

Policy Positions 2018

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Introduction

The Hearth, Patio & Barbecue Association (HPBA), based just outside of Washington, DC, is the North American industry association for manufacturers, retailers, distributors, representatives, service firms, and allied associates for all types of fireplace, stove, heater, barbecue, and outdoor living appliances and accessories. HPBA provides professional member services and industry support in government relations, events, market research, education, certifications, consumer education, and industry promotion.

HPBA is the leading and recognized voice of advocacy for the hearth, patio, and barbecue industry. The statements below outline HPBA's positions on key issue areas and are meant to serve as a reference for HPBA members and the public interested in HPBA's position on a particular issue. As policies and issues evolve, these statements will be updated to reflect the industry's latest positions.

Have questions? Contact Rachel Feinstein.

Policies Impacting Gas, Wood, and Pellet Hearth Appliances

Woodstove Changeout Programs

Position Statement: HPBA, in partnership with the U.S. Environmental Protection Agency (EPA), provincial, state, and local governments and industry partners, supports the development and implementation of woodstove changeout programs.

LEARN MORE ABOUT CHANGEOUT PROGRAMS

Issue Summary: A woodstove changeout program is:

- A voluntary program initiated at the local, state, or regional level that encourages the replacement of older, inefficient woodstoves and inserts with <u>any</u> cleaner alternative hearth product, including gas hearth products.
- A cooperative program, which works best with a public/private partnership between air quality agencies and the hearth industry.
- A program which includes incentives, ranging from relatively modest for middle income households to more significant for low income households,
- A program which always involves the surrender and destruction of the old woodstove,
- Can be funded from a variety of sources, including environmental fines, mitigation funds, appropriations, and Greenhouse Gas Reduction Funds, and Cap-and-Trade proceeds.

HPBA strongly supports the creation of a national changeout program in both the U.S. and Canada, with annual authorizations targeted at the lowest income households.

Support for Small Business Regulatory Reform Legislation

Position Statement: HPBA supports efforts to increase transparency, accountability, and the role of small businesses in development of regulations within every federal agency.

Issue Summary: Many of the federal regulatory issues facing the hearth industry relate to a lack of accountability and requirements for federal agencies as they develop major regulations. The Small Business Regulatory Flexibility Improvements Act (H.R. 33; S.584) is a bill which would require agencies to analyze the impacts to small businesses affected indirectly.

Notably, the bill would amend the Small Business Regulatory Enforcement Fairness Act (SBREFA) of 1996 to require agencies, in developing small entity compliance guides, to solicit input from affected small entities or associations of small entities. At this point, the SBREFA only applies to the EPA and the Occupational Safety and Health Administration; therefore, this would help small businesses and increase accountability for agencies like the Department of Energy.

Hearth Products Specialty License

Position Statement: HPBA encourages states and local jurisdictions to incorporate a hearth specialty license credentialed in part by the National Fireplace Institute (NFI) into their code in order to ensure the safe and appropriate installation and servicing of gas and solid fuel hearth products. HPBA created model language that can be used to establish a hearth specialty license under a state or local jurisdiction's HVAC-R, mechanical, or other code.

LEARN MORE ABOUT THE MODEL LANGUAGE

Issue Summary: Fireplaces, hearth products and systems are unique products that bring fire into the living area of the home. Potential problems related to improper installation may be concealed and may not manifest themselves for a considerable time after installation. There are a wide variety of fuels, appliances, venting systems, installation instructions, codes and standards that require specialized knowledge. Credentials establish a bar for qualifications and thereby help to prevent potentially dangerous practices.

Appropriate and effective credentials should be specific to the product. Competence cannot be reliably predicted by general qualifications that include dissimilar products and that do not adequately cover knowledge of fireplace products installation. Exclusion of demonstrably appropriate fireplace-specific qualifications unfairly prevents highly-qualified professionals from practicing their trade, earning a livelihood, and contributing to the economic welfare of the region/state. The NFI exams are singularly focused on fireplace products. The exams are developed and maintained in accordance with national testing standards, including a job analysis basis.

EPA's Lead Renovation, Repair and Painting Program

Position Statement: While HPBA continues to support the broad principle behind EPA's Lead Renovation, Repair and Painting (Lead RRP) Program – that of protecting occupants, especially children under the age of six and pregnant women, of residential dwellings from lead hazard exposure – HPBA remains disappointed with EPA's removal of the opt-out provision, lack of enforcement of the laws, and the lack of a commercially-available lead test kit that meets both the positive and negative response criteria. HPBA looks forward to working with EPA and other stakeholders to address these concerns and possible solutions.

Issue Summary: On April 22, 2008, EPA published a final rule on the Lead RRP program pursuant to the Toxic Substances Control Act (TSCA). TSCA requires EPA to establish regulations that apply to renovation or remodeling activities in target housing that create lead-based paint hazards. Target housing includes, with some exceptions, any housing constructed prior to 1978. The statute calls on EPA to craft regulations in a reasonable and prudent manner and to consider the economic impact of any regulatory action.

EPA finalized an amendment to the opt-out and recordkeeping provisions of the program on May 6, 2010. Clearance and clearance testing requirements were established by an August 5, 2011 final rule. Complicating this rule is the reality that reliable lead test kits do not exist. Imprecise test kits result in false positives (test results inaccurately indicating the presence of lead) and servicers having to assume the presence of lead in pre-1978 housing.

Policies Impacting Wood and Pellet Hearth Appliances

Federal Tax Credit for Biomass Stoves

Position Statement: HPBA supports extension of the Internal Revenue Code Sec. 25(C) tax credit for biomass stoves and creation of a new tax credit under Sec. 25(D) which encourages consumers to make energy-conscious purchases that improve air quality, lowers heating expenses, and promotes economic growth.

LEARN MORE ABOUT THE CURRENT STATUS

Issue Summary: A federal tax credit recognizing the efficiency and value of today's biomass heating appliances has long been sought by the hearth industry. The Bipartisan Budget Act of 2018 (H.R. 1892), signed into law February 9, 2018, extended over 50 tax credits, including the Sec. 25(C) tax credit for Nonbusiness Energy Property. Sec. 25(C) includes the \$300 dollar-for-dollar tax credit for purchasing a biomass stove that is at least 75 percent efficient.

However, the legislation only extended the credit retroactively to purchases made before December 31, 2017. Without tax extenders legislation being passed into law

extending the credit beyond 2017, the credit expired at the end of 2017. Furthermore, the language did not specify either higher heating value (HHV) or lower heating value (LHV) as the efficiency measure, leaving efficiency measurement open to interpretation by manufacturers who wish to certify that a product is eligible for the credit. This is confusing for industry and consumers alike.

Other legislation, the Biomass Thermal Utilization (BTU) Act, has been introduced during the past few Congressional sessions. The BTU Act would establish a new tax credit under Sec. 25(D) of the tax code. It would create a tax credit of 30 percent for purchasing and installation costs for a new biomass appliance that is at least 75 percent efficient as measured by the HHV of the fuel.

EPA New Source Performance Standards (NSPS) Regulation for Wood and Pellet Heaters

Position Statement: Although HPBA does support many of the updated standards for new residential wood heater, new residential hydronic heaters and forced-air furnaces, we continue to have significant concerns related to improper use of data, setting an emissions limit before establishing a test method, and other related issues with Step 2 of the NSPS.

LEARN MORE ABOUT THE CURRENT STATUS

Issue Summary: The EPA Final NSPS Rule for New Residential Wood Heaters (published March 2015), updating the original 1988 NSPS for Wood Heaters, extends the regulation to include almost all wood and pellet products, including wood and pellet stoves, hydronic heaters, and forced-air furnaces. Masonry heaters, wood fireplaces, cookstoves, and coal stoves are not affected.

There are a number of unresolved related issues, including all Step 2 requirements and viability of cordwood testing, which HPBA has challenged in a Petition for Judicial Review, filed March 16, 2015.

Policies Impacting Gas Hearth Appliances

Safety Standard for Glass-Fronted Gas Hearth Appliances

Position Statement: HPBA strongly supports the safety barrier standard for new glass-fronted gas fireplaces as it protects at-risk populations, such as young children, from serious burns. While the new safety screens are important in avoiding direct contact with the hot glass, understanding the potential hazard and offering constant supervision are vital to preventing burns.

LEARN MORE ABOUT OUR EFFORTS TO IMPROVE SAFETY

Issue Summary: HPBA led the industry in creating a voluntary standard for all new gas fireplaces and glass-fronted gas heaters to help reduce the risk of burns in young children and others. The approved standard requires installation of a protective barrier on affected products (*i.e.*, appliance's glass surface temperature exceeds 172 degrees Fahrenheit). Effective for products manufactured on or after January 1, 2015, this standard was a result of more than four years of research, testing, and discussions with the U.S. Consumer Product Safety Commission.

Zero Net Energy Policies and the Role of Hearth Appliances

Position Statement: HPBA believes hearth products can play an important role in peak heating needs while providing significant consumer satisfaction.

LEARN MORE ABOUT THE CURRENT STATUS

Issue Summary: A Zero Net Energy (ZNE) home produces as much energy as it consumes on an annual basis. This can be achieved by using solar panels and windmills to generate electricity. The home is connected to the electrical grid, but is restricted to drawing on it only during narrow windows of time.

While the California Energy Commission (CEC) was the first high-profile agency to start considering ZNE initiatives, HPBA has encountered this issue in several more jurisdictions in the last year. In California, the issue impacts state energy philosophy, building codes, as well as the future of energy utilities and infrastructure to encourage and/or mandate sharply-increased efficiency in both new and existing buildings. Actions taken in California will set precedent for other states. In Vancouver, B.C. the issue is focused on ZNE and could potentially eliminate all gas products from high-rise residential and even all single-family housing.

Elimination of Standing Pilots: Increase Efficiency and Energy Conservation

Position Statement: New technologies now exist that can more adequately replace continuous pilots, which provided an important safety feature, but have required consumers to manually extinguish the pilot on their gas appliances. A phasing out of continuous pilots saves homeowners money and achieves energy conservation when appliances are not in frequent use.

LEARN MORE ABOUT THE CURRENT STATUS

Issue Summary: HPBA has been advancing a revision to the applicable standards for vented gas fireplaces, stoves, and inserts that would disallow continuous pilots at some point in the future. With this phase out, industry is able to contribute to energy conservation goals, while considering the unique attributes, functions, and technical considerations of each appliance category. The CSA Group, setting technical appliance standards worldwide, has accepted HPBA's request for change to phase out continuous pilot lights, sometimes referred to as "standing" pilots, by 2022-2023.

The standards are being revised independent of federal regulatory efforts and will disallow continuous pilots on newly-manufactured products currently covered under the ANSI Z21.50 and Z21.88 standards. The target effective date was identified with the acknowledgement that it may take time to perfect some control technologies that will be used in replacing continuous pilots. Vented gas appliances have been lightly regulated in Canada for many years (test-and-disclose provision of P.4.1), but multiple regulatory agencies are considering additional regulation on a wide range of gas-fired appliances, including labeling provisions, minimum efficiencies, and bans on continuous pilots.