



HRAI Manufacturers Division

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Mr. Andrew Pape-Salmon
Senior Policy Advisor
BC Ministry of Energy and Mines
Alternative Energy Policy Branch
PO Box 9314, Stn Prov. Govt.
4th Floor, 1810 Blanshard Street
Victoria, British Columbia
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Subject: Proposed Energy Efficiency Market Transformation Strategy for Residential Natural Gas Fireplaces

Dear Andrew,

We are writing to you on behalf of the Heating, Refrigeration and Air Conditioning Institute of Canada (HRAI), the Hearth Patio and Barbecue Association (HPBA), the Hearth Patio and Barbecue Association of Canada (HPBAC) and the HPBAC Western Chapters which includes prominent BC manufacturers. Together our gas hearth manufacturers have reviewed in detail BC's draft Energy Efficiency Market Transformation Strategy for Residential Natural Gas Fireplaces dated August 6, 2004.

We understand the objective of the BC Ministry of Energy and Mines is to improve the energy efficiency of natural gas fireplaces installed in British Columbia by 2008. That being said, we think there is a need to broaden the debate on public policy to ensure that we balance the goals of energy efficiency with the environmental concerns of other departments, in other words, to ensure meeting one set of priorities does not compromise another.

Our members believe that the following issues require further consideration:

- i) As stated there is a need for a broader public debate that would combine the concerns of the environment with concerns for energy efficiency. For example we would not want to see a well intentioned policy of minimum gas fireplace efficiencies lead to a large uptake on the sale of gas logs or open wood burning fireplaces which may prove detrimental to energy and environmental objectives and/or concerns for local air quality. While saving energy may be a Ministry mandate or implied benefit, the public benefits must be weighed against the possible public costs of all of the policy recommendations

offered. It is the industry's belief that the regulatory minimum standard proposals outlined in this paper have the potential to create far greater public harm than good.

ii) Given that the industry has just launched the EnerGuide Program for Gas Fireplaces, the efforts of the government would be better placed to promote and consolidate that program, building consumer awareness and thereby justifying the investment in the program, which at this stage is not an insignificant commitment.

iii) Since there is acknowledgement that products manufactured and shipped in BC are not subject to the federal government's Energy Efficiency Act, what steps are being taken to remedy this situation.

iv) We firmly believe that gas fireplaces are fundamentally different consumer goods than furnaces, water heaters or refrigerators. Consumers' fireplace product selection involves a complex mix of both aesthetic and heating considerations. In many cases heating considerations are much less important than firebox size and flame presentation. Remember, the gas fireplace replaced the wood fireplace market only when consumers became convinced that a gas fireplace would look "as good as a real wood fire". While many of these aesthetically driven gas fireplace products are less efficient, they serve an important public benefit by reducing the contribution of wood particulates to the atmosphere.

Members' comments on the draft strategy for consideration by the Ministry:

1. We support a combination of utility and government incentives and co-operative efforts through the industry to improve fireplace efficiency and to stimulate the market. A good example of this is evident in the hearth manufacturers' commitment to the completion of the CSA P.4.1-02 standard and the development of the EnerGuide for Gas Fireplaces program.

When considering incentives, there is a need to look at the full range of options beyond just the federal contribution such as provincial sales tax exemption, municipal rebates and the role of financing programs. It would also be helpful for the BC Ministry of Energy and Mines to join the industry in persuading NRCan to assign EnerGuide for Houses credits to consumers upgrading older gas appliances, in addition to those given furnaces and boilers.

Since "higher qualifying levels" are a fact of life in the world of incentives it will be important to understand that given the specifics of the different appliance types, what is a higher efficiency number for a free standing stove will be different from a fireplace and may be different again from a fireplace insert. For example, it is important to appreciate that when you get into the 65% range you are basically limiting product availability to stove type units.

2. Members are not in agreement with defining a minimum efficiency level for gas fireplaces. Manufacturers and testing labs have both identified some inconsistencies in respect to the new CSA P.4.1-02 standard and we would recommend that as a priority, the CSA P.4 committee reconvene to address outstanding issues pertaining to the standard. Some of these issues include: no allowance for the fan to be in operation when determining the fireplace efficiency and the P4 standard does not allow for the pilot light to be shut off, as does the AFUE rating in the US.

It was also suggested that the P4 committee consider including gas log sets in the standard so that this product can gain an efficiency rating. Another option could be to assign a default value to gas log sets. Manufacturers would agree to provide more education for consumers on gas log sets.

In addition members do not agree with setting a minimum level at this time since the EnerGuide program and the collection of statistical data has only been in operation since 2003. The hearth industry needs more time to determine what is currently being shipped in the marketplace with respect to efficiency levels. HRAI has collected data for Canada which reports that in 2003, 65% of the units sold ranged from 50 - 59.9% FE. Only 30% of the sales were attributed to a range of 60 - 69.9% FE. Manufacturers claim that when you get into a 65% range you are limiting consumer choices to stove type units and causing very restricted product availability. It is our understanding that some hearth manufacturers are still in the early stages of completing efficiency tests on their equipment.

3. Industry supports educating the consumer to turn off their pilot lights during the summer months and NRCan has done a good job in reinforcing this message to consumers. It is our understanding that California's ban on pilot lights only applies to decorative appliances. The CSA P.4.1 standard already takes into account the energy consumption of standing pilots when determining the fireplace efficiency / EnerGuide rating. Electronic ignition is a relatively new and evolving component for the fireplace industry with limited availability, one requiring more research and further development prior to adopting full scale implementation.
4. The strategy addresses unit construction and indicates that ceramic glass does a much better job of transmitting infrared heat from the flame to the room than tempered glass. Manufacturers have indicated that it would be a great disadvantage to remove the consumers' choice, as ceramic glass costs more than 4 times that of tempered glass and the difference in the heat transmittance is minimal. In addition, it should be recognized that the CSA P4.1-02 test criteria does not take into account heat transmission into the room, regardless of material used.

5. The Office of Energy Efficiency (OEE) would be responsible for setting an ENERGY STAR level and we support their stated position that they are not contemplating setting any levels in these early stages. Industry fully supports OEE in respect to adding vented gas fireplaces to the Federal Energy Efficiency Act now that the CSA P4.1 standard has been published. We also support educating the consumer on the importance of factoring in energy efficiency as part of their buying decision. At some point we will need to have further discussions on the topic of ENERGY STAR. That said, manufacturers are still absorbing the introduction of the EnerGuide Program and getting new literature printed that provides fireplace efficiency ratings on gas fireplaces. It is premature and counterproductive to muddy the waters at this stage with ENERGY STAR.

We would welcome the opportunity to meet with you in the near future to discuss the draft strategy in more detail. We look forward to working with you to determine the best option to meet the objectives of the BC Ministry of Energy and Mines and to provide effective energy efficiency information on gas hearth products to Canadian consumers. In our opinion the regulatory solutions in the furnace and water heater markets could create disastrous consequences if they are applied to gas fireplaces because unlike the gas furnace or water heater markets, the gas fireplace market is much more complex and consumers behave fundamentally differently. There are many ways to improve gas fireplace efficiencies and not disturb the market dynamics. Industry is willing to work with the Ministry to achieve those results.

Yours truly,

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Manager, HRAI

W.M. Tex McLeod
Manager, HPBAC

cc: HPBAC Government Relations Committee
HRAI Gas Hearth Section Members
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