware of only one company in the woodstove category (Heat Tech, Gridley, Ca.) that is not a member of HPBA.

Additionally, HPBA has over 200 companies who self-identify as being part of the overall hearth category. These include companies that make critical components, such as chimney venting products or floor protection pads, OEM suppliers and tool set manufacturers.

The Pellet Fuels Institute (PFI) has 57 pellet fuel manufacturer members and 52 suppliers. The two Masonry Heater organizations have (with some overlap) approximately 160 members. Many are heater builders, and several are very small manufacturers who make proprietary heater cores for dealer and their own use.

7. How many foreign competitors are there [per product categories]?

This information is very difficult for HPBA to track. Furthermore, it begs the question of: what does the phrase “foreign competitors” mean? In the wood stove category, the Jøtul Company, of Portland, Maine, has been a leading provider of wood stoves in the U.S. for almost forty years. Jøtul’s products are generally assembled in Maine, with parts that come from Norway. Their R&D for the U.S. market is located in Maine, and they are responsible for many EPA-certified models. There may be as much value added in the U.S. by Jøtul as other domestically owned U.S. companies that import cast parts and other components from China.

Another excellent example of this integration is Hearthstone of Stowe, Vermont. They are technically a foreign owned company, although they have been making and selling wood stoves since their founding by two Americans in 1978. Hearthstone was one of the many companies that suffered under the first NSPS, but were fortunate enough to be purchased by one of their suppliers. Hearthstone continues to import cast iron parts from their parent company in Spain, and is preparing to export pellet stoves to Spain this year. They currently maintain 14 units with EPA certification.

The U.S. wood stove market has also always had a number of important Canadian companies.

Foreign competition has recently increased dramatically in the pellet stove category. Sometimes these foreign companies will establish wholly-owned distribution subsidiaries in the U.S., but in many cases these products are imported by small American owned- businesses, which may face the cost of EPA certification on their own.

As stated earlier, EPA is actively involved in a bilateral discussion with Swedish authorities on the subject of emission method equivalency for the testing of wood boilers. Should that discussion be successful, it is clear that the small entities in the categories of hydronic heaters and forced air furnaces will face substantially increased foreign competition.

Obviously, small entities are at a disadvantage to foreign competitors who always have their home market on which to rely should they not be able to meet an emission target on a particular deadline or, *at a price consumers are willing to pay for the product*. Small entities in the U.S. must meet every EPA target deadline, and must deliver product that is reasonably close to previous prices, and with similar warranties.

8. What is the best estimate of the percentage of new manufactured wood-burning fireplaces versus new site-built fireplaces?

The number of wood-burning fireplaces in new construction has dropped over the last 15 years, in favor of gas fireplaces. Over the period of 1998-2008, our manufacturers reported that shipments of new, factory built fireplaces have averaged 66% gas appliances vs. 33% wood appliances. The number of wood factory built fireplaces has dropped from an average of 600,000/year in 1999-2001 to 100,000/year at the end of this decade. This change reflects both the drop in new home construction and the rapid shift to gas fireplaces in the new homes that are being built.

Of these wood fireplaces it is clear from anecdotal information that in some markets a meaningful percentage of these units were installed in new homes with aftermarket gas logs and sold by the homebuilder as a gas fireplace.

The South Coast Air Quality Management District conducted an informal survey of actual new subdivisions in 2008 during the preparation of their wood burning regulation and found this to be the case in a majority of subdivisions visited by their enforcement teams. As a result of that finding, they adopted into their final rule the concept of equivalency for a gas log equipped wood fireplace with a gas fireplace. Similar practices by builders are reported in homebuilding markets across the south, including Phoenix, Dallas, Houston, and Atlanta. HPBA is not able to definitively track this practice since it takes place in the local market and our data is derived from units shipped, not installed. This practice clearly moderates the significance of these new, wood-burning fireplaces.

An extremely important point to remember when considering the impact of wood fireplace emissions is the products usage patterns. As documented in the information on fireplaces supplied to EPA from a literature review performed by Dr. James Houck, when surveyed for emission inventory purposes many homeowners report that their fireplace is not used at all. Specifically, an average of 32% are not used and an additional 59% are used for decorative purposes only (burning .069 cords of wood per year). Dr. Houck found that by averaging all the local and state surveys of wood usage that of the households that report using their fireplaces for heating the average wood consumption was only 0.656 cords per year.

Some of this information is covered in these comments in a special section on fireplaces.

HPBA cannot speak to the number of new masonry fireplaces installed each year but does believe that some portion of those units also receive a gas log when constructed and are effectively used as a gas fireplaces. (The growth of remote controls in gas logs has heavily influenced the trend towards initially installing gas logs in new wood fireplaces, which effectively make that product a gas fireplace). We defer to the SER from the Brick Industry Institute (BIA) for estimates of the number of new masonry fireplaces installed each year.

C. Important generic issues for the SBREFA Panel to consider

HPBA highlights below several important generic issues that merit consideration by the panel as they consider the potential impact of this NSPS revision on small business entities. As was stated orally at the August 25, 2010 meeting, many procedural or technical difficulties in complying with potential new NSPS requirements can be adequately addressed by larger entities, because they have greater financial resources. Small entities, which are in the majority of those affected by this rulemaking, are substantially more vulnerable to these compliance issues.

1. Inherent variability in measuring emissions of small wood-burning units, and the resultant lack of precision in test methods

Firewood is a naturally occurring fuel, which makes it much more variable than manufactured fuels such as gasoline. Consequently, SBREFA panel members need to be mindful that while reviewing the input from SERs, testing the emissions from these small wood burners is an inherently difficult task. The core methods used for NSPS certification were developed in the 1980's, building upon pioneering work by the State of Oregon, which developed the first wood stove certification program. The core fueling method relies on the use of "cribs" of standardized Douglas fir 2x4s and 4x4's lumber, as opposed to randomly selected pieces of cordwood. Thus, the NSPS emissions test was never designed to be predictive of field performance, but rather was always understood to be reasonably useful for benchmarking the relative performance of wood stove technologies, i.e., for discriminating between woodstoves that reflected BDT and those that did not.

In the more than 20 years since the promulgation of the NSPS, there has been no scientifically rigorous investigation of the variability inherent in the NSPS test method, despite the fact that more than 700 wood stove model lines have been certified. EPA has conducted a multi-year proficiency test program for accredited laboratories, which has generated a large data base of data that would inform such an analysis. Moreover, EPA has never determined the inter-laboratory precision of the method, although the agency committed to do that by July 1, 1990, in the background information document first version of the final NSPS.³

The fact that certification test results are a poor predictor of performance in the field coupled with the inherent variability in the certification test methods, and the lack of a rigorous assessment of that variability has important implications for this rulemaking proceeding. Simply put, if the variability in the certification test scores makes it impossible to discriminate meaningfully between an appliance with a 2 g/hr weighted average emission rate and one with a 4 g/hr emission rate, then there would be

³ *Residential Woodheaters – Background Information for New Standards*; EPA-OAQPS, November 1987, p 3-84, 3-85

no basis for lowering the standards, and imposing costs on either large or small entities to replace model lines that were certified at 4 g/hr. Moreover, even if it were possible to discriminate meaningfully between appliances with these emission rates, based on certification test scores, there would be no point in doing so if these differences did not implicate significant differences in real world performance in the field. Both of these issues need to be addressed in this process. Even if these more general issues can be adequately resolved, the variability inherent in the underlying method, together with the absence of a sound analysis of test method precision by the agency, puts small entities at substantial risk because they typically lack the ability to pay for the additional certification testing necessary to overcome a first round of testing which produces non-passing results which the entity believes are misleading. This risk is true not only for all of the methods involved in wood stove testing, but even more so for the newer, less proven methods created for other related products, such as hydronic heaters, and wood furnaces. It is worth noting, that these are appliance categories where small manufacturers predominate.

The NSPS provision of the Clean Air Act, section 111, requires EPA to set an NSPS at a level “which reflects the degree of emission limitation achievable through the application of the best system of emission reduction which (taking into account the cost of achieving such reduction and any non-air quality health and environmental impacts and energy requirements) the Administrator determines has been adequately demonstrated.” This means that, in establishing an NSPS originally or revising it, EPA must set the stringency of the NSPS at a level that is achievable without imposing unreasonably high direct costs or unreasonably costly side effects. It is now long-established that the emissions test methodology underlying a numerical emission standard is an integral part of that standard itself, and as determinative of stringency as the numerical standard itself. In the wood-burning context, this is especially true, as described above. Consequently, in order to tighten the current NSPS or expand coverage to new subcategories of residential heating appliances, EPA must determine the level of variability inherent in the applicable test methodology and set the numerical standard at a level that takes that variability into account so as to assure achievability without unreasonable costs. Moreover, EPA also must evaluate the market impact of whatever level of stringency it is planning to adopt and adjust it to avoid unreasonable impacts, including the disruption in overall competition that could occur by putting small entities at a competitive disadvantage. Unfortunately, past is prologue here: it is well-known that the current NSPS caused a massive contraction in the number of manufacturers and marketers of wood stoves, as described above.

2. Impact of the revised NSPS on changeouts

As discussed in the introduction, HPBA has worked diligently for 20 years to encourage the replacement or removal of older, pre-NSPS wood heaters. This process has accelerated with the partnership and leadership of the Voluntary and Innovative Programs group at OAQPS. Discounts and incentives from our industry have been combined with resources from local offset programs and Supplemental Environmental Programs (SEPs) to encourage the removal and destruction of older units that predate the original NSPS. Staffs of EPA, HPBA, the states and tribes are working together in seeking opportunities to encourage the removal and destruction of old wood stoves. With the advent of the voluntary program for hydronic heaters, we are beginning to see changeout programs discussed for those units, notably in Vermont and Fairbanks, Alaska.

In virtually every changeout program in which HPBA has been involved over the last 20 years, the cost of an EPA-certified stove has been a key factor in determining the effectiveness of the program. When consumers contemplate the replacement of an old stove, they naturally take into account the

commonplace reality that their old stove *still heats*. Consumers may appreciate the enhanced appearance of the new stoves, their increased efficiency and reduced emissions, but the fundamental conundrum for them is that the old unit is *not* broken, and the new units require a substantial outlay of household resources. Thus, the reality that changeout programs generally face is that the price level at which a consumer is willing to buy the new stove and abandon the still-serviceable old stove is less than the normal market price of the new stove and sometimes even less than the cost of producing the new stove. Consequently, some form of subsidy is generally necessary in order to have even a minimally effective changeout program.

Certainly the cost of producing a wood stove has increased for many reasons over the last 20 to 30 years, but prominent among these cost issues have been the R&D costs especially related to emission testing. Generally, as wood stoves become more expensive, it has become increasingly difficult to put together an effective changeout program because it takes larger subsidies or other incentives to persuade consumers to give up their still-serviceable stove and replace it with a stove for which they have to pay money. Thus, there is a direct relationship between the burdens that the NSPS program imposes on new appliances and the efficacy of changeout programs. The more EPA tightens the current NSPS for subject model lines and the more model lines the EPA adds to the NSPS, the more EPA is adding to the cost of production prices and the subsidization necessary to changeout the old stoves.

Credible estimates of the number of pre-NSPS wood stoves in use in the United States range between 9 and 16 *million*, and collectively their particulate emissions levels above the levels of substitute new wood-burning equipment are substantial. Recall that the AP-42 values for controlled (NSPS) woodstoves are 19.6 lbs/dry ton. The AP-42 emission rates for uncontrolled wood stoves are 30.6 lbs/dry ton.⁴

HPBA member manufacturers who respond to our quarterly survey report that in 2009 they shipped 141,747 EPA certified woodstoves (down from 193,593 in 2008) and 46,127 pellet stoves (down from 141,208 in 2008). It is simple to understand that, even if almost all of these units became replacements for the pre-NSPS stoves (which is not the case), the process of replacing those older units with new NSPS-certified stoves, or pellet heaters, is very lengthy. Changeout programs, however, are vital for reducing the atmospheric loading of particulate matter attributable to the pre-NSPS wood stoves. Thus, there is a direct but inverse relationship between the emission reductions that might be achieved by tightening and expanding the current NSPS and the emission reductions that might be achieved through market-driven (glacial) turnover and organized changeout programs. Broadly speaking, the more EPA strives for the former, the more it may sacrifice the latter, because of the realities of the marketplace.

Under section 111 of the Clean Air Act, quoted in part above, EPA must take this dynamic into account in deciding first whether a subcategory of residential heating appliances warrant a national-scale NSPS at all. Under section 111, EPA may newly regulate a subcategory of emitting equipment only if it first determines that newly constructed pieces of such equipment in the future will cause or contribute “significantly to air pollution which may reasonably be anticipated to endanger public health or welfare.” Whether a subcategory would be “significant” requires an examination of the likely incidence of such future equipment temporally and spatially, the levels of emissions from the

⁴ AP-42 Emission Factors, Vol.1, CH 1.10 Residential Woodstoves,
<http://www.epa.gov/ttnchie1/ap42/ch01/final/c01s10.pdf>

It is also important to remember that the NSPS units use ~ 33% less wood.

equipment, the efficacy of currently demonstrated control technology to reduce those emissions, the likelihood that state and local authorities could and would adequately regulate the emissions from a health and welfare standpoint absent a national-scale NSPS, and the societal costs of setting an NSPS for the subcategory. Here, it may well be that a subcategory of residential heating equipment is not “significant” within the meaning of section 111 in part because the added cost of compliance would so drive up market prices so as to suppress natural turnover in equipment and the efficacy of organized changeout programs. EPA must take into account the dynamic of NSPS stringency suppressing changeouts when it determines BDT. The potential for compromising the efficacy of changeout programs is a cost that bears on whether the technology really is the best choice for society. HPBA urges EPA to give careful consideration to this dynamic and to avoid compromising the efficacy of such proven programs.

3. Certification procedural issues and laboratory “log jams”

The current NSPS regulates one subcategory of residential wood heaters (wood stoves) and partially regulates pellet heaters. EPA is contemplating a massive coverage expansion to the NSPS by regulating a number of additional subcategories of heaters, and also potentially regulating fireplaces, which are used largely if not exclusively for aesthetic enjoyment and for heating. We applaud EPA for endorsing the concept of using independent third-party laboratories to take over some of the audit process when these laboratories hold their safety inspections, which will change the burden of follow up for the certified products. Even with this approach, however, it is obvious that there will be significant laboratory capacity problems, in light of the number of appliance categories that will be subject to the revised NSPS. In short, there will certainly be a log jam problem at the laboratories.

This refers to a massive number of new products that must be certified before they can be built, arriving at the few EPA accredited laboratories in a very short time. This issue must be taken into account in specifying effective dates for each of the new standards. If several categories have the same Phase II deadline, as postulated in the SBAR Panel Presentation (EPA, August 11, 2010), then there may be a severe log jam. Moreover, this is an especially acute problem for small entities who simply cannot afford to wait significant periods of time to get the regulatory approvals required to bring new model lines to the marketplace. In this highly seasonal business a small entity that cannot make a product in time for the selling season, due to a laboratory log jam, may not survive until the next season.

The certification process currently in use under the NSPS was developed through the reg-neg process, and represents a compromise worked out more than 20 years ago to reflect the situation that existed at that point in time. Many of the details of the certification procedures are less useful or necessary after 22 years of operating this program than they may have been originally. In order to accommodate the dramatic increase in models that may need to be certified under a revised NSPS, it is imperative that EPA’s OECA review some of their basic processes, especially as they relate to small businesses.

Currently, when one of the EPA-accredited testing laboratories submits a test report, the submittal must be in writing, as OECA is unable to receive electronic information. OECA then enters this information into a Lotus Notes® spreadsheet, at which time it can be reviewed and evaluated. Once OECA staff is prepared to issue a certificate of certification, good for five years, there is an additional delay as each package is passed through the OECA chain of command prior to being issued in final form. This process is anachronistic and cumbersome, and appears to serve only to delay the process. As an example of the value of this process, within the last 60 days a small entity was issued a

certificate with an expiration date that was exactly the same as the date of issue. (Clearly, in this case, the list of signatories failed to provide much quality assurance.) It was several weeks before EPA was able to rectify this mistake, during which the small business was unable to make and ship this model.

Small entities believe that OECA has committed minimal resources to the certification program, yet EPA proposes to bring into the program many more small entities (many of whom have yet to learn this process) and many more model lines into the program. Many small entities are as concerned with the potential for increased delay and uncertainty of the OECA-managed certification process as they are with the actual challenges of getting their models ready for the testing laboratory.

HPBA appreciates that OAQPS is sensitive to some of these issues, particularly to follow-up and enforcement issues. HPBA anticipates that the EPA will begin taking steps soon to address these issues, *prior* to the issuance of the final rule. Many small entities are concerned that the handful of large entities will find the resources to overcome procedural delays and distractions, while small entities will not be able to keep up. If EPA does bring more subcategories requiring certification testing into an NSPS that has been substantially expanded, HPBA would urge the agency to marshal the necessary resources to establish a fully efficient and responsive certification process that will help, and not hinder, industry.

D. Wood Burning Fireplaces

HPBA has special concerns about the decision to include wood burning fireplaces in the NSPS review. Fireplaces are not heaters. Their purpose and use patterns are very different than heater products such as wood stoves, furnaces, boilers, masonry heaters and pellet stoves. While they are included in about half of new homes, they are often primarily decorative, and the vast majority of factory built fireplaces burn only gas.

Low emission wood burning fireplaces are in the very early stages of their development, having only recently been included in a voluntary program that was finalized as recently as July 2009. HPBA believes strongly that low emission wood fireplaces should be afforded a period for new product development as were low emission wood heaters before the imposition of a regulatory program. Mandatory woodstove regulations were first enacted by Oregon in 1983 (with certification beginning in 1986), and the key phase of the Federal NSPS (Phase II) became mandatory in 1990.

The following information was prepared by Dr. James Houck, and HPBA has already shared this information with EPA at a special meeting on this subject in January of 2010, at our offices in Arlington, Virginia.⁵

Based on a comprehensive review of surveys by the Census Bureau, the National Association of Homebuilders, and local air agency surveys, HPBA has concluded the following with regard to fireplaces:

1. Approximately 51% of new homes constructed have one (or more) fireplaces; approximately 49% have no fireplace.

⁵ Total Projected Emissions from New Fireplaces 2016: Houck, Clark; Omni Environmental Services February 3, 2010.

2. Of the new homes with fireplaces, approximately 65% are gas fireplaces and 35% are wood-burning fireplaces. (This does not include gas log sets installed in wood-burning a fireplace that effectively increases the percentage of gas fireplaces—see discussion above).
3. Of the wood-burning fireplaces installed in new homes, approximately 32% are reported by homeowner surveys to be “not used,” 9% are used for “heating,” and ~59% are used for “aesthetics”.
4. Fireplaces used for heating use an average of 0.656 cords (1600 lb.) of wood per year.
5. Fireplaces used for aesthetic purposes use an average of 0.069 cords (170 lb.) of wood per year.

In assessing the impact of a mandatory emission standard for wood fireplaces it is important to keep in mind that the market for new homes has collapsed, and is recovering *very slowly*. HPBA has provided EPA with three different projections of housing starts over the next five years, based on current levels and historically based recovery patterns, and concluded last January, that a reasonable projection is approximately 691,000 housing starts per year, averaged over six years (2011-2016). (Subsequent events during this year imply that the new home market is not recovering as quickly as previously anticipated further reducing any justification for imposing an NSPS process on fireplaces.)

Using that estimate, the total *cumulative* wood fireplace sales over those five years is estimated at approximately 792,000 units. Using the use pattern breakdown, this results in a total of approximately 69,000 fireplaces used for heating, 428,000 fireplaces used for aesthetics, and 232,000 fireplaces *not used* over the six year period. (Under the most optimistic estimate of projected housing starts, these values might double.)

Projected particulate emissions for new fireplaces in 2016, based on the average of all three project housing start estimates is 1565 tons for baseline fireplaces and 777 tons if all fireplaces meet the EPA Voluntary Program Phase II limit (5.1 g/kg). This is a very small contribution to national atmospheric loadings in comparison to other forms of comparable combustion equipment such as biomass-burning industrial boilers.

If the trend to gas fireplaces continues or accelerates over time, which could occur with the increase in cost to wood fireplaces caused by the addition of emission control technology, the particulate emission estimates decrease. If the percentage of new fireplaces that use gas increases from the current 65% level to 75% the baseline fireplace emissions would drop to 909 tons and the use of the voluntary program’s Phase II value would drop to 466 tons. It is also important to note that virtually all of the air sheds, that violate the current 24 hour standard for PM 2.5 and many of the areas “at risk” of violating a new NAAQS should the standard be revised, already have limits on the installation of new wood fireplaces.

If housing starts trend to the most probable recovery estimate (represented by the third of the three estimating methodologies), these values are even lower. All in all, it does not seem possible on the basis of existing data to conclude rationally that wood-burning fireplace units have the national “significance” required for their regulation under section 111.

There are eight models that currently attain the EPA's Phase II voluntary fireplace standard. Their prices range from approximately double the current price of a wood burning factory built fireplace, to one unit that is more than 10 times the price of a basic fireplace and chimney. Sales of these new products have been modest due to the housing market and to EPA's lack of promotion and advocacy to state/local/tribal air agencies regarding the benefits of these products. This advocacy, part of the EPA's voluntary fireplace program commitment, was anticipated by the manufacturers who made substantial investment in cooperatively developing the test method and fueling protocol *at no cost to EPA*, and then individually invested in the development of new products.

HPBA believes very strongly that allowing the Voluntary Fireplace Program to continue and allowing companies to develop new products to meet these targets will be the best outcome for this category of products. The Voluntary Fireplace Program has just begun to show the results of five years of industry time and investment, and these companies deserve some time to recoup their investments. Given the unusually slow new home market, the presence of the voluntary program, and the decision by many local communities to ban wood burning fireplaces in favor of gas, a decision to include wood fireplaces in the *next review* of the NSPS will have no significant consequences for the environment, especially in sensitive air sheds.

D. Conclusions

HPBA respectfully urges EPA to devote the time and resources necessary to undertake a more rigorous and systemic process of data-gathering and evaluation than it appears to have undertaken to date, by focusing on the two key parameters of section 111, significance, and BDT. Moreover, HPBA urges that once EPA has developed its regulatory options and impact analyses, it re-activate the SBREFA process. This would allow the SERs to have a more meaningful opportunity for commentary and analysis than they have had in this SBREFA round. Giving the SERs a second SBREFA to more clearly inform the agency of the real world consequences of its NSPS options would enable the SBREFA Panel to give the Administrator a better-informed set of recommendations. HPBA stands ready to help in any way it can. The industry that supplies residential solid-fuel fired heating appliances to U.S. homes is made up largely of small businesses, and the impacts on those small businesses of a revised NSPS could be damaging, as well as EPA's to own efforts to change out pre-NSPS wood stoves. HPBA calls on EPA to be especially careful and attentive in circumstances like this where small businesses predominate.

Thank you for your time and attention. If you have any questions, please contact:

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