

GOVERNMENT AFFAIRS BRIEFING FOR MANUFACTURERS

HPBExpo Atlanta, GA

Wednesday, February 27, 2008

8 to 9:30 am Room C-110



PART I

HPBA and the Importance of Being Green

Allan Cagnoli, Director of Government Affairs

Tom Stroud, Senior Manager of Codes & Standards



Introduction

- Environmental consciousness of being “green” – is a movement sweeping our nation and the world at all levels of society.
- Legislation, regulation, and other supporting ideals are influencing industries to becoming as “green” as possible.

What is Green?

- **Problem:** There is not a clear, simple or universally accepted definition of Green.
- Everyone in this room – and the world – has a different interpretation of what is Green
- Green energy is a term describing what is thought to be environmentally friendly sources of power and energy.
- Typically, this refers to renewable and non-polluting energy sources.
- It also includes the reduction of energy we use, i.e. the “non-use” of energy.

GREENWASHING

- “**Greenwashing** is the unjustified appropriation of environmental virtue by a company, an industry, a government, a politician or even a non-government organization to create a pro-environmental image, sell a product or a policy, or to try and rehabilitate their standing with the public and decision makers after being embroiled in controversy.”

(SourceWatch Encyclopedia)

The Important Questions

- Do HPBA products **function** in a Green way?
- Are HPBA products **made** in a Green way?
- Are HPBA products **disposed/recycled** in a Green way?

HPBA Gets Involved

- Codes, standards, regulation and legislation
- Government Affairs and Technical Committees
- Participation in discussions with groups working on green policies.

How Have Others Defined Us?

- Healthy Homes placed us in the Indoor Air Quality (IAQ) section in 1988
- EPA Energy Star House also focused on our IAQ impacts in 2004
- LEED placed stoves in IAQ section
- NAHB has also put stoves in IAQ

What We Have Done:

- National Association of Home Builders (NAHB) Green Building Standard (GBS)
- Participation in different groups
- Education/lobbying efforts
- Define what is Green
- Consultants

Organizations with which We are Working on Green Policies

- EPA “Energy Star House”
- Leadership in Energy and Environmental Design (LEED)
- 25 x ‘25
- GAMA
- National Federation of Independent Business (NFIB)
- National Association of Manufacturers (NAM)
- U.S. Chamber of Commerce
- National Association of Home Builders (NAHB)
- Every organization to which HPBA belongs has a Green component in their policy structure.
- LEED for Homes (U.S. Green Building Council)

NAHB Green Building Standard (GBS)

- What is the purpose?
- How did our industry fare?
- What did we do?
- Next steps

NAHB Begins GBS

- In 2007, a standard following ANSI procedures was drafted to establish voluntary guidelines for builders.
- HPBA gets on Task Group 4, the Indoor Environmental Quality (indoor emissions) section of the draft.
- Through hours of discussions, HPBA argued (successfully) that hearth products should be allowed, in a GBS home.
- Current draft includes decorative stoves.



The GBS Points System

- To qualify for the program there is an initial environmental mandatory performance level that must be met.
- Additional points are received by higher levels of performance than the mandatory.
- The point system will achieve one of four levels of performance, in ascending order:
 - Bronze
 - Silver
 - Gold
 - Emerald

USGBC & LEED

- Five years ago, Leadership in Energy and Environmental Design (LEED) Program of the U.S. Green Building Council (USGBC) created the LEED New Construction Rating System, the industry's first green guidelines.
- NAHB created Green Building Guidelines for building energy efficient homes.
- HPBA gets our EPA-certified wood-burning (zero-clearance) stoves and direct-vent fireplaces included in Green Building Guidelines.
- Consumer interest in being “green” peaks; NAHB begins creating a national standard.

LEED vs. GBS

Nationally, we need to consider all green building proposals and not focus on just one.

Legislation Concerning Green

Bills regarding some form of Green introduced in the 110th Congress:

- ❖ Energy efficiency/renewable energy : 250+
- ❖ Climate change/green house gas : 150+

State and local measures: very many

HPBA Influence

- On including our products in ANY green standard
- On GBS language
- On how “green” the industry has become (and will be)

How Green is HPBA?

It depends on:

- What happens with the NAHB Green Building Standard (GBS)
- What legislation/regs are enacted, if any
- Who establishes the definition of Green
- What is a product's **total Green footprint**
- Green assertions made by each company, i.e. “greenwashing”

How Green ... continued

Question: Can HPBA and its members define Green for themselves?

Answer: Maybe

Question: Will the general public and our customers accept our own definition?

Answer: Probably not

Question: What is the *total Green footprint* of HPBA products?

Answer: We need an outside consultant to help define how Green is HPBA.

Questions?

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PART II LEGISLATION AND GRASSROOTS

SETH VOYLES, MANAGER OF GOV AFFAIRS



Federal Legislation

Congressional policy focus continues to be on environment and domestic renewable energy

Topics under consideration:

1. Clean Stove Act

- \$500 tax credit to replace old, conventional stoves
- Rep. John Salazar (D-CO) and Sen. Mike Crapo (R-ID) have introduced H.R. 4244 and S. 2576, respectively.

2. Global Warming:

Lieberman/Warner Legislation

- Cap & Trade System
- Advocating to include our policies.



Federal Legislation

3. 2007 Farm Bill
 - Community Wood Energy Program

4. Energy Bill and Energy Tax Provisions
 - Enacted into law – Public Law 110-140
 - Energy tax provisions were not included
 - Issues of interest to HPBA:
 - Grant Program
 - RESA Study
 - Regional Standards
 - Building Codes –were not included

Federal Legislation

5. Renewable Energy Tax Parity Act
 - \$2000 tax credit for homeowners who install biomass energy systems – such as wood pellet stoves and boilers – a version of RESA Rebate language
 - Rep. Paul Hodes (D-NH) and Sen. John Sununu (R-NH) introduced H.R. 3107 and S.1697, respectively.

6. Renewable Energy Standards/Renewable Portfolio Standards
 - Thermal component
 - Being monitored

Don't be discouraged...

Legislative issues take time.

But, you can help make it work.

HOW ???



Grassroots !

And NOW it's time to get involved !!!

Coalition Building

- Establishes a vast network of supporters; enables HPBA to better advocate
- Strengthens and broadens our industry and persuades others to support HPBA policies
- Reaching out to environmental, agricultural organizations, energy companies, health care associations, manufacturing groups, etc.

Communication

- Communication is essential to educating and mobilizing stakeholders/members.
- Keep advocates abreast of important issues and primed for action through ongoing communications.
- You are all part of a valuable, tangible group, and your actions have a real impact.

Letters to the Editor

- Easy and effective way to thank those who support HPBA issues. (The elected and the candidates)
- Media is coveted.
- Letters establish a good rapport.
- Elected officials often monitor the op-ed section of newspapers; it can impact the positions they take on issues.
- Letters to the editor are widely read, reach a large audience, and can educate people in your community about HPBA issues.

Plant and Facility Tours

- Visits by elected officials and candidates to your company's facilities are an effective way for grassroots participants to build relationships.
- Plant tours on plant processes relate to legislative issues.
- Tours showcase your facility's environmental, health, and safety standards.
- A plant tour is an appropriate and useful way to educate elected officials and help increase the comfort level of grassroots participants.

Office Visits and Correspondence

- Contact all elected officials (and their staff) who represent districts in which you have operations, telling them about the issues important to you and the industry.
- Contact them by phone, stop by their district offices, or attend one of their town hall meetings.
- These meetings offer a tremendous opportunity for you to *personally* voice the issues important to our industry.
- This also provides HPBA staff the opportunity to identify elected officials and staff that support our policies, and allows HPBA to develop a lasting relationship with these policy makers.

Collection of Data

- State information – how many jobs in the health industry, how much do we contribute to the local economy, how much is our industry worth in the state?
- General information is better.
- Elected officials covet this information.
- Data makes a good argument for policy.

Internet Awareness

HPBA Programs

- NetScan
- Capwiz
- Knowlegis

On-line Tools

- THOMAS
- www.senate.gov
- www.house.gov

*AGAIN -- Don't be
discouraged...*

Grassroots efforts take time,
and **access** leads to **SUCCESS !!**

QUESTIONS ?

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PART III

STATE ISSUES

JOHN CROUCH, DIRECTOR OF PUBLIC AFFAIRS



STATE & PROVINCIAL ISSUES

- New Air Regulations - California
- NW States – Washington, Idaho, Montana, and Alaska
- Oregon Biomass Appliance Tax Credit
- Changeouts in NW, California, Vermont, B.C.
- Libby Report & Video

New Air Regulations – Sacramento

- New Construction –
 - No open fireplaces – EPA-certified wood & pellet only
 - No gas logs in wood fireplace; DV & B vent only
- Existing Homes
 - Retrofit EPA-certified wood or pellet
 - No-burn nights – exemptions for EPA or pellet in 1st stage
- Expect review this year

New Air Regulations – LA

- Rule to be adopted early March - Current Effective date – Sept. 6, 2008 – HPBA Pacific fighting for 6 more months
- **Gas logs in wood fireplaces count as gas fireplaces!**
- New construction – no new wood burning in homes below 3,000 feet if they have NG
- Applies to **outdoor** & indoor fireplaces
- Home above 3,000 feet OR with no NG, may use EPA-certified wood or pellet
- Existing homes may retrofit EPA wood or pellet

New Air Regulations – San Francisco Bay Area

- Rule in process, adoption expected later this year – new proposal expected soon
- 1st draft (may change):
 - Rule will apply to all new outdoor & indoor
 - EPA wood & pellet okay for new construction
 - No gas logs in wood fireplace box
 - Mandatory no-burn days – no exemptions for EPA wood or pellet
- HPBA Pacific expects major fight!

WA – Wood Smoke Workgroup

- NW HPBA & HPBA participated in multi-stakeholder workgroup in summer 2007
- Developed PM_{2.5} compliance strategy for WA
- 2 legislative proposals for 2008 session
- workgroup will continue in 2008:
 - Limits on installing wood heaters in new construction
 - Limits on fireplaces
 - Changeout funding, etc.
 - NWHPBA & HPBA will continue working together

Washington State – PAHs (polycyclic aromatic hydrocarbons)

- Washington State Department of Ecology (DOE) begins development of “chemical action plan” on PAHs in 2008.
- NWHPBA & HPBA have been monitoring preparations & early meetings
- NWHPBA will need HPBA support and assistance – including technical expertise – later in 2008 and through 2009.

Puget Sound Clean Air Agency (Seattle)

- Critical partner in NW region
- Survey for Emission Inventory completed with NWHPBA & HPBA assistance
- Survey shows number of certified stoves in Seattle area that is not believable
- Both groups will review data to improve survey
- Agency has asked NWHPBA's help preparing & distributing video on proper EPA-certified wood stove operation

NW HVAC Legislation - 2008

- Hearth industry faced HVAC legislative in WA state for the past 2 years
- NWHPBA members very active in fighting bill
- At 11th hour, legislature changed licensing bill into a “legislative study”
- Study was time consuming and required broad hearth industry involvement
- NWHPBA will continue to work to be exempted from any HVAC legislative recommendations.
- NWHPBA continues to monitor Idaho HVAC program

PM 2.5 – Northwest & Alaska

- PM 2.5 non-attainment areas submitted to EPA:
 - Montana – 2 counties
 - Idaho – 1 county
 - Alaska – 1 county
 - Washington – 2 counties
- EPA may accept these “nominations”, enlarge their boundaries, or add more areas based on 2007 data.

Oregon – Biomass Appliance Tax Credit

- Up to \$300 based on heat output
- Apply to any wood burning device
 - 4.5 g/h for non-catalytic stoves
 - 2.5 g/h for catalytic stoves
 - 2.5 g/h for pellet stoves
- **Non-certified stoves will have to prove 2.5 g/h through a third party EPA lab**
- OHPBA may maintain a public list
- Details in negotiation

Changeouts

(www.woodstovechangeout.org)

- Vermont –Rutland area, low income only
- California- Chico, Sacramento, San Juaqin Valley, all with vouchers (\$150-\$600)
- Bay Area just completed \$100K program – gone in 1 week!
- Bay Area authorized \$400K more – will be gas only, date is TBD
- HPBA Pacific lead on all CA changeouts

Changeouts (con't)

- 2007 changeouts
 - Washington state = 7 programs
 - Idaho = 1
 - Montana = 1 (not counting Libby)
- WA Legislature proposing \$1.5 million for additional change-out program funding (new!)
 - 4 to 6 wood stove change-out programs in 2008 & 2009
- Possibly more in Idaho, Montana and Alaska

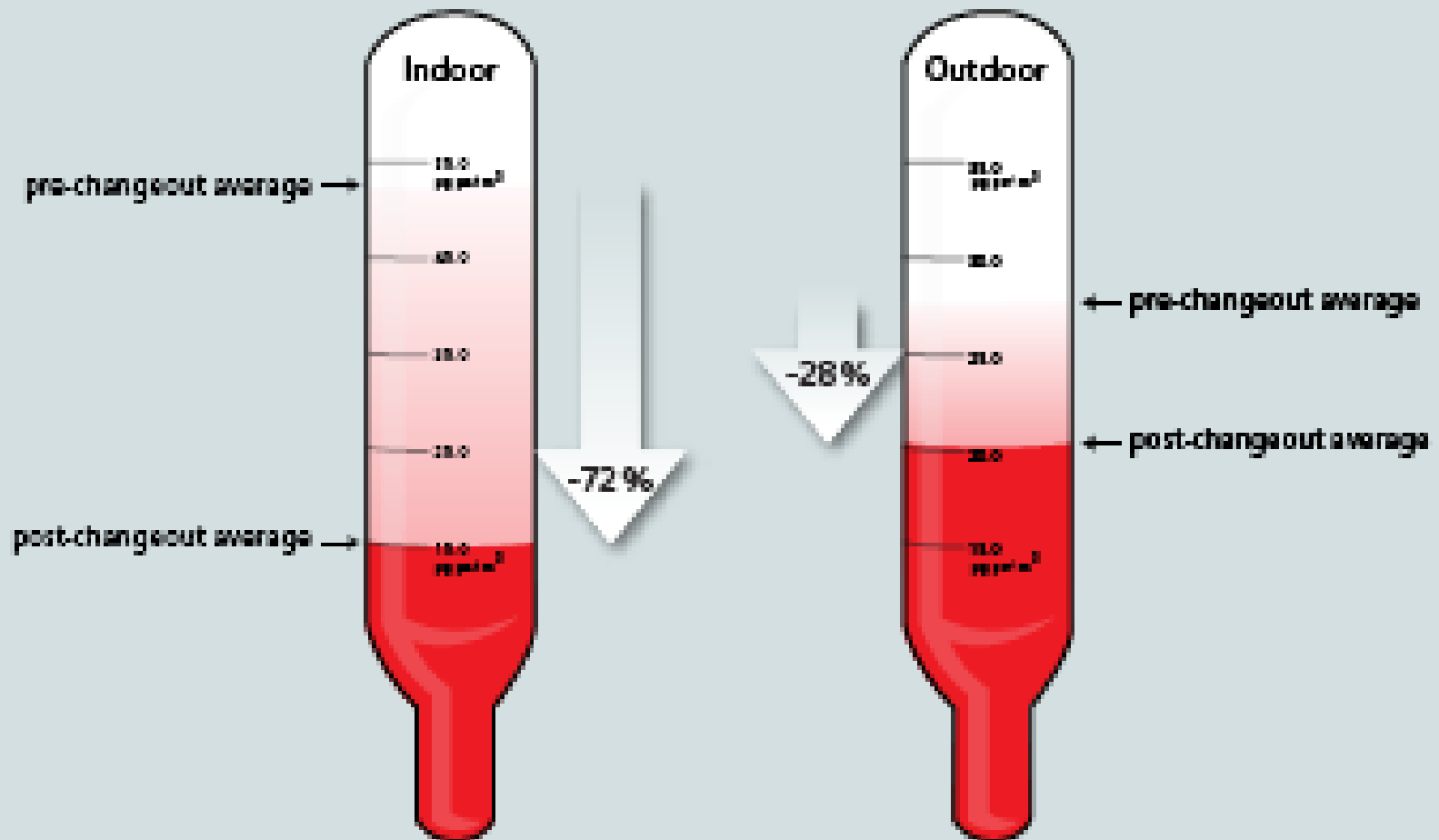
Changeouts – Canada

- British Columbia – Province-wide program kicks off this spring
- Ultimate goal is 50,000 old wood stoves over 3 years
- Western Chapter of HPBAC working closely with BC Ministry of Environment & local lung association

Libby – “Clearing the Smoke”

- 28 page report – details the program
- www.woodstovechangeout.org
- 28% improvement in outdoor air
- 72% improvement in indoor air
- 1135 stoves changed out in 22 months
- Announced results – with USEPA Deputy Admin for Air & Libby residents at D.C. press event – January 31, 2008

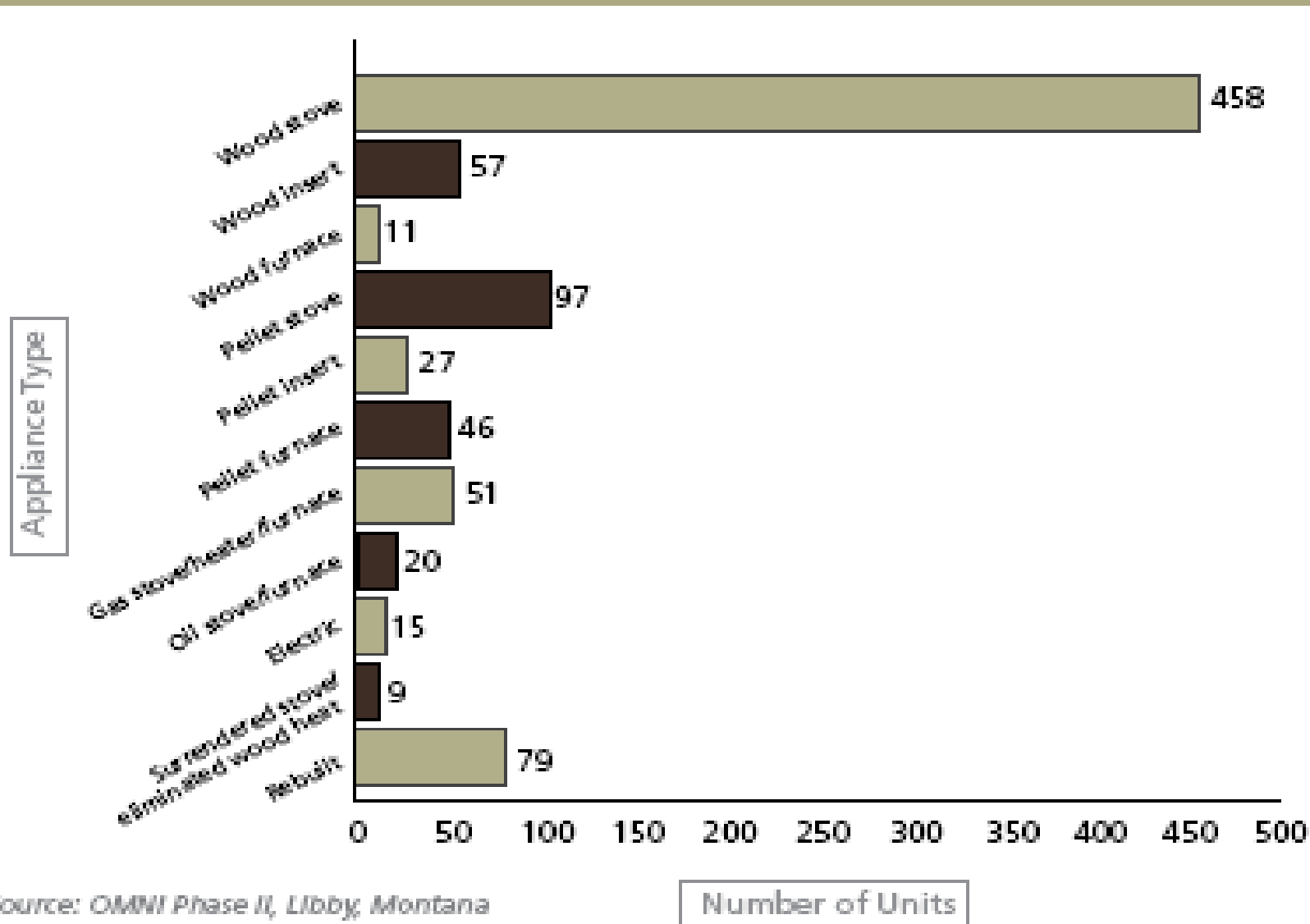
Preliminary Data Indicates Significantly Cleaner Air



Source: University of Montana,
Center for Environmental Health Sciences

Source: Environmental Protection Agency &
Montana Department of Environmental Quality

Number of Phase II Installations by Type, Rebuilds and Surrenders



Source: OMNI Phase II, Libby, Montana
Wood Stove Changeout Program

Libby Press Event-EPA HQ 1/31/08



Libby Event Burn Trailer-EPA HQ

January 31, 2008



HPBA State Code Coordinators

- Established in 2002
- Volunteer members who work with affiliates and HPBA national staff
- GOAL: one or more in each state
- REALITY: Some states, but not nearly enough to cover everything!

WE NEED MORE HELP !!



State Code Coordinators (con't)

- Main tasks of State Code Coordinators:
 - Participate in conference calls
 - Review pertinent legislation & regulations
 - Respond to affiliate and national staff with recommendations
 - Attend applicable training seminars
 - Develop relationships with regulators & lawmakers as needed

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PART IV

OTHER TECHNICAL ISSUES

Tom Stroud, Senior Manager of Codes & Standards



OTHER TECHNICAL ISSUES

- Floor Pads (UL 1618)
- Inserts (UL 1482)
- Outdoor Decorative Gas Appliance Standard

IN CONCLUSION

- FUTURE PLANS
- QUESTIONS AND ANSWERS