



## Government Affairs Over the Years – an Overview

The Hearth, Patio & Barbecue Association’s mission is to support its members and the industry as a whole. This is a unique industry, as it is largely made up of small businesses but yet faces outsized regulatory threats. Over the years, our government affairs team has grown to counter the efforts that would impose severe restrictions on our products.

Some of these regulatory efforts include imposition of minimum efficiencies and continuous pilot bans for gas hearth products, increased attempts to reduce or eliminate the use of natural gas in new home construction, and proposed restrictions on vent-free appliances. Our woodburning products are regulated at the U.S. federal level, but some individual states and provinces are proposing or have imposed even more severe restrictions.

In the sections below, we cover some of the significant legislative and regulatory fights over the years, several ongoing efforts and threats, and the important role of the HPBA Affiliates in protecting the industry.

### Legislative and Regulatory Successes

#### Biomass Tax Credit

HPBA first procured a federal tax credit for many wood and pellet heating appliances in 2008 under Section 25(C) of the U.S. tax code. Starting out as high as a \$1,500 tax credit, the tax credit has seen many changes over the years, but was lowered as a credit to up to \$300 toward the purchase of a new, qualifying appliance in recent years. In a move to make the tax credit more valuable and longer-lived, the credit was moved to Sec. 25(D) in late 2020 and increased to 26 percent of the purchase price and broadened to include installation costs. While there may well be changes to the tax credit in the years to come, HPBA is working to ensure the credit will be closer to this new, higher incentive level. For more information on the current status of the tax credit, please visit [our website](#).

#### DOE Gas Hearth Product Rulemaking

In 2010, the U.S. Department of Energy (DOE) issued a proposal to make gas hearth products – including decorative gas fireplaces, stoves, and inserts – federally regulated appliances and subject to minimum energy efficiency requirements. After public comments and HPBA negotiation with DOE, the rule was overturned in federal court.

Since our court victory, we have seen a few Canadian and U.S. jurisdictions regulate these products – most of them prohibiting continuous pilots – but we have been able to keep the minimum efficiencies to 50% and only to heater-rated products in the relevant jurisdictions.

### Utah Woodburning Ban

In 2015, Utah was moving quickly to ban wintertime woodburning in seven counties along the Wasatch Front. With the considerable time and resource investment made by Rocky Mountain HPBA, local members, and HPBA manufacturer members, HPBA mounted a successful campaign – *Utahns for Responsible Burning* – to help area stove users learn about the proposal and speak up at one of seven different public meetings. In all, opponents of the ban outnumbered proponents more than 100 times over. The state eventually pulled the proposal, allowing Utahns to continue burning wood in clean, EPA-certified appliances. Gaining momentum from the overwhelming public engagement, legislation to prohibit seasonal bans and provide funding for consumer education efforts quickly moved through the state legislature, eventually being signed into law by then-Governor Gary Herbert

### **Current and Upcoming Threats**

#### Electrification

One of the fastest moving policies we've ever seen is the push toward an all-electric future. Across North America, regulators and legislators are proposing measures to restrict or even ban natural gas and propane in homes and businesses. Most of these efforts mean that new construction would not include gas lines in the next several years, but some are already discussing plans for cutting off gas use in existing buildings. Two of the major problems in the electrification movement are: 1) it is not certain that going all-electric will actually achieve the greenhouse gas reduction targets proponents promise and 2) the infrastructure, storage, and transmission capacity are not in place to support the increased fuel supply demand if other fuels were eliminated.

On the other side of the coin, there are 20 states that have recently enacted “fuel choice” legislation – laws that prohibit a city or other jurisdiction from eliminating or restricting propane, natural gas, or other fuel options. At some point, you will almost certainly hear about gas bans or fuel choice legislation in your state (or even town) over the next several years. To help our members as the issue crops up near you, HPBA has developed materials on electrification that can be found at the following link:

<https://www.hpba.org/Gas-Ban/Electrification-Toolkit>. If you hear from your Affiliate that there is state or local activity on electrification that could affect your business, we need the help of local industry members – you! – to speak up in their communities and advocate for the continued inclusion of gas. Banning gas from new construction will eventually affect you as people wanting to install or upgrade a fireplace will not be able to install a gas appliance.

#### Wood-Burning Appliance Certifications

Most in the industry are aware of the EPA's New Source Performance Standards (NSPS) – federal regulation of woodstoves dating back to 1988. The NSPS was revised in 2015, leading to new emissions standards and certification requirements for wood and pellet stoves, hydronic heaters, and forced-air furnaces between 2015 and 2020. State and regional air regulators have leveled some criticisms against the certification program (and EPA's oversight of it) over the course of the last year, and we are seeing changes as a result. For one, EPA has been reviewing all existing certifications – which in some cases, have led to manufacturers being required to conduct additional testing. The greater pain being felt by much of the industry, however, is EPA's delay in issuing new and renewal certificates. This was especially acute over the summer, as industry was looking to recertify well-established models or bring new products to market for the selling season. HPBA had a series of meetings with EPA to address these issues and highlight the need for additional EPA staff resources with some initial success

One of the concerns is that states may impose their own standards, which would require manufacturers to meet different standards to do business in different states. We are already seeing very strict requirements being adopted in parts of Alaska, where an arbitrary requirement on the first-hour emissions of EPA-certified appliances is being used to prohibit the sale of a majority of stoves. HPBA is working to encourage states to adapt the federal certifications and not add any other requirements.

### Component Shortages

Virtually every industry is feeling the effects of global supply chain issues and component shortages. Getting products to market is as tough as it has ever been. As daunting as the problem has been, many signs point to little or no relief until well into 2022, possibly into 2023.

On one industry-specific example, HPBA and HPBA Canada (HPBAC) have been working to obtain temporary relief from bans on continuous pilots in several jurisdictions with success so far in Ontario and Washington State. We are working with other jurisdictions in hopes of achieving similar relief.

### Your Role in Protecting and Promoting the Industry

The very thing that makes us great as an industry is the same thing that can help us succeed in legislative and regulatory efforts: the passion and dedication of our members. Whether we're talking about outreach to members of the U.S. Congress or city council members whom you have known for years, it is the voice of the constituent that matters on so many of the matters affecting our industry.

The best way for you to stay informed about issues affecting your business is to join and stay involved with your regional Affiliate. From newsletters to in-person events to tailored calls to action – for your state, congressional district, or even city – your Affiliate covers it all. As a member, you have multiple opportunities to become even more involved: join a committee, volunteer to regularly review our legislative tracking tools, or inquire about being part of HPBA's Tom Pugh Government Affairs Academy (GAA).

The academy has become the unofficial leadership training program for the industry. Many of the current Affiliate Executive Directors and volunteer leaders have been through the program. At GAA, members get deep dives into industry issues, receive training on media communications, practice preparation and presentation of testimony, and meet with members of Congress to advocate on behalf of the industry. The experience doesn't end there, as many GAA graduates have kept in touch with their peers for more than ten years. HPBA staff is exploring ways to bring back GAA grads for additional training in the next year or two for an advanced course that will help us become an even more powerful industry with a strong voice.

You may be a small voice, but you have a large say in your community. You contribute to the economic strength of your town, you employ local residents, and your local officials will listen to you. You can depend on HPBA and your Affiliate to provide you with resources, but we need you to be the on-the-ground advocate for your business and our industry.