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U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Washington, DC 20460

**Re: Comments on “Standards of Performance for New Residential Wood Heaters, New Residential Hydronic Heaters and Forced-Air Furnaces
Docket ID No. EPA-HQ-OAR-2018-0195”**

Dear Sir or Madam:

The Hearth, Patio & Barbecue Association (“HPBA”) appreciates the opportunity to comment on the U.S. Environmental Protection Agency’s (“EPA’s”) proposed rule, “Standards for Performance for New Residential Wood Heaters, New Residential Hydronic Heaters and Forced-Air Furnaces,” published at 85 Fed. Reg. 31,124 on May 22, 2020. EPA is proposing to amend the existing standards, codified at 40 C.F.R. part 60, subparts AAA and QQQQ, to address the unprecedented consequences of the COVID-19 pandemic. Specifically, EPA proposes to temporarily restore some of the retail sales opportunities that EPA previously envisioned would be part of the five-year compliance period for the “Step 1” standards.

For the reasons set forth in EPA’s proposal and below, HPBA supports the proposal to amend the existing new source performance standards (“NSPS”) to allow retailers to sell Step 1-compliant wood and pellet stoves, hydronic heaters, and forced-air furnaces until November 30, 2020. Because of the COVID-19 pandemic and the consequent closures, stay-at-home orders, and other measures that states and local governments enacted to address the pandemic, retailers throughout the nation lost valuable sales opportunities at a time when they needed them the most: the final weeks of the Step 1 compliance period.

As HPBA has previously explained to EPA (see EPA-HQ-OAR-2018-0195-0242 of this docket), this lost time was critically important because the last months of the selling season can be a busy time for retailers as price-conscious consumers look for price reductions at the end of the season – the March to May time period lost due to COVID-19 closures was especially important this year as it represented the absolute last chance to sell these products and recoup at least some of a dealer’s investment. The proposed amendments would help give those retailers a final chance to sell their remaining Step 1 inventory and avoid having to absorb the costs of stranded inventory. EPA’s proposal fairly recognizes that those retailers were entitled to the full five-year compliance period for the Step 1 standards, and that a limited sell-through window towards the end of this year would simply provide them with the remainder of that compliance period.

I. Statement of Interest

Based in Arlington, Virginia, HPBA is the principal national industry association representing manufacturers, retailers, distributors, representatives, service firms, and allied associates for all types of hearth, barbecue, and patio appliances, fuels, and accessories, including solid fuel-fired home heating appliances such as woodstoves, pellet stoves, hydronic heaters, and forced-air furnaces. The 2,500-member association provides professional member services and industry support in education, statistics, government relations, marketing, advertising, and consumer education.

HPBA has a long track record of working cooperatively with the EPA and the States on wood smoke issues of common concern. This partnering started with the regulatory negotiations in the late 1980s that produced the current NSPS. Other successful partnerships include numerous woodstove change-out programs including, most prominently, the program in Libby, Montana that changed out about 1,300 uncontrolled (*i.e.*, not EPA-Certified) stoves, resulting in remarkable improvements in air quality both in the ambient air and indoors. In addition, HPBA partnered with EPA in developing and implementing two innovative voluntary programs for hearth appliances: the voluntary program for hydronic heaters, and the later voluntary program for fireplaces. The hydronic heater program is particularly noteworthy, as it fostered the development of a new generation of emission-controlled models that EPA has acknowledged have reduced emissions approximately 90% from baseline, uncontrolled levels.

II. The Proposed Sell-Through Amendments Are Needed to Try to Offset the Devastating Economic Consequences of the COVID-19 Pandemic and to Give Retailers the Remainder of the Full Five-Year Compliance Period that EPA Built into the 2015 Rule.

HPBA surveyed its retailer and distributor members in March and provided EPA with the results of that survey in a letter dated March 24, 2020, which appears in this docket as EPA-HQ-OAR-2018-0195-0242. HPBA conducted a follow-up survey of the 183 retailers and distributors who responded in March to develop comments to the current Proposed Rule. The survey, conducted from June 23 to July 1, 2020, asked the following questions:

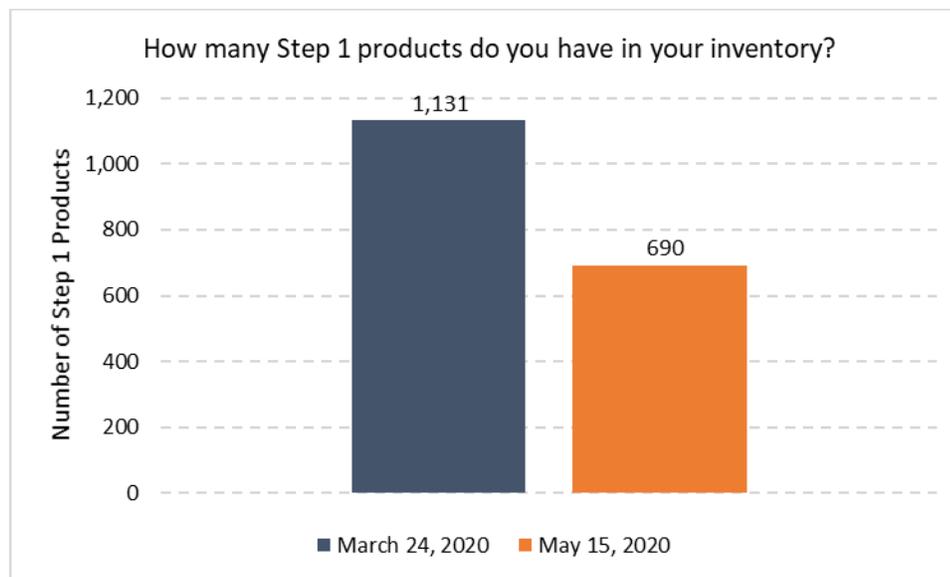
1. How many Step 1 products do you have left in your inventory?
2. What kinds of Step 1 products do you have left? (room heaters; central heaters)
3. Of your remaining Step 1 inventory, how many products are fueled by wood?
4. Of your remaining Step 1 inventory, how many products are fueled by pellets?

Of the 183 retailers and distributors who responded in March, 77 (42 percent) responded to the follow-up survey, providing an update to the March figures – 2,099 Step 1 units at that time, with an average of 11 units per business.

Below is a breakdown of the data provided by the 77 retailers and distributors, comparing data submitted in March 2020 to the latest information provided in late June 2020. A copy of this data (blinded) is included with this comment submission.

Of the 77 retailers and distributors who replied in June, they reported having 690 Step 1 units with an average of nine units per business. In addition, 63 (82 percent) said they had room heaters. Twelve respondents said they were able to sell through the remainder of their Step 1 inventory before May 15, 2020. Further, nearly 20 percent (128) of products remaining are fueled by pellets, which is widely regarded as the cleanest burning and most efficient biomass fuel source. None of these 690 Step 1 units are old, dirty, inefficient products. All of them were certified to the EPA’s 2015 standards.

Chart 1: Comparison of Survey Responses from March 24 and Late June



Several retailers and distributors have submitted comments to the EPA regarding how many woodburning products they sold between March 15 and May 15 each year since 2015. We urge you to review those comments and data.

Finally, HPBA incorporates by reference the comments we previously submitted on EPA’s November 2018 sell-through proposal, which appear in this docket as EPA-HQ-OAR-2018-0195-0063. Those comments explained in detail why:

- EPA has authority under the Clean Air Act to revise the existing rule to extend the period during which Step 1-compliant appliances can be sold at retail (at pages 4-8);
- When EPA finalized the 2015 Rule, it assumed that regulated entities would have a full five years to transition from Step 1 standards to Step 2 standards, and that compliance lead times are an important component of the Agency’s BSER determinations (at pages 8-13);
- A sell-through period of limited duration will *not* result in significantly increased emissions (at page 19-22).

The aforementioned comments are equally relevant to EPA's current proposal, and they provide additional justifications for why EPA should finalize the proposal and provide a modest sell-through period for retailers. We hereby incorporate them by inference into these comments.

III. Conclusion

HPBA appreciates the opportunity to comment on EPA's proposal to amend the residential wood heaters NSPS to allow retailers to sell Step 1-compliant appliances until November 30, 2020. We urge the Agency to promptly finalize the proposed revisions. The COVID-19 pandemic eliminated several critical weeks from the five-year Step 1 compliance period. Many retailers lost the final few weeks of this compliance period and thus were unable to sell what is left of their existing stock of Step 1 appliances. Without the proposed sell-through amendment, those retailers will be forced to absorb the costs of that stranded inventory during a particularly difficult and unprecedented time of economic hardship.

Respectfully Submitted,



Ryan Carroll
Vice President – Government Affairs
Hearth, Patio & Barbecue Association