

(3) With the result multiplied by 1.03.

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### Proposed by Maine Dairy Industry Association

#### Proposal No. 18

This proposal seeks to incorporate a factor to account for any monthly spread between component price calculations for milk and a competitive pay price for equivalent Grade A milk.

The proposal seeks to derive a factor by using an updated version of the Department's 1994–1996 simulated analysis of a competitive pay price for Grade A milk. The proposal would modify the previously used survey to adapt it to regulatory changes, specifically related to component pricing. The proposal seeks an outcome whereby a survey of plants located in nine States, including California, as performed to develop a competitive Grade A price series, would be used to identify a spread, if any between the component and competitive values of Grade A raw milk. That spread, in whole or in part, would be incorporated into Federal order minimum prices.

### Proposed by Dairy Programs, Agricultural Marketing Service

#### Proposal No. 19

For all Federal Milk Marketing Orders, make such changes as may be necessary to make the entire marketing agreements and the orders conform with any amendments thereto that may result from this hearing.

Copies of this notice of hearing and the orders may be procured from the Market Administrator of each of the aforesaid marketing areas, or from the Hearing Clerk, United States Department of Agriculture, STOP 9200—Room 1031, 1400 Independence Avenue, SW., Washington, DC 20250–9200, or may be inspected there.

Copies of the transcript of testimony taken at the hearing will not be available for distribution through the Hearing Clerk's Office. If you wish to purchase a copy, arrangements may be made with the reporter at the hearing.

From the time that a hearing notice is issued and until the issuance of a final decision in a proceeding, Department employees involved in the decision-making process are prohibited from discussing the merits of the hearing issues on an ex parte basis with any person having an interest in the proceeding. For this particular proceeding, the prohibition applies to employees in the following organizational units:

Office of the Secretary of Agriculture,

Office of the Administrator, Agricultural Marketing Service, Office of the General Counsel, Dairy Programs, Agricultural Marketing Service (Washington office) and the Offices of all Market Administrators.

Procedural matters are not subject to the above prohibition and may be discussed at any time.

Dated: February 5, 2007.

**Lloyd C. Day,**

*Administrator, Agricultural Marketing Service.*

[FR Doc. 07–570 Filed 2–6–07; 11:54 am]

**BILLING CODE 3410–02–P**

## DEPARTMENT OF ENERGY

### Office of Energy Efficiency and Renewable Energy

#### 10 CFR Part 430

[Docket No. EE–RM/STD–01–350]

RIN 1904–AA78

#### Energy Conservation Program for Consumer Products: Energy Conservation Standards for Residential Furnaces and Boilers

**AGENCY:** Office of Energy Efficiency and Renewable Energy, Department of Energy.

**ACTION:** Notice of data availability and reopening of comment period.

**SUMMARY:** A notice of proposed rulemaking (NOPR) to amend the current minimum energy conservation standards for residential furnaces and boilers was published in the **Federal Register** on October 6, 2006. 71 FR 59204. On October 30, 2006, the Department of Energy (DOE) held a public meeting for interested parties to provide comments and discuss relevant issues. At the public meeting, DOE indicated it would respond to two particular questions that stakeholders raised regarding DOE's NOPR estimates for potential energy savings associated with regional standards for non-weatherized gas furnaces in Northern regions, and regarding new installation costs for oil-fired furnaces. This notice both addresses the stakeholders questions and reopens the comment period to provide an opportunity for public review and comment on DOE's response to each question.

**DATES:** DOE will accept comments until February 26, 2007.

**ADDRESSES:** DOE will accept comments, data, and information regarding the proposed rule no later than the date

provided in the **DATES** section. Any comments submitted must include the docket number EE–RM/STD–01–350 and/or Regulatory Information Number (RIN) 1904–AA78. Comments may be submitted using any of the following methods:

1. *Federal eRulemaking Portal:* <http://www.regulations.gov>. Follow the instructions for submitting comments.

2. *E-mail:* [ResidentialFBNOPRComments@ee.doe.gov](mailto:ResidentialFBNOPRComments@ee.doe.gov). Include the docket number EE–RM/STD–01–350 and/or RIN 1904–AA78 in the subject line of the message.

3. *Mail:* Ms. Brenda Edwards-Jones, U.S. Department of Energy, Building Technologies Program, Mailstop EE–2J, 1000 Independence Avenue, SW., Washington, DC 20585–0121. Please submit one signed original paper copy.

4. *Hand Delivery/Courier:* Ms. Brenda Edwards-Jones, U.S. Department of Energy, Building Technologies Program, Room 1J–018, 1000 Independence Avenue, SW., Washington, DC, 20585. *Telephone:* (202) 586–2945. Please submit one signed original paper copy. Electronic comments must be submitted in WordPerfect, Microsoft Word, Portable Document Format (PDF), or text (ASCII) file format. Avoid the use of special characters or any form of encryption.

Copies of public comments may be examined in the Resource Room of the Appliance Standards Office of the Building Technologies Program, Room 1J–018 in the Forrestal Building at the U.S. Department of Energy, 1000 Independence Avenue, SW., Washington, DC, between the hours of 9 a.m. and 4 p.m., Monday through Friday, except Federal holidays. Please call Ms. Brenda Edwards-Jones at the above telephone number for additional information about visiting the Resource Room.

**Please note:** the DOE's Freedom of Information Reading Room (formerly Room 1E–190 at the Forrestal Building) is no longer servicing rulemakings.

#### FOR FURTHER INFORMATION CONTACT:

Mohammed Khan, U.S. Department of Energy, Office of Energy Efficiency and Renewable Energy, Forrestal Building, Mailstop EE–2J, 1000 Independence Avenue SW., Washington, DC 20585–0121, (202) 586–7892, *E-mail:* [Mohammed.Khan@ee.doe.gov](mailto:Mohammed.Khan@ee.doe.gov); or Francine Pinto, U.S. Department of Energy, Office of General Counsel, Forrestal Building, Mailstop GC–72, 1000 Independence Avenue, SW., Washington, DC 20585, (202) 586–7432, *E-mail:* [Francine.Pinto@ee.doe.gov](mailto:Francine.Pinto@ee.doe.gov).

#### SUPPLEMENTARY INFORMATION:

I. Background

- II. Discussion
  - A. Regional Analysis
  - B. Installation Cost Differences

**I. Background**

Part B of Title III of EPCA authorizes DOE to establish energy conservation standards for various consumer products including those residential furnaces and boilers for which DOE determines that energy conservation standards would be technologically feasible and economically justified, and would result in significant energy savings. (42 U.S.C. 6295(e)) Pursuant to EPCA, DOE published a NOPR on October 6, 2006, to amend the energy conservation standards for residential furnaces and boilers. 71 FR 59204. Thereafter, DOE held a public meeting on October 30, 2006, to address the proposed rule (hereafter referred to as the October 2006 public meeting). At the October 2006 public meeting, the American Council for an Energy Efficient Economy (ACEEE) and the Appliance Standards Awareness Project (ASAP) questioned DOE's estimates of the energy savings that would likely result from regional standards for non-weatherized gas furnaces in Northern regions (cold states). (ASAP and ACEEE, No. 107.6 at pp. 153–159)<sup>1</sup> In addition, ACEEE requested further clarification of new installation cost increases applied in the proposed rule for oil-fired furnaces that were rated between 82 percent and 83 percent for Annual Fuel Utilization Efficiency (AFUE). (ACEEE, No. 107.6 at p. 121) Today's notice of data availability and extension of the comment period addresses both the estimates of energy savings from regional energy conservation standards for non-weatherized gas furnaces and the cost increases associated with the installation of new oil-fired furnaces. In addition, it provides an opportunity for

stakeholders to review and comment on DOE's revised estimates.

**II. Discussion**

*A. Regional Analysis*

During the October 2006 public meeting, ACEEE and ASAP questioned DOE's estimates of the energy savings that would likely result from regional standards for non-weatherized gas furnaces in cold states. The estimates in the NOPR indicated that the energy savings would likely be much lower where the regions were defined using 6000 Heating Degree Days (HDD), compared to those where the regions were defined using 5000 HDD (as listed in Table VI.1.—Non-Regulatory Alternatives To Standards, 71 FR 59253).

The results presented in the NOPR for the Northern (cold states) and Southern (warm states) regions (using either the 5000 or 6000 HDD threshold) (as listed in Table VI.1.—Non-Regulatory Alternatives To Standards, 71 FR 59253) were generated by the national impact analysis (NIA) spreadsheet, which utilizes inputs generated by life-cycle cost spreadsheets constructed to separately analyze each region. DOE performed the NIA on the basis of the nine U.S. Census Bureau (cartographic) divisions, plus four large states (New York, California, Texas, and Florida), rather than on a state-by-state basis (as explained in section 10.5 of the NOPR Technical Support Document (TSD)).

Based on condensing gas furnace sales data expressed as a percentage of total gas furnace sales, as provided by the Gas Appliance Manufacturers Association (GAMA), DOE was able to derive the base case for analyzing the potential impacts of regional energy conservation standards. Then, DOE applied the state-level GAMA data to the nine U.S. Census Bureau divisions, assuming that

condensing gas furnaces were installed in households solely on the basis of climate (i.e., high HDDs). In other words, within each U.S. Census Bureau division, DOE assumed that condensing gas furnaces were used primarily by households that experienced high HDDs. Thus, in the analysis, DOE assigned condensing gas furnaces to 90.4 percent of households with greater than 6000 HDD. It was this assumption that led to the relatively small energy savings estimated to result from a condensing level standard for states or regions with more than 6000 HDD (on average), and the relatively large increment of energy savings estimated to result from the same standard when applied to all states or regions with more than 5000 HDD (on average). 71 FR 59253.

Upon further examination, DOE found that its assumption, that the existing (and future) market for condensing gas furnaces (absent a standard) was likely to be concentrated in the coldest states or regions, was not consistent with the state-by-state sales data provided by GAMA. Consequently, DOE is considering alternative analyses that would reflect a distribution of condensing gas furnaces which is more consistent with the GAMA sales data.

Reliance on an alternative analysis that addresses the distribution of condensing gas furnaces will primarily impact the regulatory impact analysis. However, DOE does not anticipate that changes to the distribution of condensing gas furnaces relied upon in the NOPR analysis, will impact the determination of the appropriate energy conservation standards levels.

In view of the above, Table 1 below provides the results of one possible alternative analysis under consideration by DOE.

**TABLE 1.—NON-REGULATORY ALTERNATIVES TO STANDARDS**

| Policy alternatives                            | Energy savings (quads) | Net present value (billion \$) |                  |
|--|------------------------|--------------------------------|------------------|
|  |                        | 7% discount rate               | 3% discount rate |
| Regional Performance Standards for NWGF * * *: |                        |                                |                  |
| Cold States (≥5000 HDD) (TSL 4) .....          | 1.83                   | 0.88                           | 6.43             |
| Warm States (<5000 HDD) (TSL 2) .....          | 0.004                  | 0.01                           | 0.03             |
| Regional Performance Standards for NWGF * * *: |                        |                                |                  |
| Cold States (≥6000 HDD) (TSL 4) .....          | 1.32                   | 0.72                           | 4.90             |
| Warm States (<6000 HDD) (TSL 2) .....          | 0.005                  | 0.01                           | 0.05             |

<sup>1</sup> A notation in the form "ASAP and ACEEE, No. 107.6 at pp. 153–159," identifies a comment in the transcript of the Public Meeting on Standards for Furnaces and Boilers held in Washington, DC, 10/30/2006, which is document number 107.6 in the

docket of this rulemaking. This particular notation refers to a comment (1) by the American Council for an Energy-Efficiency Economy (ACEEE) and the Appliance Standards Awareness Project (ASAP), (2) in the document number 107.6 in the docket of

this rulemaking (maintained in the Resource Room of the Building Technologies Program), and (3) appearing on pages 153–159 of document number 107.6.

The alternative assumptions for the state or regional distribution of condensing furnaces in the base case are likely to have some effect on other facets of DOE's analysis, but none of these other effects are likely to be significant.

While this alternative analysis of the possible impacts of regional standards does not have any significant effects on DOE's assessment of the benefits and burdens associated with the trial standards levels for national standards, it could affect stakeholder assessments of possible alternatives to a national standard. For this reason, DOE concluded that it should present the alternative results for stakeholder consideration and comment.

*B. Installation Cost Differences*

At the October 2006 public meeting, ACEEE requested further clarification of the new installation cost increases applied in the NOPR analysis for oil-fired furnaces rated between 82 percent and 83 percent AFUE. (Public Meeting Transcript, No. 107.6 at p. 121)

In the Advance Notice of Public Rulemaking (ANOPR), DOE calculated the installation costs for oil-fired furnaces by assuming that upgraded Category III venting systems would be needed to prevent corrosion in 100 percent of the installations rated 84 percent AFUE and above (as explained in section 6.5.5 in the ANOPR TSD). DOE presented these installation costs at the ANOPR public meeting and received the following comments from ACEEE and GAMA.

GAMA commented that Brookhaven National Lab (BNL) had done an extensive amount of work on oil venting and that DOE should ask BNL for its information as a data resource for oil-fired furnace venting systems. (Public Meeting Transcript, No. 59.8 at p. 112.)

ACEEE commented that there are oil-fired boilers rated 86 percent AFUE and oil furnaces rated 84 percent AFUE that have significant market share. ACEEE recommended that DOE reexamine the application of Category III vents at efficiency levels rated below 84 percent AFUE, determine at which efficiency level Category III vents are required 100 percent of the time, and apply some type of phase-in of the venting systems, rather than a single-step function as DOE had done in the ANOPR analysis. (Public Meeting Transcript, No. 59.8 at p. 113.)

In response to the comments both from GAMA and ACEEE, DOE further examined oil-fired furnace venting systems and consulted with BNL on furnace installation requirements. BNL indicated that some fraction of the installations rated at 83 percent AFUE

may require Category III venting systems. As a result of its consultations with BNL, DOE revised its venting-model assumptions, which characterized the rate of required Category III venting systems, from using a step function to a more linear, "phase-in" function, which assigns a Category III requirement rate of 25 percent for oil-fired furnaces rated at 83 percent AFUE, and gradually increases the percentage of installations using Category III venting systems for oil-fired furnaces rated above 83 percent AFUE. DOE's approach is further detailed and explained in section 6.5.6 of the NOPR TSD for oil-fired furnaces. DOE used a per-installation cost adder for Category III venting systems that does not change with the AFUE level of oil-fired furnaces. It is the change in the assumed frequency of installations requiring Category III venting systems which results in the cost differences. Table 2, below, compares the DOE's ANOPR and NOPR assumptions about the fraction of the oil furnaces that require Category III venting systems at certain efficiency levels:

TABLE 2.—FRACTION OF THE OIL FURNACES REQUIRING CATEGORY III VENTING SYSTEMS

| Efficiency level    | ANOPR (percent) | NOPR (percent) |
|---------------------|-----------------|----------------|
| 82% and below ..... | 0               | 0              |
| 83% .....           | 0               | 25             |
| 84% .....           | 100             | 50             |
| 85% .....           | 100             | 75             |
| 86% and above ....  | 100             | 100            |

DOE welcomes comment on its assumptions for use of Category III venting systems for oil-fired furnaces.

Issued in Washington, DC, on February 2, 2007.

**Alexander A. Karsner,**  
*Assistant Secretary Energy Efficiency and Renewable Energy.*

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**DEPARTMENT OF ENERGY**

**Office of Energy Efficiency and Renewable Energy**

**10 CFR Part 431**

[Docket Number: EE-RM/STD-00-550]

RIN 1904-AB08

**Energy Conservation Program for Commercial Equipment: Distribution Transformers Energy Conservation Standards**

**AGENCY:** Office of Energy Efficiency and Renewable Energy, Department of Energy.

**ACTION:** Notice of data availability and request for comments.

**SUMMARY:** The Department of Energy (DOE) issued a notice of proposed rulemaking (NOPR) for liquid-immersed and medium-voltage, dry-type distribution transformers under the Energy Policy and Conservation Act (EPCA). In response to this notice, stakeholders commented that DOE's standard may prevent or render impractical the replacement of distribution transformers in certain space-constrained (e.g., vault) installations. Some stakeholders suggested that DOE's analysis of the benefits and burdens of the proposed standard should take into consideration the potential impacts of replacing transformers in space-constrained vaults. In the Notice of Proposed Rulemaking (NOPR), DOE factored weight-dependent installation costs in the analysis, but did not specifically address potential costs related to transformers installed in vaults. In today's notice, DOE requests comment on inclusion of potential costs related to size constraints of transformers installed in vaults. DOE also is considering an additional option for the final efficiency levels for liquid-immersed distribution transformers and by this notice invites public comment on this additional option.

**DATES:** DOE will accept written comments, data, and information in response to this notice, but no later than March 12, 2007. See section VI, "Public Participation," of this notice for details.

**ADDRESSES:** Any comments submitted must identify the Notice of Data Availability for Distribution Transformers Energy Conservation Standards, and provide the docket number EE-RM/STD-00-550 and/or Regulatory Information Number (RIN) 1904-AB08. Comments may be submitted using any of the following methods: