

**Proposed Amendments to the 2015 Standards of Performance for New Residential Wood Heaters, Hydronic Heaters and Forced-Air Furnaces  
EPA Public Hearing**

**June 8, 2020**

**Written Comments from Ryan Carroll, Vice President – Government Affairs  
Hearth, Patio & Barbecue Association**

Good morning. I'm Ryan Carroll, Vice President of Government Affairs for the Hearth, Patio & Barbecue Association. I would like to thank EPA for continuing to look at a sell-through allowance under the 2015 New Source Performance Standards for Residential Wood Heaters and for allowing us the opportunity to speak before you today. The Hearth, Patio & Barbecue Association, or HPBA, is the principal national industry association representing manufacturers, retailers, distributors, and representatives for all types of hearth, barbecue, and patio appliances, fuels, and accessories. This includes solid fuel-fired home heating appliances, including woodstoves, pellet stoves, hydronic heaters, and warm air furnaces, all of which are appliances covered by the 2015 NSPS.

HPBA endorses EPA's proposal to provide a sell-through period for retailers with stranded Step 1 inventory. Although EPA determined in late March/early April of this year to deny two years of additional sell-through beyond the May 15, 2020 Step 2 effective date of the 2015 NSPS, the effects of the COVID-19 pandemic were not entirely clear at that time – and the wide-spread social and financial impacts were certainly not anticipated when the Agency proposed the sell-through in November of 2018, nor when EPA published the NSPS Final Rule in 2015. I will point out that there is a world of difference between EPA's denied two-year sell-through and the proposed extension allowing dealers to recoup the final two months of sales prior to an outright prohibition on sale.

In the 2015 NSPS, EPA regularly made reference to a full five-year period" develop and sell Step 1 appliances. In the November 2018 Proposed Rule for a two-year sell-through period for Step 1 sales, EPA sought "to ensure that the full 5-year compliance period is available so that consumers, manufacturers, and retailers are not adversely affected." With the stay-at-home orders, commercial closures, and greatly depressed consumer spending due to COVID-19 in the two months leading up to the May 15, 2020 Step 2 effective date, there can be no doubt that our industry's small business dealers across the U.S. were deprived of the full five-year sales period assumed by EPA. Importantly, they were denied arguably the most crucial two month selling opportunity. Had they been able to operate in late March, all of April, and early May, dealers across the nation would have been able to have traditional season-end sales. The promotional selling opportunities this year were especially needed for dealers with remaining Step 1 inventory, even if it meant selling units at a significant loss.

Instead, the opportunity to aggressively discount and sell appliances came to an abrupt halt – essentially during industry’s annual trade show, which many dealers attend. For many of the industry’s businesses, the shutdowns were even more stark, with sales of physical stock completely suspended (although service calls and other safety-related operations could continue).

It is important to note that the current sell-through extension is not a manufacturing extension (nor was the proposal in the November 2018 Proposed Rule). This will not lead to a growing stockpile of Step 1 appliances on the market as manufacturers continue to produce Step 1 appliances.

Just as this is not a manufacturing deadline that would dramatically increase the number of Step 1 appliances on the market, the existing inventory of Step 1 appliances is far lower than it has ever been as industry has worked diligently to clear out Step 1 inventory in the run up to May 15, 2020. In many cases, this was done through aggressive sales all winter. With OECA’s endorsement, HPBA also began promoting a Stoves to Homes Initiative in March of this year, allowing industry to donate unused, clean-burning Step 1 stoves to qualifying non-profits. Similar to a changeout program, the initiative allowed for these clean-burning appliances to go to families in need, generally as replacements for units that can be decades old. Combined with aggressive sales earlier in the season, the existing inventory of Step 1 appliances is at an all-time low.

We appreciate that it may be hard to precisely quantify the loss of sales and revenue from COVID-19 impacts, but we will work with our dealer members to provide EPA that information in written comments. However, a brief sell-through period later this year would be consistent with EPA’s oft-stated intention to give industry the benefit of a full five-year period in which to sell Step 1 inventory. We are simply looking for a means by which to ensure that this unprecedented global pandemic not compound the financial losses of our industry. EPA’s proposed sell-through period is one way to help small business in that regard, and we urge the Agency to promulgate sell-through as proposed.

I thank you again for allowing us to appear before you today and we look forward to continuing to engage with the Agency throughout this process.