

RICHARD E. NEAL
SECOND DISTRICT, MASSACHUSETTS

AT-LARGE WHIP



COMMITTEE ON WAYS AND MEANS

CHAIRMAN,
SUBCOMMITTEE ON SELECT
REVENUE MEASURES

CHAIRMAN, FRIENDS OF IRELAND

Congress of the United States
House of Representatives
Washington, DC 20515

February 24, 2010

The Honorable Charles B. Rangel, Chairman
Committee on Ways and Means
U.S. House of Representatives
1102 Longworth House Office Building
Washington, DC 20515

Dear Chairman Rangel,

The American Recovery and Reinvestment Act (ARRA) allows consumers to receive a credit on installed hot water and steam boilers, and furnaces with an Annual Fuel Utilization Efficiency (AFUE) rating of 90 and above. The credit covers up to 30 percent of the cost of that equipment, with a maximum of \$1,500 per household.

It has been brought to my attention that the 90+ AFUE rating threshold is unable to be met by most currently available heating oil equipment. However, when a new oil-fired hot water or steam boiler or furnace (i.e. with a lower AFUE of 86) is installed in conjunction with additional technologies, such as an indirect water heater and smart controls, the combined resulting system efficiency meets or exceeds the efficiency of products with a 90+ AFUE listing. It is my understanding U.S. Department of Energy Laboratory studies have confirmed these efficiency gains.

Given the AFUE rating system doesn't fully measure the efficiency of a combined/integrated oil heating system, it may be necessary to use a different standard (i.e. annual system efficiency) for these systems to make participation in the credit program feasible vis-à-vis efficiency certification. Allowing such efficient systems to qualify for the credit would do much to advance the credit's efficiency goals while efforts are made to increase the supply of 90 + AFUE rated equipment. As you well know, oilheat is an important fuel source in the Northeast and I believe exploring ways to improve participation in the credit program would help advance the green technology agenda and associated job growth.

Thank you for your leadership and I look forward to working with you on the many challenges before the committee.

Sincerely,

A handwritten signature in cursive script, appearing to read "Richard E. Neal".

RICHARD E. NEAL
Member of Congress

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