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CALIFORNIA ENERGY COMMISSION

In the Matter of:

Hearth Products) Docket No.: 18-AAER-06

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STAFF WORKSHOP

RE: APPLIANCE EFFICIENCY REQUIREMENTS

FOR GAS HEARTH PRODUCTS

CALIFORNIA ENERGY COMMISSION

FIRST FLOOR – CHARLES R. IMBRECHT HEARING ROOM

1516 9TH STREET

SACRAMENTO, CALIFORNIA

THURSDAY, JUNE 6, 2019

10:00 A.M.

Reported by:

Lucien Newell

APPEARANCES

STAFF

David Nichols, Appliances Office

Jessica Lopez, Appliances Office

PRESENTERS

Cassidee Kido, California Investor-Owned Utilities

PUBLIC COMMENT

Barton Day, Hearth, Patio and Barbecue Association

Tom O'Leary, Skytech Products Group.

Ryan Carroll, Hearth, Patio and Barbecue Association

Mary Anderson, Pacific Gas and Electric

John Crouch, Hearth, Patio and Barbecue Association

Gregg Achman, Hearth and Home Technologies

Jerry Scott, Robert H. Peterson Company

Bryan Boyce (via WebEx), California Investor-Owned Utilities

Shannon Reyna, Hearth, Patio and Barbecue Association

AGENDA

P R O C E E D I N G S

10:00 A.M.

SACRMENTO, CALIFORNIA, TUESDAY, NOVEMBER 27, 2018

MR. NICHOLS: My name is David Nichols. Thank you. My name is David Nichols. I'm with the California Energy Commission in the Efficiency Division, the Appliances Office.

Before we get started today, I'm going to go over a few basic housekeeping items. Well, I will if this thing will turn. It's not working.

(Colloquy Between Staff)

MR. NICHOLS: Thank you. This workshop is being recorded. There is a court reporter. And it is on WebEx.

Restrooms are located outside these doors and to the right. There's also another set of restrooms to the left, just beyond the stairwell and in back of the elevators.

There are refreshments that are available on the second floor. We've just recently refurbished that room. There's some vending machines up there for snacks and water and soda and tea. There's also coffee available.

If there is an emergency, and we

certainly hope that there is not, we ask that you please follow Commission staff, who will be exiting to the park on the diagonal corner away from the Energy Commission.

I apologize. Hang on just one moment.

(Colloquy Between Staff)

MR. NICHOLS: Well, we appear to be having a technical difficulty. Give us just one moment please.

(Colloquy Between Staff)

MR. NICHOLS: Thank you. Again, welcome to the Energy Commission. My name is David Nichols.

This morning's workshop's subject matter expert is Jessica Lopez. Many you have been working with her and know her. She will present it in the -- she will be presenting the heart of the information today.

After I do a few little opening remarks and Jessica does the presentation, we'll be taking a very short five-minute break. That will be followed by the stakeholder presentation from the California Investor-Owned Utilities, Cassidee Kido. And then we will open this up for open discussion and public comment, followed by next

steps, and then we will be adjourning.

For those of you that are participating online, please mute your phone. Please use the raise-hand feature to make comments, we will un-mute you, or use the chat feature to make comments. We will read these comments into the record and respond accordingly. Please make sure that you state your name and the organization that you represent. We recommend that you log in to WebEx Event and use the audio pin to have the WebEx call you.

For those that are participating in the room, we ask that you please take a seat near a microphone, if it's available, or you may stand at the small podium, but I don't think we have a small podium here, just this up here. We will have microphones that we will make available to you. However, we would appreciate you sitting at the microphones at the seats. That would be a little more helpful, especially during discussion.

We ask that you please speak directly into the microphone. And as earlier noted, if it's red, it's dead. If it's green, you're go. Okay. So if you want your comments to be private

and not recorded and you're in front of a microphone, please look down first to make sure that it's in red.

We're going to ask that you please, again, if you're in the room, even though you might be known, state your name and the organization you represent. When you're done speaking, for safety, just flick it back to red so that you're in good shape. And we ask that, please, after you make any comments, that you provide the court reporter with your business card or name and information. He sent a paper around earlier getting some information but he may need some additional from you.

You may obtain a copy of all the documents from the docket attached to the meeting. If you go into the Title 20 website, you'll find the information for the link today.

So you may ask yourself, where are we in the pre-rulemaking status right now?

Currently, on May the 13th, the Staff Report and Analysis was submitted. This starts a 45-day comment period that will end on June the 28th.

We're currently at a public workshop

where you have the ability to give us your opinions, make comments on the matters. The ending period is still three weeks away. Your comments are going to be due to us by 5:00 p.m. on June the 28th. You may submit those comments electronically at the noted address there in the link. And this will be, again, available on the Title 20 outreach page. In the docket, it's under Outreach Information.

You can send -- and if you're submitting through electronically, there's two ways to do that. The first one is through a link. Just follow the link that is there in the presentation, go to Submit e-Comments, very simple to do. You may also send a hardcopy to us. You may also send us a digital copy.

Anything that you send us related to the workshop today, please make sure that you add the Docket Number 18-AAER-06.

And at this moment, I'm going to turn the dais over to our speaker, Jessica Lopez, subject matter expert. And we look forward to her presentation and to your comments.

Thank you.

MS. LOPEZ: All right. So good morning everyone. My name is Jessica Lopez. I'm an Associate Energy Specialist in the Appliances Office here at the Energy Commission. I would like to welcome everyone here and those who have tuned in to our Staff Workshop on Proposed Energy Efficiency Standards for Gas Hearth Products. The purpose of today's workshop is to provide an overview of our proposal. And it is also an opportunity for the public to make comments and to ask questions about our proposal.

So like it was mentioned previously by David, the presentation slides are available online on the docket.

Let's see if everyone can hear me now.

So all the presentation slides are available on the docket right now. We've also provided copies at the entrance of this hearing room. The docket also includes the Draft Staff Report which details our proposal.

So here's the agenda for today's presentation. I will begin with some background. This will include a timeline of events with the Energy Commission and with Staff, a rulemaking status update, and background on other regulatory

approaches.

Next, we'll provide an overview of our proposal, follow-up with our Technical Feasibility Analysis, and the results of our Savings and Cost Analysis.

After my presentation, I'll take any clarifying questions on this presentation. But any substantial comments and general statements should be saved for the comment period after the remaining presentations.

Lastly, I'll list some discussion items to consider to help facilitate a discussion during the comment period.

So let's get started with the background. Again, this will include a rulemaking history, a status update, and we'll get into other regulatory approaches that have influenced our proposal.

Let's see, so here's a timeline of events with the Energy Commission and Staff in relation to gas hearth products. On January 17, 2018, the Energy Commission issued an order instituting rulemaking to begin considering efficiency measures for hearth products and to publicly notice stakeholders of the intent to analyze

efficiency measures for gas hearth products.

On March 12th, the Energy Commission released an invitation to comment, allowing interested parties to submit comments and proposals on the appliance efficiency standards for gas hearth products. This invitation initiated the pre-rulemaking process. I'll go into more detail towards the end of the workshop today. But the comment period for this invitation ended on June 11th, 2018. And during this time, Staff began meeting with representatives and members of the Hearth, Patio and Barbecue Association, also known as HPBA, to discuss the Energy Commission's rulemaking process, discuss technical characteristics and functions of gas hearth products, and to address any concerns.

So thank you, Ryan and John and Eric, for setting up those meetings and for your participation in those, and also to the manufacturers who also participated in those meetings.

We also initiated a Working Group which consisted of representatives and members of HPBA, the California Investor-Owned Statewide Case

Team, and the Appliance Standards Awareness Project.

So given the history with the Department of Energy and the proposals coming out of Canada, we wanted to address some of the concerns around the definitions early on.

So the Working Group, the main focus of that Working Group was to focus on the proposed definitions.

So moving on, more recently, on May 13, the Energy Commission published a Draft Staff Report on Gas Hearth Products which lays out our staff proposal and supporting analysis. As previously noted, the Draft Staff Report has a 45-day comment period which will end on June 28th, 2019.

And so during that comment period of the Draft Staff Report, we hold a public workshop, which is what we're having here today. When the comment period ends, we will review the comments we received and revise our Staff Analysis accordingly. And once complete, we will begin the formal rulemaking process of adopting appliance efficiency regulations for gas hearth products.

So now I would like to provide you with some context to which our proposal is derived from.

In the United States, at the federal level, there are currently no federal standards. But at one point, as you may know, standards did exist at the federal level. In 2010, the Department of Energy established efficiency standards for vented gas hearth products but these standards were vacated in 2013.

Following that, in 2015, the Department of Energy released a Notice of Proposed Rulemaking for Hearth Products, recommending to define hearth products and to prohibit hearth products of being equipped with a continuous pilot, but this rulemaking was withdrawn in 2017. Thus, these products continue to not be federally covered and California is not preempted from setting its own standards on them. Details of this history is included in the Staff Report.

And then throughout the United States, several states have offered rebates based on fireplace efficiency and/or pilot type, such as in Washington and Oregon.

In California, there are currently no

appliance efficiency standards but there are California Building Energy Efficiency Standards under Title 24. In the 2016 Building Energy Efficiency Standards prohibits continuous pilots on gas fireplace, decorative gas appliances, and gas logs. The 2019 Building Energy Efficiency Standards prohibits continuous pilots on gas-fueled indoor and outdoor fireplaces. And again, details of these requirements are detailed in the Staff Report.

So moving on to outside the United States, many of you are probably familiar with Canada's standards. Just to give you some history, in 2003, on a federal level in Canada, Natural Resources Canada, or NRCan, set test and list standards for gas fireplaces. British Columbia followed in 2007 with testing and marking requirements.

And more recently, British Columbia adopted standards for venting heating, decorative vent -- for vented and decorative gas fireplaces manufactured on or after January 1st, 2019 with the following requirements: setting a minimum fireplace efficiency, or FE, standard of 50 percent for heating gas fireplaces; decorative

gas fireplaces must continue to be tested to measure fireplace efficiency; they've adopted the 2015 version of the Test Method CSAP41 (phonetic); and they prohibit the use of continuous pilots for decorative and -- for heating and decorative gas fireplaces. They are also requiring decorative fireplaces be marked as decorative and not intended as a heating appliance. And they are also requiring that heating gas fireplaces display the fireplace efficiency rating.

NRCan is currently in the process of updating their standards to align with British Columbia, but they are including additional requirements, such as setting a seven-day time limit for on-demand pilots, minimizing the main burner operation for decorative gas fireplaces, and the continuation of certifying to their database.

In addition to those requirements in B.C. and NRCan, there are voluntary labeling programs in Canada. EnerGuide is administered by NRCan where gas fireplaces must be labeled with the fireplace efficiency rating and the test procedure that was used. EnerChoice is

administered by HPBA of Canada where, in order to bear the EnerChoice label, a vented gas fireplace insert must have a minimum FE rating of 61 percent. A vented gas stove must have a minimum FE rating of 66 percent. And a vented zero-clearance gas fireplace must have a minimum FE rating of 62.4 percent. Again, details of these approaches are included in our Staff Report.

We've heard the concern and we recognize the need to harmonize with Canada's standards and with the requirements in California to reduce manufacturer burden. And as we progress with this presentation, you'll see that our proposal primarily aligns with Canada's standards and the California Building Energy Efficiency Standards but going a bit further to achieve California's climate goals.

So right now I would just like to take the opportunity to thank NRCan and British Columbia for their assistance on this proposal and for, essentially, paving the way to allow California to establish energy efficiency standards for gas hearth products.

Now we'll proceed to an overview of our proposal.

So why are we proposing standards for gas hearth products?

As shown in this bar graph, more than 50 percent of gas hearth products have a continuous pilot. This creates unnecessary gas consumption and excess emissions. We've also noted that more than 90 percent of heating gas fireplaces have a minimum -- have at least an FE rating of 50 percent, so that's another opportunity to save energy. Therefore, we believe setting an operational baseline of energy use or energy efficiency helps achieve California's climate goals by reducing statewide energy consumption and greenhouse gas emissions.

So the scope of our proposal is within the realm of gas hearth products. We are proposing to define gas hearth products as a gas-fueled appliance that simulates a solid-fuel fireplace or presents a flame pattern for aesthetics or other purpose, and that may provide space heating directly to the space in which it is installed. And this encompasses natural gas and propane fuel products.

You might recognize this definition. This is taken directly from the Department of

Energy Proposed Rulemaking for Hearth Products. And I just want to emphasize that this is just setting the baseline of our scope. We're not targeting all products, all gas hearth products.

And so here's a closer, more detailed view of what that scope -- what that broad scope covers. So the products that we are specifically targeting are those highlighted in the red box.

We are proposing to cover vented and outdoor products for installation with a fixed gas piping system; this means vented gas fireplaces, vented gas logs, outdoor gas logs, and outdoor gas fireplaces fueled by natural gas or propane. So vented gas fireplaces can be designed for heating or decorative purposes. And they can be further classified by their configuration type which described the style and installation requirements of a vented gas fireplace.

Our proposal does not include outdoor products, such as fire pits. And we are not including unvented products either. They are not within the scope of this proposal because the California Health and Safety Code prohibits them from being sold in California.

So here's a chart that summarizes our proposed scope and shows the structure of our regulatory language of our proposed scope. We've set definitions for all these products. Again, the definition of gas hearth products sets the base of our proposed scope. And it is broken down to the specific products that are targeting, which are highlighted in bold boxes, so that's vented heating, gas fireplaces, vented decorative gas fireplaces, vented gas logs, outdoor gas fireplaces, and outdoor gas logs.

And so our proposed scope aligns with the standards set by NRCan and the California Building Energy Efficiency Standards.

So we are proposing to add several definitions and we've examined several sources to ensure consistency across industry standards, California codes, and within Canada. But I want to focus on the definitions for heating gas fireplace and decorative gas fireplace and some of the definitions -- descriptions of these products vary by source.

So we are proposing to define a heating gas fireplace as a gas fireplace that presents a flame pattern for aesthetic effects and is

designed to provide space heating directly towards the space in which it is installed, functions as a primary or supplementary heat source.

And then we're proposing to define decorative gas fireplace as a gas fireplace that is not equipped with a thermostat and presents a flame pattern primarily for aesthetic effects, does not function as a primary or supplementary heat source.

So we're using the same terms as NRCan. For example, rather than using gas fireplace heater, we are using heating gas fireplace.

We've also received stakeholder input that a heating gas fireplace not only provides heating but it provides an aesthetic purpose, so we've incorporated that into our definition.

And the definition for decorative gas fireplace -- gas-fueled appliance encompasses the scope of the ANSI Z21.50 (phonetic) industry standard for vented decorative gas appliances which covers products that are not to be used with a thermostat and are not a heat source.

And I'm hoping later during our discussion period for manufacturers to comment on

these definitions. I know some of the stakeholders in our meetings have provided input. But I wanted to give a chance or an opportunity for those who did not participate to make comments on these definitions.

So next, I'd like to go over our proposed standards, so we're going to do efficiency standards and design standards. The efficiency standards will cover vented heating gas fireplaces and vented decorative gas fireplaces.

For vented gas fireplaces, we are proposing to set a minimum fireplace efficiency standard of 70 percent. For vented decorative gas fireplaces we are not setting a minimum FE but we are requiring that manufacturers test and list the fireplace efficiency for vented decorative gas fireplaces.

For design standards for all products in the scope, we are prohibiting the use of a continuous pilot. This includes continuous pilots that are partnered with an intermittent pilot or another type of pilot.

For on-demand pilots, we are setting a maximum time limit of seven days, similar to NRCan.

And for vented decorative gas fireplaces, we are setting a standard that says it should be equipped with an automatic shutoff device with a time limit no greater than 24 hours. Again, this is similar to NRCan's standards.

To measure fireplace efficiency we are recommending to use the Canada Standards Association Testimony Procedure CSAP41, the 2015 version. We are adding modifications to this test procedure. We're adding clarifications about the pilot energy input for interrupted pilots and for intermittent that are partnered with on-demand pilots. And there's also an error in the test procedure on the nomenclature about one of the equations, so we've added that in our regulatory language just to ensure consistency. And we are also adding test lab report requirements.

Here are some of the other proposed supporting requirements.

For marking requirements, we are only setting marking requirements for vented decorative gas fireplaces. Just note that all appliances in Title 20 do have basic marking requirements. This would be an additional

marking requirement and this would be only targeting vented decorative gas fireplaces. So we're asking that the unit be permanently marked with the saying, "Vented decorative gas appliance, not a source of heat." And this should be labeled on the unit, the packaging, and the cover page. If manufacturers are already certifying to the ANSI Z21.50 standard, you're almost essentially covered with this.

For certification requirements, we are going to add -- we will be collecting information similar to NRCan, basic information, such as the pilot input, the product type, the input capacity, and then other requirements, just to monitor the market and to verify compliance.

So if you're not familiar with our proposal, it's in the Staff Report. Chapter five of the Staff Report considers various alternatives that we considered along the way. Chapter six discusses the proposal in detail. And Chapter ten is the proposed regulatory language, the actual language that will be in the regulations under Title 20. The proposed effective date is January 1st, 2021.

Now I'd like to move on to our Technical

Feasibility Analysis. So the feasibility of our proposed design standard relies on data from manufacturer interviews, DOE's analysis on hearth products, and Staff research.

So Figure 1 illustrates the compliancy rates or distribution of pilot types available by gas hearth product type. So you have four categories. You have your outdoor fireplaces on top, your gas logs, decorative gas fireplaces, and then heating fireplaces. Continuous pilots are color coded to the light blue. Intermittent plus continuous is orange. Intermittent plus on-demand is gray. Intermittent -- the standalone intermittent is the yellow. The dark blue is the standalone on-demand. And the green is direct ignition.

So in summary, as you see in Table 1, 33 percent of the heating fireplaces are compliant or had a compliant pilot type, 63 percent of decorative gas fireplaces have a compliant pilot type, and 17 percent have a compliant pilot type, and then 39 percent of outdoor gas fireplaces have a compliant pilot type.

And so in order to meet the proposed design standards, manufacturers can substitute a

continuous pilot with an intermittent pilot and on-demand pilot, and interrupted pilot, or the use of a dual-pilot capability which partners an intermittent with an on-demand pilot or direct ignition. The majority of these are currently used in the market, except for interrupted pilot light.

For our technical feasibility on the efficiency standard, this data relies on data from NRCan's database and Staff research. The NRCan database holds more than - approximately 2,000 unique models of gas fireplaces. Because this data is representatives of Canada and not California, we had to do additional research to verify that these models were sold in California. So manufacturers provided data through a confidential agreement to the Energy Commission and we used that data to confirm if those models were sold in California.

We also did a survey where we -- we surveyed more than 80 retail locations in California to verify that those models were also sold here. And so based on that collection of data, these are the results. On the bottom you'll have the fireplace efficiency. And it

shows a number of unique models, so the gray line shows the minimum FE -- the fireplace -- the minimum fireplace efficiency standard of 70 percent. Those above that gray line are compliant and those below it are noncompliant. So the models that I'm showing here are natural gas models. The Staff Report shows the propane models, as well, but we think the natural gas models, the data for it is representative of propane for this workshop for this purpose.

In summary, in Table 2 you'll see that 26.6 percent are compliant, the natural gas models. For propane models, 28.8 are compliant with the proposed standard. And we wanted to ensure that there was availability of pilot types, different styles, and the input capacity, and I'll go through those in the next slides.

So Figure 3 shows fireplace efficiency versus input capacity. The box -- the red box highlights where the compliance -- where the compliant products are, so anything above 70 percent. Each colored bar represents a different size, a range of input capacity, and so we see and we conclude that products are available to meet this standard.

Here's Figure 4 where we look at the different pilot types. Again, the red box highlights products above 70 percent. And each bar represents a different pilot type. The darker ones represent the compliant ones. Again, we conclude that the -- that products are available to meet the standard.

And then we also looked at the various configurations, so whether it's a zero-clearance insert of stove. And we also see that products are available to meet the standard.

And so some of the options to improve the efficiency of a heating gas fireplace can be used using direct vent technology, updating the glass front, adding a condensing heat exchanger, adding a circulating fan, and improving the insulation. Other options were available but we believe these are the ones that have the most impact in improving the efficiency.

Next I'll discuss the results of our Savings and Cost Analysis. So Table 3 shows the cost and benefits per unit for the design standard. Our methodology for Cost and Benefits Analysis involved looking at reports and studies on the differences between a noncompliant product

and a compliant product. The energy savings, lifecycle cost, and lifecycle benefits arranged by pilot type for each gas hearth product, and that's why you see a range for each of those tables. The incremental cost includes the cost to replace continuous pilot with a compliant pilot. And the cost of the minimal electricity use that it will use.

The costs are greater for gas logs and outdoor gas fireplaces because of the need to conceal and weatherproof the control system. The costs are also greater for products with an on-demand pilot or products with a dual-pilot capability since these require additional hardware components to support the software programming of these types of pilots.

And because these products have a long design life, we applied a three percent discount rate to calculate the net present value of the anticipated savings. So the net present value lifecycle benefit that you see there is the difference between the net present value savings and the incremental costs.

And so based on a 15-year design life, we see the energy savings exceed the lifecycle

costs, and we find this cost effective for the energy efficiency standard.

For Table 4, our methodology is similar to what I just said for the design standard. For heating gas fireplaces, we looked at two scenarios, one where you have a heating gas fireplace that does not have a compliant pilot and does not meet the standard. And then you have a scenario where you have a heating gas fireplace that has a compliant pilot but does not meet the fireplace efficiency standard.

So the lifecycle costs include the cost to substitute a noncompliant pilot with a compliant pilot and/or the cost to improve the efficiency of the unit, depending on the scenario. And based on a 15-year design life, we see the energy savings exceed the lifecycle costs.

So here are statewide energy savings. Our methodology for energy savings is similar to the methodology used by NRCan and the Department of Energy. We looked at the differences between a noncompliant product and a compliant product. And for heating gas fireplaces, we considered the effect on the main heating and cooling equipment,

known as secondary effects, and the estimated savings the first year are 0.105 trillion BTUs. And after complete stock turnover we estimate 2.4 trillion BTUs, which is equivalent to nearly $31.4 million.

The estimated total avoided air emissions show to be 5,618 tons the first year when the standard goes into effect, and almost 130,000 tons after complete stock turnover. And these estimates are based on the amount of energy savings from the proposed energy efficiency and design standards.

So in conclusion, we believe our proposal is cost effective, technically feasible, and achieves significant statewide savings.

Here we have information on how to submit comments. A reminder, comments are due by 5:00 p.m. on June 28th, 2019. As previously mentioned, there are three ways to submit comments, either electronically through the docket system, the e-filing system, hard copies to the address shown here, or sending a digital copy to the docket's email address. And note, the Docket Number for Hearth Products is 18-AAER-06.

And again I encourage stakeholders to review the proposed regulatory language and please let us know if something requires further clarification. Right now is really the best time to make suggestions. That way we can address them quickly and incorporate your comments.

And then if time allows, I do have some questions to help facilitate a discussion during the open public comment period scheduled for later today. I'll just put them up here for now so you can look at them and think about them during the next presentation. And I'll post these up again during that period.

So I'm most interested in learning from manufacturers on how they characterize and define heating and decorative gas fireplaces, and that's where these first three questions lead into. We'd also like to hear your opinion on how to further improve the efficiency of gas hearth products. And then these are just some additional questions that we -- to consider and comment on.

For small businesses, how are small business effected by Staff's proposal?

Are there any pilot types that have not

been identified in this proposal?

And how are on-demand pilots identified in market literature?

And for the test procedure, are the proposed multiplication factors that we've assigned, are those reasonable, and what is practiced in industry?

Does the type of media selected impact the test procedure results?

And are there any limitations or improvements that can be made to the test procedure?

Again, these are just questions to consider during the comment period.

I know I went through this pretty fast, so I'll take any clarifying questions, but any substantial comments, please save them for the comment period.

MR. DAY: (Off mike.) Barton Day, Counsel for HPBA. There are a number of clarifying questions that need to be asked here.

One of the things I noticed is that when you had the picture of an outdoor log set, it was a picture of an outdoor fireplace. We've been puzzling as to what were -- what is being

classified as an outdoor log set versus an outdoor fireplace? And obviously, the data you have is going to be very skewed because a product like the outdoor gas logs you have depicted there --

MS. LOPEZ: Um-hmm.

MR. DAY: -- as open to the air.

MS. LOPEZ: Right.

MR. DAY: So if there were a continuous pilot on that, it would blow out. So I think if you look at those products you'll find that the percentage of them that have continuous pilots are close to zero. And that would be true of gas log sets that are designed to go in outdoor fireplaces as well.

But if you're looking at outdoor gas fireplaces as just including the type of product you have on the bottom there, which looks like a glass-enclosed gas unit, that's a completely different style of product. And so the numbers are -- if you group those together you get a completely different misleading numbers than what you're dealing with.

MS. LOPEZ: So we didn't group them together and we have defined them separately.

Gas logs, again, are your self-contained, not enclosed appliance type, and then you have your outdoor gas fireplaces that we've just defined similar to your indoor gas fireplaces that are fully enclosed.

MR. DAY: But if you've got data on outdoor fireplaces, for example --

MS. LOPEZ: Um-hmm.

MR. DAY: -- that data would include units that you have identified there as an outdoor gas log.

MS. LOPEZ: So we've carefully looked at the data that we researched and the data, we made sure that gas logs that are used with a gas fireplace enclosure were separate. So we're talking a full unit that the manufacturer sells complete.

MR. DAY: Okay. So you're including in gas logs, so it's basically anything that's open? And it looks like a fireplace is open.

MS. LOPEZ: So, right, so it's a gas log set. It's sold as a complete system. Right. Yeah.

MR. DAY: All right. Good. Thank you for that clarification.

The thing that strikes me looking at your data is that you did -- one of the things the DOE did back in its ill-fated rulemaking runs, it lacked any data about product shipments. And so it just looked at the range of models presumed to be available and effectively assumed that every model has exactly the same sales, which is completely invalid. When I responded to that I looked at what we had in terms of shipment data and I've got a unit that will sell 1,000 units and then a unit that will sell three.

And all of your percentages of compliance and all of that appears to be based on just the number of available models; is that correct?

MS. LOPEZ: So our compliancy rates are based on the number of unique models. And then we determine the energy savings based on that compliancy and apply those to a stock number.

MR. DAY: Okay. The results are completely baseless then because the amount -- the distribution of models and the distribution of shipments - there's no relation between the two.

MS. LOPEZ: Well, I welcome any data to help inform our analysis or improve our analysis.

So if you would like to provide comments --

MR. DAY: Yeah. I'm just saying the DOE did the same thing and they relied on the same assumption, which is that sales are all the same so the distribution of available models would give you an idea of the distribution of what types of products there are, and I can tell you that's not a valid assumption, so your numbers are all going to off as a result of that.

MS. LOPEZ: Again, so I just welcome any data to help improve our analysis.

MR. DAY: I'm sorry?

MS. LOPEZ: We did use data from manufacturer interviews. It wasn't solely based on DOE's analysis. We did our own supplemental research. We have data that manufacturers submitted to the Energy Commission, so it's -- it incorporates a lot of data.

MR. DAY: I understood you to say that the data that was in the program, that it was all based on available models.

MS. LOPEZ: So --

MR. DAY: So it's based on available models or is it based on shipment numbers of each individual model?

MS. LOPEZ: So the compliancy rates are based on availability of models today. And then we apply those, the compliancy rates, to a stock value where we estimate our energy savings.

MR. DAY: So not based on the number of models being sold, based on the number of different models that are being --

MS. LOPEZ: So our stock includes an estimate of the number of models sold in California. And we can go offline earlier in the discussion and talk about it further.

MR. DAY: Yeah. I'm confused. Thank you.

MS. LOPEZ: Did anyone else in the room have a question?

MR. O'LEARY: Hi Jessica. Tom O'Leary with Skytech. Just my understanding --

MS. LOPEZ: Move your microphone closer.

MR. O'LEARY: Sorry.

COURT REPORTER: Thank you.

MR. O'LEARY: Tom O'Leary with Skytech.

On your proposed appliance standards, under design standards --

MS. LOPEZ: Yes.

MR. O'LEARY: -- I just wanted to

clarification, it says, "Shall not be equipped with a continuous pilot, includes dual pilot capabilities."

MS. LOPEZ: Right. So we are aware of dual pilots that is intermittent with on-demand or intermittent with continuous, so they can be switched from one to another. So we're clarifying that continuous pilots cannot be -- so, for example, intermittent plus a continuous pilot, that would be considered noncompliant. We wouldn't allow that to be sold in California.

MR. O'LEARY: Okay. And then on the vented decorative gas fireplace, the shutoff devices device you reference 24 hours of operation, then automatic shutoff.

MS. LOPEZ: Um-hmm.

MR. O'LEARY: Is that going to have to be integrated into the control system or that could be added to the appliance in some way? Does it just have to be some type of shutoff device?

MS. LOPEZ: It just has to be some type of shutoff device. Our definition doesn't specify exactly how you should do that, it's just a general --

MR. O'LEARY: Thank you.

MR. CARROLL: As a follow-up to Tom's point about the -- Ryan Carroll, HPBA.

You said that no dual pilot capabilities would be permissible. That's also if it were IPI, switchable to on-demand, two permissible pilot lights?

MS. LOPEZ: No, so we are allowing that, we're just not allowing the intermittent with continuous.

MR. DAY: Barton Day again, Counsel for HPBA.

One of the concerns about this is just if you are -- if you have looked at what the market impacts are on what you're proposing, particularly in terms of, well really, for both requirements, you're looking at increasing the cost of the products. But we'll talk later about our views about the numbers there. But, you know, there are going to be lost sales. And particularly, if you look at a 70 percent efficiency number, all you have to do is crunch the numbers and ask, you have a normal size fireplace in a normal size room, how many rooms can you comfortably operate a 70 percent fireplace in? That's a small number compared to

what the market is. So 70 percent takes away.

And I don't know -- did you do any calculations to see how much of the market --

MS. LOPEZ: Right. So that's where --

MR. DAY: -- (cross talk).

MS. LOPEZ: -- our technical feasibility goes, so this is where we looked at the different ranges of input capacity that would be able to meet the 70 percent efficiency standard. And we see that there are products available in various sizes, so we did consider that.

MR. DAY: Well, yes, there is -- HPBA loves efficient products. There's a market for them. But the market for 70 percent efficiency fireplaces is very small. And the reason it's very small is because if you take a normal size fireplace and you put in the wrong size room, most people buy a fireplace because they want a fireplace. And if you have something that looks like a fireplace and it's 70 percent efficient, it's pretty easy to crunch the numbers and look at the amount of heat output you're looking at.

For example, if you take your assumption, that the average heating fireplace is 35,000 BTUs, and you assume a 70 percent efficiency for

that --

MS. LOPEZ: Um-hmm.

MR. DAY: -- you can go into, you know, these online, and they're Crayon analysis, you know, for what's the right size fireplaces in terms of heat output. If you look at rooms up to 500 square feet with an 11 foot ceiling, the answer is no homes in California. Okay.

Now, that said, you know, I'm not suggesting that's the precise right answer. What I am suggesting is that you look at numbers like that and you say the bulk of the market, goes away. So the bulk of the market, a consumer who wants to buy a fireplace and wants to have a heating fireplace, can't have one that's suitable to their needs because the heat output at 70 percent is going to be so high that they're not going to be able to use the product as a fireplace.

So, yes, there's a market for 70 percent, but what about the market from 50 percent to 70 percent? That's most of the market. And most products -- those consumers are going to be left without a product suitable to their needs.

MS. LOPEZ: That's a valid concern. And,

you know, I welcome any information, any more information, on that.

MR. DAY: Thank you.

MS. LOPEZ: Any more --- ? Go ahead.

MR. DAY: I apologize. I had one other question.

I didn't see anything in terms of justification for the 24-hour automatic turnoff. I mean, I don't understand the theory that that would save any gas but I didn't even see numbers. Where is the justification for that? I didn't see any indication of what that would cost or what you assumed it would save in terms of gas. gas? I would have assumed it was there.

MS. LOPEZ: So we wanted to align with NRCan. That's something that they are doing. And they have recognized that some manufacturers are capable of meeting that standard, so that's why we've added it to our proposal. But if you have any additional information about that, again, we'd welcome that.

MR. DAY: But if you're going to require something, isn't there a need to justify what you're requiring?

MS. LOPEZ: So it would save additional -

- it would save energy but --

MR. DAY: I would contest that. I mean, I've never known any on to leave their fireplace on 24 hours.

MS. LOPEZ: This would be applicable to commercial products that are -- or that are used commercially in like hotels and restaurants. So that would be --

MR. DAY: Applies to all of them.

MS. LOPEZ: Right.

MR. DAY: So you think there might be a benefit for the small amount that are commercial and you're going to impose the cost on all of the products?

MS. LOPEZ: So they're not -- so vented gas -- vented decorative gas fireplaces are not classified as either commercial or residential, so we feel that it would apply to all of them.

MR. DAY: I'm sorry. I didn't get that last part.

MS. LOPEZ: It would apply -- so it would apply to all of them.

MR. DAY: Yes.

MS. LOPEZ: If there was a way to distinguish commercial from residential, we would

like comments on that.

MR. DAY: Okay. So you're assuming benefits from commercial applications? Is there -- did I just miss the numbers on that or -- I didn't see any numbers on that at all.

MS. LOPEZ: So we don't currently have any data on products right now that have this function.

So if anyone has information on that, we would welcome it.

MR. DAY: Oh, so I didn't miss anything?

MS. LOPEZ: No.

MR. DAY: Okay.

MS. LOPEZ: Um-hmm.

Go ahead, Mary.

MS. ANDERSON: Mary Anderson, PG&E.

So I had a question on Mr. Day's question on the heating component. For consumers who want heating, want a fireplace for heating their facility, in California there aren't that many heating climate zones. Is there a specific need within California that you think that that's -- that that meets exceptionally? I mean, there's -- I'm just kind of curious as to where that market is -- where that concern would be

localized, as far as geographic?

MR. DAY: Well, one of the problems when talking about heating is there lots of different flavors of heating. You know, a lot of people will buy a gas fireplace because they want a gas fireplace.

MS. ANDERSON: Um-hmm.

MR. DAY: That's always the first incentive. Nobody buys a gas fireplace if they don't want a fireplace. If they just want a heater, they're going to buy a heater, they'll go get a heater. It's cheap.

MS. ANDERSON: Um-hmm.

MR. DAY: You know, it's a totally different type of product. They buy fireplaces, because they want fireplaces.

Now, if you ask most people, you know, are they enjoying -- you know, do they want a heating function, many people will think, particularly on the East Coast, where all the power outages have happened after superstorms, they say, well, yeah, because I'm sleeping -- going over to my friend's house and sleeping on their floor when the grid's down, so, yeah, I'd like to have a gas fireplace for that purpose.

And, obviously, heating efficiency is not very relevant to that because, you know, a log fireplace, any kind of fireplace, when the power's out, you know, it is a pretty specialized use, but that's heating.

And if you ask people, are you buying a fireplace for heating use, they have in the back of their mind, yeah, but I want to make sure I have the ability to have emergency heating, they want to answer that question, yes.

So a lot of the data we see about how people characterize their needs and how they view the products is very difficult to decipher because of issues like that. What do you mean by heat?

I think what you're really asking is: Is there a market in California for fireplaces that people would use as, basically, for a utilitarian heating -- for a utilitarian heating purpose, in addition to having it as a fireplace? And the answer to that is, yes. There is a market for that.

Is there a market for super-high efficiency products in that category? Probably, but it's probably -- it appears to be very small.

MS. ANDERSON: Mary Anderson, PG&E.

So you don't have data on a specific location or more information in that market; is that accurate?

MR. DAY: Yes.

MS. ANDERSON: Thank you.

MS. LOPEZ: Are there any more --

MR. DAY: Actually, I, I mean, I, I don't know the full set of what data is out there, but I'm looking.

MS. LOPEZ: Are there any more questions in the room? That way I'll ask if there are any questions online.

Go ahead, John?

MR. CROUCH: Jessica, I know you spent a year delving into this stuff and have done an excellent job of reading the tea leaves. I'm sure you've been -- you've noticed something that everyone notices, and that is that the EnerGuide database includes a wide variety of efficiencies, of products which appear to be very similar. And, of course, these are all our members, so that has constrained our ability to ask challenging questions.

But it has been brought to our attention

since we met with you that P.4.1-15 (phonetic) does allow the manufacturer to set the minimum vent length.

MS. LOPEZ: It allows what again?

MR. CROUCH: To set the minimum horizontal vent length.

So what that means in practice is that what appears to be a singular database with a lot of equivalent numbers in them, that NRCan should be listing that, and then one could do an analysis that shows many have different vent lines. And I think that's something that's going to have to be addressed at some point in the technical feasibility of this, either jointly or separately, because they're just not all the same products.

MS. LOPEZ: Right.

MR. CROUCH: And that's one of the keys to why products that look very equivalent have sometimes fairly dramatically different inefficiencies.

MS. LOPEZ: So you're talking about the differences of a -- well, for which product types are you looking at, just all the products that are in the NRCan database, or the decorative

ones, the heating ones?

MR. CROUCH: The heating ones.

MS. LOPEZ: The heating ones are like the insert stove?

MR. CROUCH: The higher efficiencies.

MS. LOPEZ: The higher efficiencies. Okay. And what would you recommend to improve the test procedure if that's the case?

MR. CROUCH: Well, I think, setting aside the test procedure, the key to really use the database to draw conclusions is one has to have -- one has to group them by equivalent, you know, minimum vent lengths. So if there are some that are ten-foot or more horizontal vent lengths versus a cluster that are three-foot horizontal vent lengths, then you can start to, you know, you can start to speciate out the clusters in the database. But to presume that they are all equivalent is -- turns out not to be accurate, so --

MS. LOPEZ: Okay.

MR. CROUCH: And the test procedure by wanting to allow the manufacturer to specify the minimum has created the opportunity for some wide variations of efficiency. And I think before you

can draw technical conclusions, we have to figure that one out.

MS. LOPEZ: Thank you, John.

MR. SAXTON: Hi. This is Pat Saxton. I'm the Acting Office Manager for the Appliances Office.

I think, John, you just answered my question because you said it allows the manufacturer to set the minimum vent length, not just pick a vent length.

Okay. Thank you.

MR. CARROLL: Ryan Carroll with HPBA again.

To the P.4 point here, it's worth probably noting for the Commission that as recently as this past Tuesday, the CSA Group reconvened their P.4.1 Working Group. And so they're considering what are permissible or necessary revisions to the standards? And identifying some of what the Commission did here, but they're going to be on that, as well.

So I think that's encouraging because they can address discrepancies and, you know, ambiguities of the test method. But it could also be problematic when you look at CEC

memorializing, more or less, the current version of P.4 which could lead to, you know, revisions or California -- or, actually, I'm sorry, Canada could implement revisions. And so now we essentially have two different P.4 standards which increased the certification cost to manufacturers. So you mentioned the harmonization to the extent practicable. And so one of the unfortunate outcomes to this could be, if there were a Canada P.4 and a California P.4.

And so I just wanted to mention that over the course of the next 6 to 12 months the CSA Group is engaged their Technical Steering Committee and industry is a part of that to discuss revisions to P.4 I think those will be forthcoming.

MS. LOPEZ: Thank you, Ryan.

Go ahead.

MR. ACHMAN: Gregg Achman from Hearth and Home Technologies. Just to add some clarification to what John was saying.

The P.4.1 standard requires manufacturers to test and pair and list a minimum vent line that they are calling in their installation instructions.

I think what John is trying to get to is not everybody has -- there are minimum vent lengths that are going to vary based on the design of their products. Some products may be -- have a minimum of six inches. They can go directly against an exterior wall, so therefore you're testing your efficiency of that. Others may, based on their design, require that a vertical rise of two or three or four feet may have to be on there before they can exit the home.

So I think that was what John was trying to state, that they're not all the same because they're tested based on manufacturer's designed minimum venting, so it's not a gaining of the system, it's what it is. But, obviously, your venting impacts the installation complexity and other things like that, so that has to be played into mind with the manufacturer.

I just wanted to make sure it's clear that I think what John was trying to get at a little bit, so --

MR. CROUCH: Right. If I could -- this is John Crouch.

If I could add into what Gregg has said,

yes, the products sometime very much have to. But it can affect the number, the results, so you do get what looks like one dataset is really a cluster of different datasets.

MS. LOPEZ: Okay. Thank you, John.

We're having a really good discussion but we still have one more presentation, so we'll get to that, and then we'll do a break and continue our discussion.

So I'd like to bring up Cassidee -- or, wait, I think we have a break right now. Yeah, so we'll have a break right now of five minutes and then we'll go into Cassidee Kido's from the California IOUs presentation.

(Off the record)

(On the record)

MS. LOPEZ: All right. So we're going to get started pretty soon. If everyone could get settled.

So up next we have Cassidee Kido, from the Energy Solutions, on behalf of the California IOUs.

MS. KIDO: Great. Thank you, Jessica.

Again, I am Cassidee Kido. I'm here on

behalf of the California IOUs. And I'll just be presenting on some notes that we took from the Staff Report.

MR. DAY: I'm sorry, could you turn up the sound?

MS. KIDO: Sorry.

MR. DAY: We can't hear you out here.

MR. NICHOLS: You need to really speak into it.

MS. KIDO: Is this better?

MS. LOPEZ: Yes.

MR. DAY: Yeah.

MS. KIDO: Okay. A brief history of the regulations. Jessica went through most of these so I won't repeat too many of them. But just wanted to note that the California IOUs have been participating in the Title 20 regulations. We submitted a Case Report in June of 2018 and followed up with an addendum to that report in February of this year.

Overall, the Statewide Case Team is very supportive of the Energy Commission moving forward with these Hearth Product Efficiency Standards.

A brief overview of the differences

between the Energy Commission Staff Report and our Case Report. The scope is very similar. The way that we have defined some of the products and how we've grouped them varies a bit but, overall, the scope is general the same.

We proposed a design standard that would ban the use of standing pilot lights. And the Energy Commission expanded upon that a little bit with some of the notes that Jessica noted about an on-demand pilot for products and then, additionally, the automatic shutoff after 24 hours.

Our minimum performance standard proposed a 75 percent FE level, whereas, as Jessica noted, the Energy Commission proposed the 70 percent level.

We both proposed using the same test procedure, as well as a testing list.

And the Case Team did not propose any marking requirements, whereas the Energy Commission did.

These are some of the savings comparisons between the Staff Report and the Statewide Case Team Report, overall, very similar numbers given the similar scope and similar requirements. But

with some of the additional proposed requirements that the Energy Commission proposed, there overall numbers are a little bit higher.

And then the benefit-to-cost ration, ours still showed that it was cost effective. And the Staff Report had a range of values given the way they broke things down by different product categories.

These are our general comments on the Staff Report.

First, we just wanted to note that the Statewide Case Team strongly supports the Energy Commission's initiative to set hearth product energy conservation standards. As noted in the previous slides, it's very cost effective and will save over 150,000 MMBTU in the first year and over 2.2 million MMBTU after stock turnover.

We wanted to emphasize that standing pilot lights are wasteful and have been banned in a number of other products. So the fact that hearth products are following suit makes sense.

The Statewide Case Team, although our proposal differed in some of the design requirements and in the marketing requirements, we still do support the Energy Commission's

proposed requirements for these things. And we wanted to note that California is showing leadership by setting these energy conservation standards for hearth products, given that they are not federally covered currently.

This is a note where our proposal differed from the Staff Report. We wanted to note that our proposal for the 75 percent FE level is still cost effective. We analyzed it combined with the proposed design requirement and it still had a benefit-to-cost ratio of 4.35 as noted in the Case Report that's on the docket. And there's still at least 59 unique models from the Energy Commission's analysis with an FE of 75 percent or greater.

The Statewide Case Team is also supportive of the Energy Commission including gas logs in outdoor products within the scope of their analysis. These products will realize -- help realize additional savings. And as noted in their analysis, there are many types of these products that do not have standing pilot lights.

One proposed modification was just a small modification within the reporting requirements to include vented gas logs as a type

under the vented gas hearth product type category within the reporting requirements. The Statewide Case Team wanted to ensure that gas log products were required to report to MABES (phonetic) and just wanted to make this clarification.

Additionally, the Statewide Case Team supported the modifications that were made to the test procedure. These are not included in the Statewide Case Team's proposal. But as Jessica noted, some of the additions and modifications to the multiplication factor to measure different types of pilot lights, the Statewide Case Team is supportive of these modifications to ensure that these pilot lights are properly covered by the rulemaking.

And finally, a quick summary of all the points that we just went through. The Statewide Case Team, overall, is very supportive of the Energy Commission setting hearth product standards. We do note that a 75 percent FE level is still cost effective, we support gas logs and outdoor products in the modifications to the test procedure, and just propose one slight modification to the reporting requirements.

And that is all for my presentation.

Thank you.

MR. NICHOLS: As Jessica is getting set up, just a reminder, please speak into the microphone so that we can clearly understand you when you're speaking.

And for those of you that are online and WebEx, you have two opportunities to interact with us. The first one is the raised-hand feature. By doing so, your phone can be unmuted and you'll be allowed to comment. You can also un-mute all phones for those that want to do interactive discussions with us. And then there's also comments that you can write in. We will read those into the record so that they can be responded to.

Thank you.

MS. LOPEZ: Thank you, Cassidee, for that presentation.

We didn't get a chance to ask whether anyone online had questions about the presentation, so if you have any questions, just do the raise-hand feature so we can un-mute you.

If there aren't any questions, then we'll proceed to our discussion period.

I know some manufacturers have emailed me

and requested to do a general statement, so I'll begin with Ryan Carroll from HPBA.

MR. CARROLL: Sure. Thank you, Jessica.

Ryan Carroll, Vice President of Government Affairs from Hearth, Patio and Barbecue Association.

I think what -- what I found from the pre-break discussion, a lot of what I'd like to cover, say, I think will come up kind of organically during these type of conversations. I think it will be of benefit to the group to continue those, so I'll be brief in these statements.

But I would like to say, HPBA is surprised and disappointed with the Draft Staff Report and most of its content.

One of the key things that we tried to point out a year or so ago was we urged CEC not to make some of the same mistakes that the Department of Energy made in their previous rulemakings. And there's obviously -- there remains, we feel, an undue reliance on some of what was put forth in that, and that's lacking critical stakeholder input being ignored, we feel.

As a result, you know, the Draft Staff Report recommended regulation options that we've identified as unjust, unjustified, relies on assumptions and assertions, again, frequently from the Department of Energy work of years' past that form a baseless starting point, and adopts a regulatory scheme design, not just -- not at all to benefit consumers but to undermine the market for gas fireplace products in the state. And it's error that we know well and, you know, we've seen this with the Department of Energy and I think we'll be able to touch upon some of the similarities and what we would identify as pitfalls in the process.

With the -- we, also, we're surprised to see recommendations for the regulation of products that were not identified as targets of regulation during some of the discussions over the last year or so. These products, indoor gas logs as outdoor gas logs as outdoor fireplace, specifically, are markedly different than vented gas fireplaces which other regulators are focusing on. It raises significant issues that the Staff Report neither recognized nor addressed. And in view of the serious nature of

these concerns and the range of unexpected issues that were raised by the Draft Staff Report, HPBA would request at this meeting, and we can do so again in writing formally, if need be, but we would request a 45-day extension to the comment period, a minimum of 45 days, please.

MS. LOPEZ: Thank you, Ryan.

Next, I have Gregg Achman from Hearth and Home. He requested to speak.

MR. ACHMAN: I'm going to -- I have nothing to say right now.

MS. LOPEZ: Okay.

How about Jerry Scott?

MR. SCOTT: Thank you. My name is Jerry Scott. I'm Senior Vice President of the Robert H. Peterson Company. The Peterson Company is a California company founded in 1949 and has been manufacturing gas logs since then.

The two comments I'd like to make is that gas logs and outdoor hearth products are very different animals than fireplaces, inserts, and stoves and, therefore, to put them under the same type of efficiency regulations doesn't make a whole lot of sense. Their installation is different and their usage is very different.

Gas logs have historically been a product that goes into wood-burning fireplaces and replaces wood burning. That has been a benefit to the California environment, eliminating virtually all particulate matter created by a wood-burning fire.

It's also a product that people that have breathing conditions, lung conditions, have welcomed, who want the ambience of a wood-burning fire but can't afford to have wood burned in their homes.

It's also been a product the elderly have embraced because it's been difficult for them as they've gotten older to haul in wood, get a wood fire going. With a gas log, they press a button and they have that enjoyment of a wood fire.

Gas logs, it's been recommended that they be part of the efficiency measurement requirements. I'm not sure how you do that. Gas logs go into a variety of different fireplaces, from masonry to prefab fireplaces of different sizes, configurations. It would be difficult, if not impossible, to come up with a measurement in a laboratory that would replicate real use out in the field and in homes, so I'm not sure how that

could be done.

Outdoor products, I don't know how you measure efficiency of an outdoor product. So we would recommend that, one, that gas logs in outdoor hard products not be a part of the efficiency regulations, and that gas logs, which is the least expensive alternative to wood burning, be valued for what it is, an aesthetic product that helps the environment.

Thank you very much.

MS. LOPEZ: Thank you, Jerry. Just to clarify, when you say energy efficiency for gas logs and outdoor fireplaces, are you talking about performance or prescriptive measure? Because we are recommending prescriptive measures on gas logs and outdoor fireplaces. We're not setting a minimum efficiency standard for those.

MR. SCOTT: No, I understand.

MS. LOPEZ: Okay.

MR. SCOTT: But there was a proposal expressed here today that they should be measured, not regulated at this point, but they should be measured as a decorative venting hearth product.

MS. LOPEZ: So vented decorative gas

fireplaces, that doesn't include gas --

MR. SCOTT: No. The Investor-Owned Utilities are recommending that the --

MS. LOPEZ: Oh, okay.

MR. SCOTT: -- Staff Report be changed to incorporate that.

MS. LOPEZ: Okay.

MR. SCOTT: And I wanted to take the opportunity to express the difficulty of doing that. Yeah, Staff -- I understand the Staff Report did not recommend that.

MS. LOPEZ: Okay.

Did anyone else want to make a general statement?

Go ahead.

MR. DAY: Barton Day for the Hearth, Patio and Barbecue Association again.

I think it's important to understand some of the historic concept, some of the historic issues as to how we got to where we are today, because there's been an awful lot of confusion about it.

I noticed one of the things you had in your discussion outline was, well, what's the difference, really, between a 50 percent

efficient decorative fireplace and a 50 percent efficient heating fireplace? And to understand that, you have to go back and understand that initially the reason there was a decorative category was that gas fireplaces were just gas fireplaces. They weren't being sold as having heating utility. They weren't being tested. So that was the point, is they were just being sold as gas fireplaces. And the idea of testing them for heating efficiency didn't compute, it wasn't required, it wasn't envisioned.

When vented gas fireplace technology progressed, manufacturers realized, you know, hey, we can make gas fireplaces that can really have a lot of heating utility. And so the heating gas fireplace industry, in terms of the gas fireplace heater category, came into existence. And the distinction there was you did have to do efficiency testing, and that was the difference; you were selling the product as having heating utility and you were using a test method to describe what the heating utility was.

For a heating fireplace or a -- I mean, initially, when you sit down to build a fireplace, you build a fireplace. You build what

the consumer wants. It's going to look like a fireplace. It's going to be the right size. Does it look like a fireplace depending on what it's going to go in? And if it's a decorative product the efficiency ends up wherever it ends up. You're not shooting for it specifically. It just ends up wherever it ends up.

But again, you know, the distinction in terms of the marketing of it originated as if we're calling it a heater we're going to test it and we're going to tell you -- we're going to, you know, indicate what the heating efficiency of the product is, so that's where the distinction came from.

And then, of course, Canada decided they were going to have efficiency testing for all vented gas fireplaces. So we've gone -- yeah, there's been a lot of confusion ever since, as you can imagine.

But that's the history of it and that's why the products are in the different categories.

What happened with the DOE rulemaking is that the DOE rulemaking started out, as had been envisioned, right when heater fireplaces were introduced. It was always thought, well, okay,

these might be someday regulated as -- you know, regulated under some efficiency scheme. And so when DOE came around for regulating direct heating products, the idea got into the mix of, okay, well, let's pick up and set standards for fireplace heaters.

And that rulemaking rolled along right up to the very end of the rulemaking process when suddenly there was a decision that, in addition to regulating heater fireplaces, they were going to ban decorative fireplaces, eliminate the entire category. And the way they did that was by imposing a -- well, first of all, we saw the verbiage which alarmed me when I saw it in the Staff Report, same exact words, decorative fireplaces, you know, don't provide any significant heat to the room in which they're installed, words to that effect. Of course, that's not true. You know, is there -- are there any products out there? Well, yeah, you can -- not if you test them, but you can design them with venting that goes outdoor or whatever.

But the point is the main body of the market of decorative fireplaces are just fireplaces that weren't designed to be,

specifically, to be efficient and weren't being marketed as heating fireplaces. And yet, suddenly, they were being characterized as products that don't produce any heat. And then to ensure that they produce no heat, the 9,000 BTU input limit suddenly appeared in the final rule out of nowhere.

Well, there was exactly one product in North America that met that 9,000 standard and it doesn't look like a fireplace. I mean, it shouldn't be surprising; you can't build a normal-looking fireplace for 9,000 BTU input.

Well, there are people out there that want to ban fireplaces. And that's how you do it, you bump up the heating efficiency requirements for heating products until they're too hot for most people to use, and then that part of the market dies out, except for, you know, units that are installed in big vast mansions or whatever.

And then you say, oh, well, see how this definition says decorative products don't generate any significant amount of heat? Well, low and behold, these fireplaces do generate heat, as we all know, because they've been tested

and everybody knows that they generate heat, and then making them disappear.

So that's the concern I see with the proposal is following exactly in the footsteps of DOE's effort to eliminate gas fireplaces.

Now, the history of that, I argued the case before the D.C. Circuit, which was thrown out, and so we went back to a blank slate at the federal level.

The DOE then decided, okay, well, we're -- the supplemental rulemaking had dragged in log sets, not having gathered any information about log sets and not understanding that log sets are very different from vented gas fireplaces, so we had to go through that.

And then they came out with the so-called Hearth Products Rule and you adopted the hearth products definition that was in the proposed rule. And remember, what this was a proposed rule. DOE threw it against the wall and it was a mess. It was clearly unlawful. It has absolutely no sound basis whatsoever. And we put in voluminous comments demonstrating that.

And just to illustrate, I mean, the hearth products definition was intentionally

vague because there was not consensus internally as to what was going to be regulated. And we've been there before. The DOE adopted a rule in 2010 and in 2011 they came back and said, oh, this included log sets, even though they specifically excluded log sets in 2010. But they said, well, read the words of the definition. And technically log sets fit, so even though there not in the regulatory analysis, now they're in.

So we see the same thing coming with the hearth products definition; what does it include?

Cancel out all the meaningless words, okay, the this or that or this or that, and it comes down to something remarkably simple. Why don't I just do that? I have it written here someplace.

Okay, the definition reads:

"Gas hearth product means a gas-fueled appliance that simulates a solid-fueled fireplace or" -- okay, so you can scratch, "simulates a solid-fueled fireplace, presents a flame pattern," so, so far we have gas-fired -- gas-fueled appliance that presents a flame pattern, and then it says, "for

aesthetics or other purpose," okay, for any purpose, I guess, and then, "may," or may not, I guess, "provide space heating directly to the space in which it's installed."

That is a meaningless definition. I mean, that includes, literally, gas lights. And, indeed, we were scrambling around, when we first saw this definition, trying to figure out what the regulatory target was. And, you know, we didn't even have gas light manufacturers at the table.

So, you know, it starts from a bad place. The data that was put forward in support of that proposal, if you read it, you know, we put in a comment submission trying to urge caution about any reliance under where DOE had gone. And, you know, we did cite our voluminous comment submissions in that rulemaking proceeding and that -- there are so many good reasons why that rulemaking never went final, so, you know, we're very concerned about that.

But I think the history of this is very important because we're dealing with sort of a series of accidents, almost, that put us where we are with people saying, well, you know, we ought

to crank up the heating efficiency for fireplace heaters as much as possible, apparently not recognizing that if you do that the product is no longer going to be used as a fireplace and they want it because it's a fireplace. It's not a sellable product if it can only be used as a fireplace.

And again, I'm not saying zero. You know, it could be any efficiency number. And there is a market for that out there someplace.

If you go from 50 percent efficiency to 70 percent efficiency, look at the difference in heat output. And if the assumption is, well, that extra heat is going to happen, that's a wrong assumption. Because for most consumers, they're getting as much heat out of that fireplace as a thermal (indiscernible). And so if they are faced with a minimum going from 50 to 70, they're not going to have a product that fits the normal bear. They don't want a fireplace that looks likes a postage stamp in the room. It's a bad fit.

And so this is the problem we get is that what happens is you don't get efficiency improvements, you just get shrinkage of the

installations where a product like that can fit. Those products exist, they're being sold, yes. But the market for them is small and upping the standard is not going to increase the market for them. And that's the fundamental problem with the heating efficiency standards.

With the whole issue of pilot lights, it's a separate set of problems. But, as Jerry indicated, gas log sets are a different animal. They are a product that exists to be beautiful, to fit in an existing masonry hearth. Okay, so the consumer already has a fireplace. They're not buying a fireplace. All they're doing is taking the existing fireplace and they're converting it to gas. And a lot of times people do that for environmental reasons. And there have been pushes to get consumers to do that to reduce particular emission problems and that's a good thing. And if you're going to get into anything that increases the cost of gas log sets then you have to ask yourself, okay, how many lost sales is that and what's that going to do to particulate emissions in San Diego County?

Again, you have to recognize, the product is supposed to look good. It goes into an

existing hearth. If you're going to have an electronic ignition system, where are the batteries and all the (indiscernible)? Where are all -- where's that stuff going to go? It's sitting there in plain view. Unless you can figure out some way to hide it or slip it around behind, it creates problems that sacrifice the attractiveness of the product.

So again, every sacrifice and attractiveness of a product, how many lost sales is that?

The challenges for log sets -- you know, vented gas fireplaces are different because you have a unit and you can put gizmos inside the unit because it's not a mechanical problem, a physical problem. Log sets, they are physical problems. And can they be overcome? Well, yeah, if you want to end up with an ugly log set. Or a log set that will fit in fewer hearths? And will be more expensive. And that's a whole range of considerations that we never talked to you about because it was not an understanding that the rulemaking might go in that direction. And the same thing with the point I mentioned about outdoor log sets.

The DOE did the same thing. They looked at an entire categories of products where they didn't have extending pilots to begin with. And so then they, you know, they crunched their numbers and they came up with massive gas savings from the elimination of continuous pilots that don't exist.

So, again, I would reinforce the point that if you're going to get into this, there's a lot more issues that need to be addressed. And we would appreciate an extension of the comment period to address this range of issues.

Thank you.

MS. LOPEZ: Thank you, Barton, for that history. We recognize that history, that sort of troubled history with hearth products in defining heating and decorative gas fireplaces, and then the general term of hearth products. And because we recognize that, you know, we initiated, we reached out to HPBA and manufacturers, we initiated a working group, because we knew this was going to be an issue and we wanted to tackle it early on.

And so we did get some stakeholder comment and -- well, we didn't get any

stakeholder comments regarding the gas hearth product's definition just because we emphasized that, you know, this definition is not going to target everything. You know, this is setting the base of what we want to target and help structure our regulatory language. But if there are suggestions on modifying that definition, we are definitely open to that as well.

MR. CARROLL: This is Ryan Carroll with HPBA.

And, Jessica, for that comment, you know, I've given a lot of thought to that. And, I've discussed with my members that had joined us at a number of these CEC, HPBA and industry meetings, and I think to a man and a woman, our recollection was we worked with you on definitional issues and our understanding, and I'm not ascribing this to be yours, you know, we have to define the universe so that we don't have to regulate gas logs or outdoor products. And, you know, obviously, we had conversations about Canadian regulators and the more narrow scope of what they were looking at. And so I think we did discuss definitionally, and maybe it's, you know, not a meeting of the minds on the reasoning for

that.

But we certainly, we didn't balk to hard in some of this during some of these discussions because we were understanding the gas logs wouldn't have, you know, a continuous pilot ban or anything else.

And so, you know, part of the reason that conversation hadn't been had is because of our take on where things stood, I guess, so we're clarifying that from our perspective.

MS. LOPEZ: Yeah. And I recognize -- I understand that.

Ryan, so from our point of view, from our perspective, we're not allowed to discuss our proposal. But we did say in the beginning that we are exploring all options for recommending standards for gas hearth products. But now that we've put this out in the public, of course, now you have context for those definitions, and so we welcome any suggestions on those definitions based on our proposal.

Are there any other comments in the room, general statements, before I go and ask those online?

Are there any questions coming up online?

If there aren't any questions -- I mean, any general statements we can go into? We do have some time, about like 20 minutes.

UNIDENTIFIED FEMALE: There might be -- I believe there's a call - we've heard there's a comment on the line, or a question?

UNIDENTIFIED MALE: (Off mike.) (Indiscernible) raising his hand, maybe, I don't know. We're trying to find whose raising their hand.

MS. LOPEZ: Do we know who it is?

UNIDENTIFIED MALE: Bryan Boyce.

UNIDENTIFIED FEMALE: Bryan Boyce.

MS. LOPEZ: Bryan Boyce.

UNIDENTIFIED MALE: He may not (indiscernible).

MS. LOPEZ: Bryan Boyce?

(Colloquy Between Staff)

MS. LOPEZ: Go ahead.

MR. BOYCE: -- (indiscernible). I just -- hi, this is Bryan. Can you hear me?

MS. LOPEZ: Yes, we can hear you.

MR. BOYCE: Hi. Thank you. I'm with the Investor-Owned Utilities. I just wanted to make a statement on something I heard from a previous

commenter.

I don't think that it's at all the intention of the IOUs to ban fireplaces. We don't really know where that sentiment came from exactly but we just wanted to clearly state that.

And I had another kind of -- a question or just, yeah, a question and statement from a previous commenter, as well, and this is regarding the use of fireplaces for heating.

It seems fair to me that, you know, if you're using a fireplace for a primary heating source, you want to be able to compare it to a furnace which has at least an 88 AFUE rating. And, you know, if you're using it for supplemental heat, that's something else. But for a primary source, you know, it doesn't seem fair to potentially have a very low efficient fireplace, you know, when the other option would be an 80 or greater AFUE furnace.

So I just wanted to make those two statements. Thank you.

MS. LOPEZ: Thank you, Bryan.

MR. ACHMAN: Gregg Achman, Hearth and Home Technologies. Just a comment to the primary versus secondary.

I'm not an expert on the California Building Codes, but from the ICC Residential Codes, this type of product can never be considered a primary heat source. It's got to be a centralized system with the ability to duct the heat to all the various parts of the home.

So trying to compare this to a furnace is like comparing apples and watermelons in my opinion.

MR. CROUCH: This is John Crouch from HPBA.

I would just add, if it were to be compared to a furnace it would need to be a furnace that sat in the living room and provided aesthetic-looking fire, radiating heat, and then it would be comparable.

MS. LOPEZ: Go ahead, Mary.

MS. ANDERSON: Mary Anderson of PG&E. So I want to kind of pull back.

While I totally agree this is not a furnace that's located in anyone's Livingroom, I think that it can be misunderstood. On multiple occasions, even in my own house while we were gone, my teenagers, it's not uncommon for people

to think, oh, my fireplace, I've got localized heat. It won't be that expensive to run, that way I keep this one room warm, and everything else will remain cool. I only have to heat this one room.

The problem that then comes in is because of the efficiency of these units, a lot of these times these consumers are surprised with hefty utility bills after a month. And I don't think that it's expected because you think it's just a fireplace.

And I think that that's part of that we're trying to get to is, is what are the expectations with natural gas being about a buck a therm? That ends up being really expensive. And while most people don't utilize it 24/7, it can be used, sometimes more than what we expect. And I think that's what we're trying to understand. And those gas bills are really expensive. And most people, it's not -- since it isn't a necessity, I think it's like how do we allow people to actually use this in a way that won't hurt their pocketbook to an excessive manner, while also giving them what they want?

And there's probably a compromise in

here, but I think that what we're trying to get to, it isn't intended as a furnace but people can misunderstand how to use it.

Thank you.

MS. LOPEZ: Did anyone else have any questions or comments?

Hi Cassidee.

MS. KIDO: Cassidee Kido on behalf of the California IOUs.

Also just to note that one of the data sources that we used, as well, was the Residential Energy Consumption Survey where some people did report that they used fireplaces at times as part of the heat source. And it might not be quite as -- to might not be functional, the same as a furnace, but people consider it their primary source as well.

MR. DAY: Barton Day for HPBA.

Can we get access to that data?

MS. ANDERSON: Yes. It's public (indiscernible).

MR. DAY: Yeah. (Indiscernible.)

MS. ANDERSON: -- from the EIA.

MR. DAY: Yeah. One of the problems I've seen with it, I mentioned before, there's a lot

of confusion about heating data because almost all the data I've seen is survey related. And I've seen surveys, for example, where they -- I've seen studies where they actually took out all the responses from people who say we don't use the fireplace or we don't use the fireplace for heating, and that's like 50 percent. And so then you end up with numbers that people think are representative of all fireplaces even though it's representative of a fraction, so you have that.

And then another issue is you have people that their results are being intentionally screened out. They could be screened out when the questions about fireplaces are a part of the line of questioning about heating appliances because then you get people who say, well, I have a fireplace but it's just a fireplace. And they're not using it as a heating appliance so maybe that isn't -- I mean, if you say use, these are architectural features. I've got one in my house, so many years, zero uses, but I use it every day, it's beautiful. It's an architectural feature in our living room. And, you know, that is -- when you look up the, you know, real estate

columns, that adds some value to the house and all that. I mean, there's a lot of marble fireplaces that don't meet the eye.

But when you do surveys that focus on talking about them as heating appliances, you're going to end up with a whole lot of respondents dropping out, and so the data can be wildly skewed.

So it just -- that's why I always like to, when someone has data, I always like to, look at it to see where it came from because there are often surprising elements to it and as people look at it I would urge caution as to how they interpret the results.

Thank you.

MS. LOPEZ: Are there any other questions or comments?

I do want to go back and get some of these questions that I put up here.

Did anyone want to comment on small businesses? Or we can leave that out.

Or for pilot types, are there new pilot types that we should be aware of?

Go ahead, Barton.

MR. DAY: Just briefly. The bulk of

hearth products this is year is small businesses. There are, in fact, only a couple of companies in the industry that are not small businesses. So just – that's true under the federal definition, if I recall correctly, the State of California definitions are similar.

MS. LOPEZ: Okay. So you're defining small businesses according to how it's defined federally?

MR. DAY: The manufacturer --

MS. LOPEZ: Okay.

MR. DAY: -- are primarily small businesses.

MS. LOPEZ: And then for the test procedure, we proposed multiplication factors. We did have a discussion about this in one of our stakeholder meetings and it was mentioned that what we have -- we propose is used in practice. But I want to verify with other manufacturers here or those that who are online if that's true or if a different practice is done for that?

If there aren't any other comments or questions -- go ahead, Ryan.

MR. CARROLL: Yeah. Just Ryan Carroll, HPBA.

I don't know if Gregg or Eric, who were on the call on Tuesday, the P.4 thing, but I think that part of what will end up being discussed, I don't know if it has been yet, would be the multiplication factors that they used for their pilots as well. So just another opportunity, as I think here to point out here, that I do anticipate the changes are forthcoming of P.4.1 through CSA's group work. And then that's -- so if you have any divergence between what California were to be using, if that's -- that comes into play. And what Canada may be, in the future, using, any difference there (indiscernible) certainly.

MS. LOPEZ: Thank you, Ryan.

Go ahead, Gregg.

MR. ACHMAN: Gregg Achman, Hearth and Home Technologies.

I guess I just want to make sure, and maybe I missed it in the document, so an intermittent pilot with on-demand capability is defined in P.4.1. So it would be in your test procedure excerpt it is D.25. Is that -- or is that what you're adding in and that's different than P.4?

MS. LOPEZ: So we're adding in intermittent and on-demand and interrupted.

MR. ACHMAN: Okay. I'd have to go back and look but I thought P.4, it had on-demand in it. I don't think when they did it, because on-demand, it's defined in the ANSI (phonetic) and CSA standards. It doesn't have a time limit in it. But I think it uses the same factor, so, all right, I understand the question now.

MS. LOPEZ: If I just put in --

MR. NICHOLS: Jessica?

MS. LOPEZ: Yes?

MR. NICHOLS: There's Shannon.

MS. LOPEZ: Go ahead.

MS. REYNA: Shannon Reyna, Vice President of HPBA Pacific in California. And I'm a Manufacturer's Rep for Travis Industries, a product manufacturer.

I wanted to go back to your question about small businesses.

As you know, almost of all the product dealers in California are small businesses. And as I look at what you're talking about, on-demand pilots in particular are going to have a significant effect on these businesses and their

consumers. Gas hearth products are natural draft. And so when they're cooled and they're not in use, there is cold air sitting in the flu, acting like a plug. And the unit will not light until the cold air rises and allows fresh air to come in, bringing oxygen for combustion.

So most of us, when we go to our fireplaces and we try to light them, we need to have a pilot on for at least 10 or 15 minutes to get that cold plug of air rising out of a flue and bringing us combustion air to light it. So lighting fireplaces is a big issue when you don't have a continuous pilot system.

We have felt like the on-demand would allow us to still run an IPI/on-demand system where I can have my pilot on and then, when you turn it down, in seven days it will go off. Where I see that having a huge effect is that many people, especially elderly people, have difficulty lighting pilots because they have to get down on their hands and knees, they have to hope up control doors underneath the unit. They may not understand exactly how do to it, so this generates a lot of calls to PG&E. It generates calls to our dealerships.

And then a service technician has to go out to the home. And usually, the typical call, the typical charge is somewhere between $150 to $189 to go out and light a pilot light, so we're going to have a lot more of that.

And especially in situations like the mountains, where we have chimney caps that are frozen with snow, those continuous pilot lights keep those caps unfrozen so that the air can flow. So now we could have somebody essentially climb up on the top of their roof to clean off their chimney cap in winter in order to light their fireplace to heat their home. So that's a consideration that I have for the cold climate areas like that.

So I do think there's going to be considerable impact to the hearth dealers in how they sell these appliances with on-demand pilots and how the consumers are dealing with them in their homes and the inability to light their fireplaces.

MS. LOPEZ: Thank you, Shannon. We are aware of that cold flue effect. And, you know, we've been told by stakeholders that the on-demand pilot is somewhat of a solution to that.

And I would like to follow up with the example that you gave about elderly folk. What about is there a trend about adding, you know, remote operating, you know, not necessarily, you know, a manual, sort of lighting a fire, but it's, you know, a remote turn-on function? Are manufacturers heading towards that direction in a way, you know, to solve that issue?

MS. REYNA: Some of them do. Some of them have a remote switch you can just toggle on your remote sometimes, but those cost more.

MS. LOPEZ: Right.

MS. REYNA: Those remotes, just the remote itself, costs about $360, not including the installation of it onto the appliance. So to buy a product in full hands-free function mode is going to be at least $400 compared to a similar product with a switch.

So the other place it really comes up is in the hospitality industry. Many hotels and vacation rentals have fireplaces that their consumers use. They like to put them on timers because that way someone can't, say, leave the appliance on to go skiing all day and burn gas all day long.

So with on-demand pilot counting down, imagine having a hotel room with 500 rooms and your pilot lights are randomly going out all over the property. And now you have to train your maids how to relight pilots for the consumers.

So there are going to be some problems associated with the implementation of that.

MS. LOPEZ: Thank you, Shannon.

MR. CROUCH: Jessica, this is John Crouch.

So, yes, I wanted Shannon to speak to that because while, as you know, the seven-day timeout is kind of the grand compromise, I want to be certain that everybody here in the room, including the IOUs and their contractor, understood that this is not going to be trivial for California's small businesses.

I had my nose rubbed in it recently at one of the meetings where a number of them pointed out that there will be a great number of service calls ever fall which may well -- which are not factored into the cost effectiveness of this in Zone 11, Climate Zone 11, and there will be a fair number in the Central Valley climate zones. There will even be some in the North

Coast climate zone because these cold flues and people expect their gas fireplace product to just come on, like the water heater does. And when it doesn't they'll call the dealer.

So there are costs here which are not necessarily -- and they're difficult to quantify and their very qualitative, I stipulate that, but there are going to be a lot of phone calls. Some of them will be a small businesses. Some of them may be to gas utilities.

MS. LOPEZ: Thank you, John.

Go ahead, Mary.

MS. ANDERSON: Mary Anderson, PG&E. Just one clarification.

The cost to consumers to relight pilot lights, and also to inspect furnaces, is zero. And I believe, as a utility, we offer that service and we ask the consumers to do so for safety purposes. So while I understand it could be an impact to some small businesses, I do believe there are options available that would be safe and I would consider that to be low cost slash zero cost for consumers, so thank you.

MS. LOPEZ: Thank you.

MR. CROUCH: John Crouch, HPBA.

My point is there's not a tremendous overlap between PG&E's gas service areas and Climate Zone 11. Now, I'm no expert on it and perhaps there is, but it's the Climate Zone 11, the mountains, where this is going to be a hot button issue, and already is, and will get worse, so the Truckee area. And, of course, it won't be just in the fall, as Shannon points out. In the spring, as hotel rooms and condos start to be used intermittently, some of them that have met the seven-day requirement all through the winter will exceed the seven-day requirement, even in March or April as the occupancy stuff drops, and so those have to be relit, hopefully by someone who knows what they're doing. But in those situations, I don't know that there will be a utility to call.

MS. LOPEZ: Thank you, John.

Are there any additional comments or questions? No one?

Anyone online?

MR. CROUCH: All right. I'm going to -- Climate Zone 16. I meant the mountains. I did not mean the city.

MS. LOPEZ: Thank you, John.

MR. NICHOLS: I get them all confused.

MS. ANDERSON: It's easier when you use geographic names.

MR. CROUCH: I know. That's what I should have done. I was trying to be clever.

MS. LOPEZ: So if there aren't any more questions or comments, I'd like to just wrap up today's workshop with our next presentation on next steps.

So again, this is an illustration of our pre-rulemaking process.

May 13 we published the Draft Staff Report, initiating a 45-day comment period, which will end on June 28th. During the comment period, we hold a public workshop, which is what we have done today. After we receive the comments, we'll revise our analysis accordingly and begin the formal rulemaking process.

So here's an illustration of the formal rulemaking process. These are just some of the major requirements of the Administrative Procedure Act for a formal rulemaking. To initiate a formal rulemaking, we must publish a Notice of Proposed Action, or NOPA, in the California Registry Notice -- California

Regulatory Notice Register. We must also publish the initial statement of reasons, or what we call ISOR, the proposed regulatory language, which is also known as the expressed terms, and an Economic and Fiscal Impact Statement. We also make available our analysis according our proposal and this is in the form of a Final Staff Report, which is similar to the Draft Staff Report, it's just final.

Once the notice of the proposed action is published in the California Regulatory Notice Register, the, aka (phonetic) rulemaking process is officially started and the Energy Commission has one year within which to complete the rulemaking process and submit the completed rulemaking file to the Office Of Administrative Law.

So when the NOPA is published there is an official 45-day comment period. We then hold a public hearing where Staff presents an overview of the proposal, which is similar to today's workshop. And during this public hearing the public has an opportunity to comment.

And if there isn't any need to make substantial changes to the expressed terms, we

move on to presenting the proposed regulations to the Commissioners for a vote on adopting the regulations at a business meeting. At this business meeting there is also an opportunity for the public to make a comment.

And if adopted, we submit the final rulemaking package to OAL for review and approval.

So again, all relevant documents in this proceeding are available on the docket right now. You can follow this link. Please be on the lookout for any future notices or documents related to this proceeding. They would all be posted on that docket.

Again, comments are due by 5:00 p.m. on June 28, 2019. They can be sent electronically to the link shown here using the e-filing system, or you can send a hardcopy to the mailing address shown here, or you can send a digital copy through email.

And again, I encourage manufacturers to make suggestions, you know, ask questions. If there needs to be clarification on the regulatory language, now is the opportunity to do so, so we can incorporate them and address them.

Again, here's my contact information. If you have any questions, concerns or need to discuss aspects of this proposal in more detail, please feel free to contact me.

Thank you, everyone, for your participation today, and that concludes today's workshop.

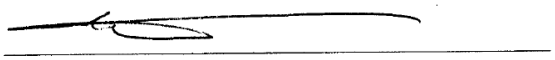
(The workshop adjourned at 12:33 p.m.)

REPORTER'S CERTIFICATE

I do hereby certify that the testimony in the foregoing hearing was taken at the time and place therein stated; that the testimony of said witnesses were reported by me, a certified electronic court reporter and a disinterested person, and was under my supervision thereafter transcribed into typewriting.

And I further certify that I am not of counsel or attorney for either or any of the parties to said hearing nor in any way interested in the outcome of the cause named in said caption.

IN WITNESS WHEREOF, I have hereunto set my hand this 18th day of June, 2019.



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I certify that the foregoing is a correct transcript, to the best of my ability, from the electronic sound recording of the proceedings in the above-entitled matter.

June 18, 2019

MARTHA L. NELSON, CERT**367