



## HPBA FAQ for Retailers on the 2020 Deadlines for Wood Heating Products

The new rule that US EPA issued in 2015 covers all new residential wood and pellet stoves and inserts, hydronic heaters, and forced-air furnaces. As the next deadline, May 15, 2020, looms closer, it is imperative that retailers and distributors focus on the details of that deadline. There are some industry efforts underway that **may** affect these deadlines, and this in turn, may have created some confusion.

The purpose of this FAQ is to clarify the **current** deadlines and requirements that all dealers and distributors must meet on or after May 15, 2020 or be in violation of federal law.

### What can be offered for sale on or after May 15, 2020?

Wood and pellet stoves and inserts that:

- Were tested on or after March 16, 2015 with crib wood (the traditional EPA test method fuel) certified to meet Step 2 (i.e., at or below 2.0 g/hr)
- Were tested on or after March 16, 2015 with cord wood and certified to meet Step 2 (i.e., at or below 2.5 g/hr)

Residential hydronic heaters that:

- If tested using crib wood EPA method, must be Step 2-certified at 0.10 lb/mmBtu or less per test run.
- If tested using cordwood alternative method, must be Step 2-certified at 0.15 lb/mmBtu or less per test run.
- **NOTE:** If a hydronic heater was tested using the European standard to meet Step 1, it cannot be sold on or after May 15, 2020 unless it is retested and certified using the EPA or ASTM methods specified in the rule.

Residential forced-air furnaces that:

- Are Step 2-certified at 0.15 lb/mmBtu or less per test run.

### What do and don't these requirements apply to?

- **Applies to** all new residential cordwood and pellet stoves and inserts, hydronic heaters, and forced-air furnaces
- **Does not** apply to appliances installed before May 15, 2020
- **Does not** apply to fireplaces

### **Did EPA provide any sell-through of products past the 2020 effective date?**

- No, EPA will not be allowing any sell-through!

### **What work is HPBA doing that, if successful, would affect the standards as written?**

- HPBA's legal challenge to parts of the NSPS could impact requirements of the rule.
- Also, HPBA-supported legislation in the U.S. House (H.R. 453) and U.S. Senate (S. 1857) would extend the effective date of Step 2 by three years, from May 15, 2020 to May 15, 2023. However, this legislation was not signed into law in time.

### **What should retailers and distributors be focused on now, given these uncertainties?**

- The only thing certain is what is on the books today. Retailers and distributors **must** comply with the current law as it stands, and not any potential changes that may not come to fruition.
- Many wood and pellet stoves that were certified below 2.0 g/hr with crib wood before March 16, 2015 will need to be retested and certified as Step 2-compliant to be sold after May 15, 2020 because EPA made changes to the method.

### **How active is EPA in enforcing the NSPS?**

- EPA has demonstrated that they are enforcing the rules currently in effect and will continue to do so.
- EPA has alerted retailers who still have uncertified pellet stoves on their floor or in their warehouse.
- Retailers should assume that EPA and state personnel could be actively enforcing Step 2 of the rule beginning in May of 2020.

### **In states that passed state laws preventing state agencies from enforcing the NSPS, what does/will enforcement look like?**

- Even though state agencies in certain states that we know of (VA, MI, MO) are unable to directly enforce the rule, that doesn't stop the federal EPA from enforcing the rule.

### **For Step 1, how well did the industry handle the transition to the new standards?**

- When the May 15, 2015 effective date for the current EPA certification (Step 1) arrived, there were many models that met the Step 1 standard. Also, we had a 7-month transition period (until December 31, 2015) to clean out inventory of any stoves or pellet stoves that was not certified at 4.5 g/h or less.

- Most manufacturers had at least some products that already met this 4.5 g/hr target and were 'Deemed Certified' by US EPA.

### **What can we expect as we transition to Step 2 of the rule?**

- Step 2 will be a very different story. Many hydronic heater and furnace manufacturers, in particular, have few or zero products that meet Step 2, and the deadline is just a little over two and a half years away.
- On May 15, 2020, every wood or pellet stove or insert, hydronic heater, or forced-air furnace in your store and your warehouse **must** meet the Step 2 standards. Otherwise you are violating Federal law if you offer it for sale.

### **With the Step 2 effective date quickly approaching, what should retailers and distributors consider in our business decisions between now and May 15, 2020?**

- At the rate the test laboratories are getting things tested, and at the glacial rate that EPA is issuing certificates, there will be **a lot fewer models available to sell** by May 15, 2020.
- If the winter of 2019 is warm in your area, you will have to make some REALLY GOOD DEALS, to salvage your investment, as **there is NO sell-through time after the Step 2 deadline!**

### **Should retailers only buy appliances that meet Step 2?**

- No, retailers and distributors should NOT immediately stop buying anything that doesn't meet Step 2. If you did that, you wouldn't have as many choices in models to sell. Also, manufacturers need that revenue to complete testing and certification of Step 2 products. Remember, you still have one full selling season between now and the Step 2 deadline.

### **Can retailers resell used appliances under the NSPS?**

- **Yes.** The NSPS is a "new source performance standard," which means it does not set standards for existing sources. There are no sales prohibitions on truly used appliances. However, retailers should verify whether there are any local and/or state regulations that may restrict sale of used stoves.

It is important to keep in mind that "used" stoves/heaters must have been owned and operated by a non-commercial owner, meaning a private party, such as a homeowner.

It is not enough to simply burn an appliance in a showroom or at a trade show. All provisions of the NSPS continue to apply to stoves used only by a commercial owner, including a dealer.

EPA defines “commercial owner” very broadly to mean “any person who owns or controls a wood heater in the course of the business of the manufacture, importation, distribution (including shipping and storage) or sale of the wood heater.”

**Can a retailer sell a Step 1 stove before May 15, 2020, even if it can't be installed until after the Step 2 effective date?**

- Yes, you can sell a Step 1 stove before May 15, 2020 and yes, you can install it after the effective date. The rule defines “sale” as “the transfer of ownership or control.” This is key because it does not say “transfer of ownership and control.” However, it must be a transfer of ownership or control to the end-user/consumer, not to a middleman like a contractor or distributor.
- Be sure to document the sale. The appliance doesn't necessarily need to be in the physical hands of the owner, but there does need to be a clear sale (transfer of ownership).

**Have Questions?**

If you have any additional questions about the current regulations, please feel free to contact Rachel Feinstein (HPBA's Senior Manager – Government Affairs) at [feinstein@hpba.org](mailto:feinstein@hpba.org).