



# 2023 REGULATORY CHANGES

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What you need to know

December 2, 2022

# TODAY'S PURPOSE

- Review the regulatory changes that are being implemented on January 1, 2023
- Familiarize you with Allied's 2023 residential split system lineups
- Remind you of resources to assist with the transition



# 2023 Regulatory Changes

Things that are changing



## Minimum Efficiency

### Air Conditioners

North

13 → 14 SEER

South

14 → 15 SEER

### Heat Pumps

14 → 15 SEER



## Effective Date

### Air Conditioners

North

Date of Manufacture

South

Date of Install

### Heat Pumps

Date of Manufacture



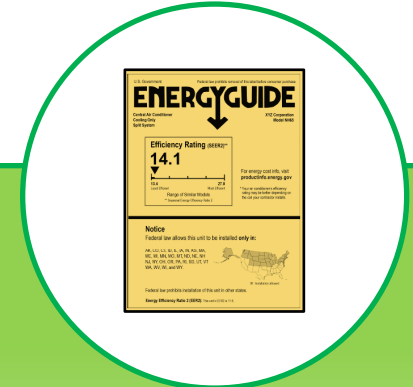
## New Test Method

SEER2

EER2

HSPF2

All residential  
products  
≤5-ton



## Energy Guide Labels

Updated to

SEER2

EER2

HSPF2

# 2023 Regulatory Changes

Things that are staying the same



**Minimum Efficiency**

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**Packaged units**



**US Regions**

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**North  
Southeast  
Southwest**

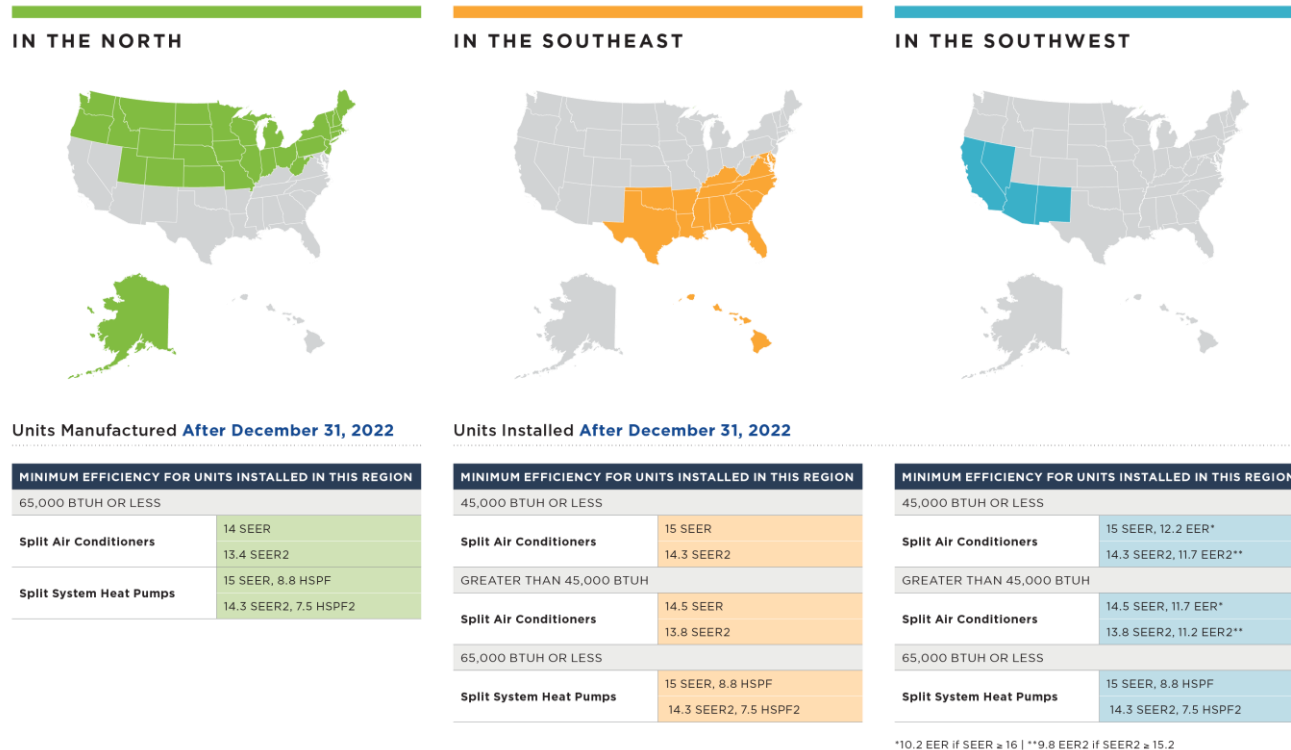


**Record Keeping &  
Enforcement**

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**DOE enforcement  
throughout the  
channel**

# 2023 Minimum Efficiency



- AC
  - North: 13.4 SEER2
  - South
    - 3.5 ton or less  
14.3 SEER2
    - 4 ton or greater  
13.8 SEER2
  - Southwest EER2 requirement
- HP
  - 14.3 SEER2, 7.5 HSPF2

# What determines if a product meets minimum efficiency?



For ACs & HPs,  
**least efficient system match**

For *single & two-stage ACs*, **coil only match** required at or above minimum efficiency

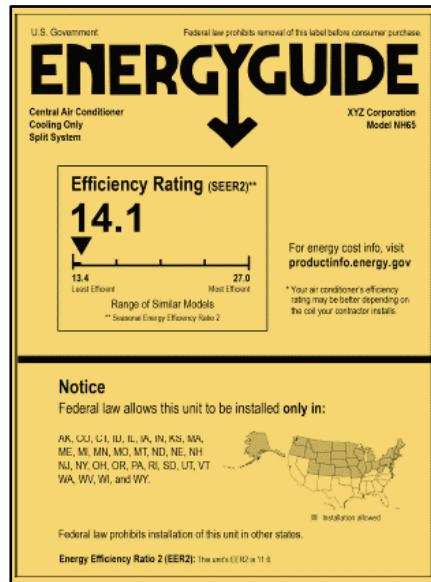


# What about the Energy Guide Label?

Beginning January 1, 2023, Energy Guide Labels will display SEER2, EER2, HSPF2

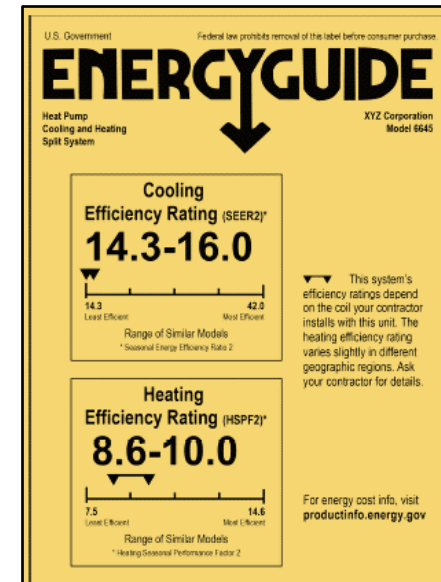


## Air Conditioners



ACs will display the **least efficient** coil only or system match available for that model

## Heat Pumps



HPs will display the **range** of least to most efficient matches available for that model

# Sell-through & Regulatory Compliance

Split AC & HPs



## *Air Conditioners in the South*

- No sell-through allowed
- December 31, 2022 – last day to **install** a 14 SEER AC
- On or after January 1, 2023, any AC **installed** must meet new 2023 minimum efficiency

## *Air Conditioners in the North & Heat Pumps*

- Indefinite sell through allowed
- December 31, 2022 – Last day to **manufacture** a 13 SEER AC or 14 SEER HP





# Sell-through & Regulatory Compliance

Residential packaged units



*Manufactured prior to January 1, 2023*

- Indefinite sell through allowed if certified under M (SEER) test standard

*Manufactured on or after January 1, 2023*

- Must be rated to M1 (SEER2) test standards



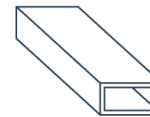
# Why SEER2?



- DOE test procedure update, also known as the “M1” test standards
- Better represents an average use cycle by accounting for higher ESP

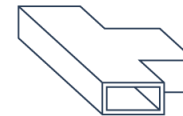
CURRENT TEST PROCEDURE

UP TO 0.3 ESP



2023 TEST PROCEDURE

0.5 ESP



Up to 5X external static pressure testing helps simulate real world home installations

REQUIRES

100% 

OF AHRI MATCHES

RETESTED AND RELAUNCHED

# Help dealers & consumers understand



## SEER



Highway miles

## SEER2



City miles

# What is the SEER to SEER2 ratio\*?



## 2023 RATING CALCULATIONS

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$$\sim 0.95 \times \text{SEER} = \text{SEER2}$$

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$$\sim 0.96 \times \text{EER} = \text{EER2}$$

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$$\sim 0.85 \times \text{HSPF} = \text{HSPF2}$$

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Example: 15 SEER x 0.95 = 14.3 SEER2

# How will AHRI handle the change to SEER2?

On January 1, 2023...

- Models must have M1 (SEER2, etc.) efficiency results in the directory
- AHRI certificate will list SEER2/EER2/HSPF2
- Any models with SEER/EER/HSPF only will be marked production stopped
- Production stopped certificates are available until January 1, 2024



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### Certificate of Product Ratings

AHRI Certified Reference Number: 206417110 Date: 09-26-2022 Model Status: Active  
AHRI Type: RCU-A-CB (Split System: Air-Cooled Condensing Unit, Coil with Blower)  
Outdoor Unit Brand Name: DUCANE  
Outdoor Unit Model Number (Condenser or Single Package): 4AC17L18P-1\*  
Indoor Unit Model Number (Evaporator and/or Air Handler): BCESC18M1P  
Region: All (AK, AL, AR, AZ, CA, CO, CT, DC, DE, FL, GA, HI, IL, IA, IN, KS, KY, LA, MA, MD, ME, MI, MN, MO, MS, MT, NC, ND, NE, NH, NJ, NM, NV, NY, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VA, VT, WA, WI, WY, U.S. Territories)  
Region Note: Central air conditioners manufactured prior to January 1, 2015 are eligible to be installed in all regions until June 30, 2016. Beginning July 1, 2016 central air conditioners can only be installed in region(s) for which they meet the regional efficiency requirement.

The manufacturer of this DUCANE product is responsible for the rating of this system combination.  
Rated as follows in accordance with the latest edition of AHRI 210/240 - 2017 with Addendum 1, Performance Rating of Unitary Air-Conditioning & Air-Source Heat Pump Equipment and subject to rating accuracy by AHRI-sponsored, independent, third party testing:  
Cooling Capacity (A2) - Single or High Stage (95F), btuh : 17500  
SEER : 15.10  
EER (A2) - Single or High Stage (95F) : 12.50

Rated as follows in accordance with the latest edition of AHRI 210/240 - 2023, Performance Rating of Unitary Air-Conditioning & Air-Source Heat Pump Equipment and subject to rating accuracy by AHRI-sponsored, independent, third party testing:  
Cooling Capacity (A<sub>F</sub>) - Single or High Stage (95F), btuh : 17900  
SEER2 : 14.70  
EER2 (A<sub>F</sub>) - Single or High Stage (95F) : 12.20

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\*Active\* Model Status are those that an AHRI Certification Program Participant is currently producing AND selling or offering for sale; OR new models that are being marketed but are not yet being produced. \*Production Stopped\* Model Status are those that an AHRI Certification Program Participant is no longer producing BUT is still selling or offering for sale.

Ratings that are accompanied by WAS indicate an involuntary re-rate. The new published rating is shown along with the previous (i.e. WAS) rating.

The Department of Energy has published updated energy efficiency metrics for central air conditioners and heat pumps. This publication reflects both the 1987 metric (SEER) and the 2023 metric (SEER2). Efficiency requirements are published at 10 C.F.R. 430.32(c). Please refer to www.AHRI.net for more information about updated energy efficiency metrics.

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**CERTIFICATE NO.:** 133086948003784400

# Positioning you to win the transition

Product portfolio approach



## Simple

- Fewer SKUs
- Targeted regional lineups
- Outdoor unit changes only



## Differentiated

- Differentiated dealer and over-the-counter portfolios
- Enhancing the high-end

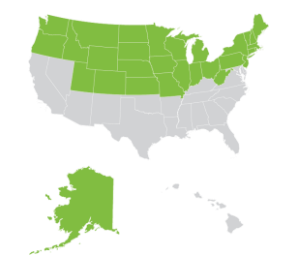
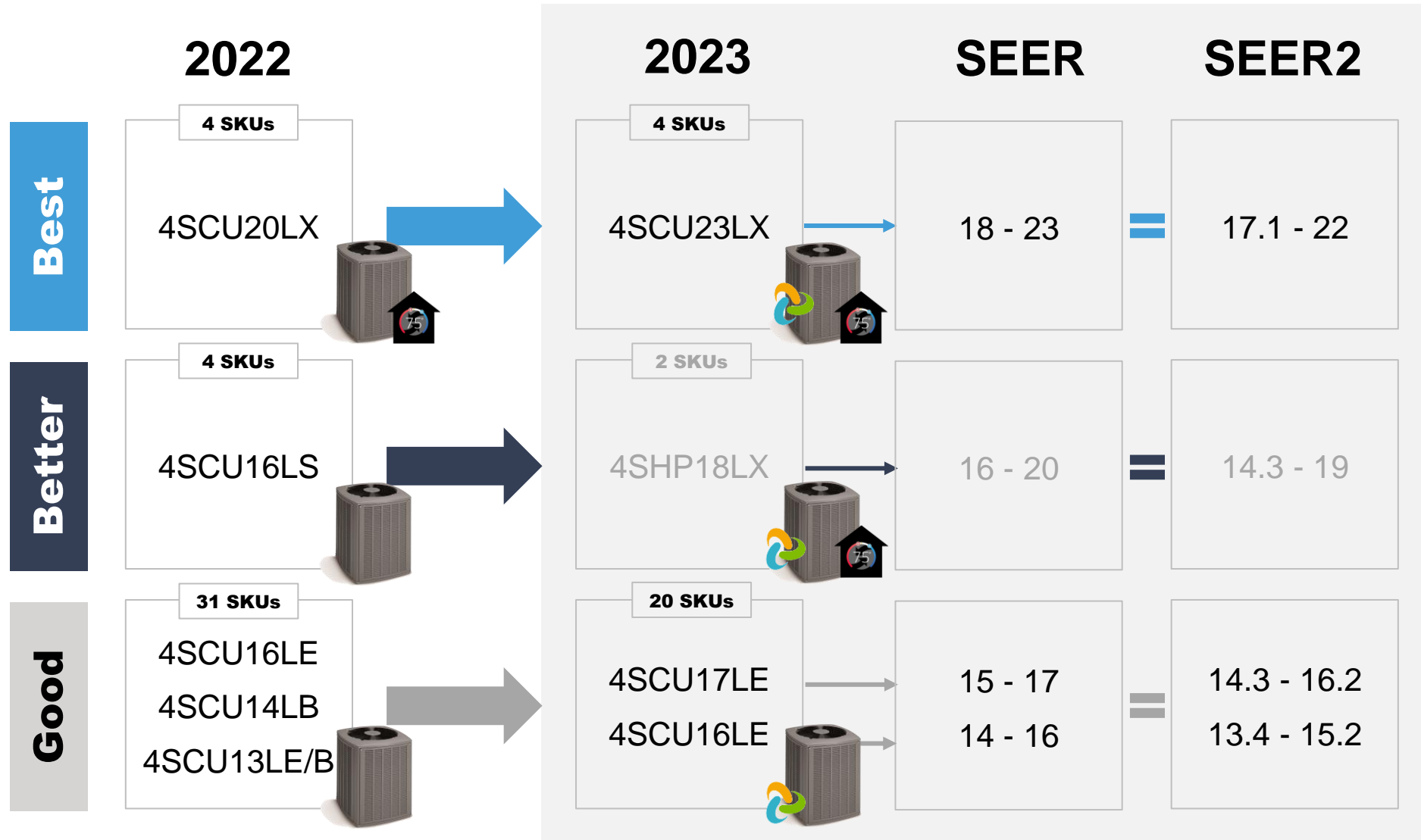


## Timely

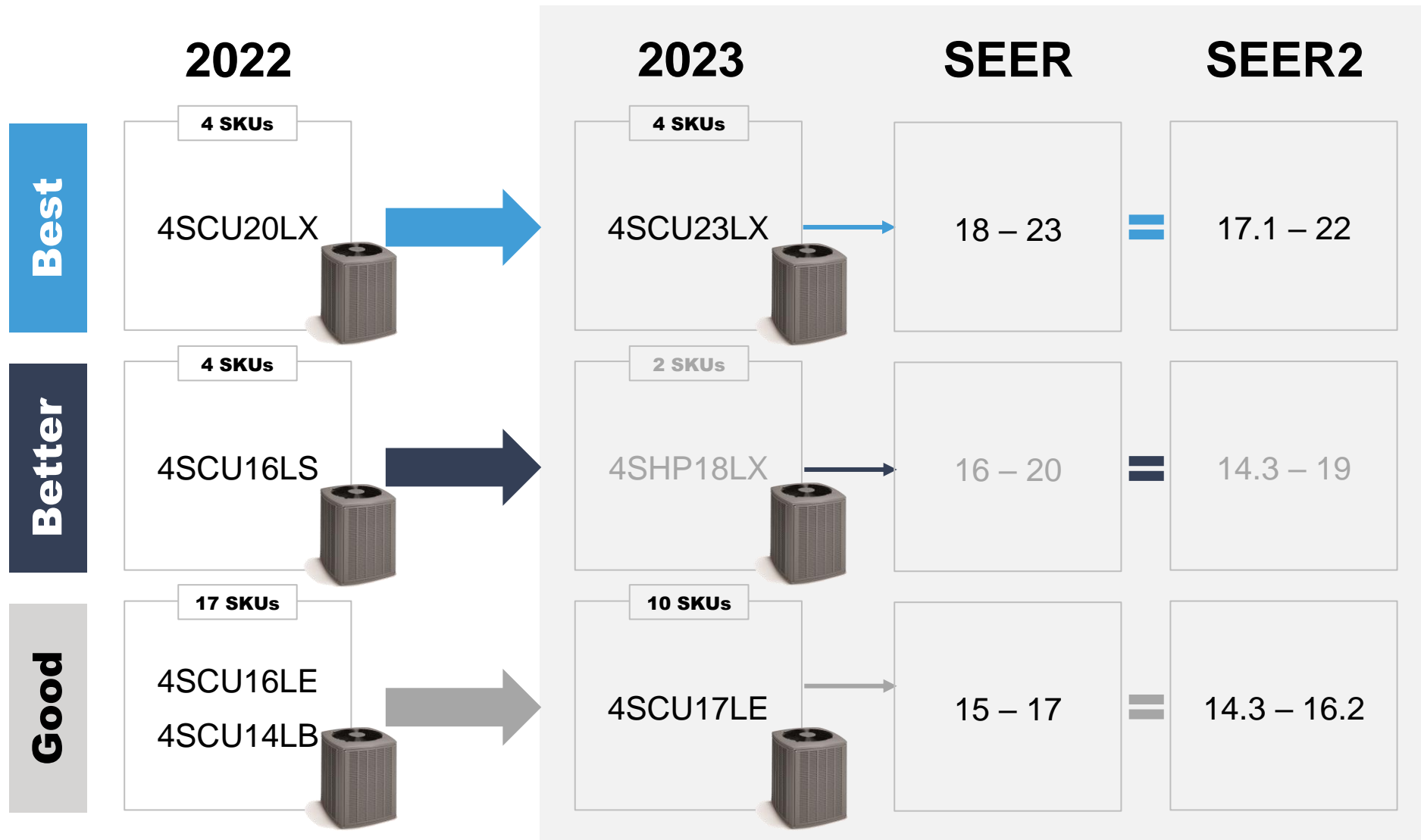
- Phased introductions
- Maintain the most cost-effective solution



# Flagship Air Conditioners

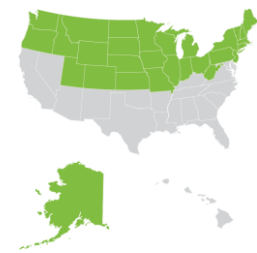
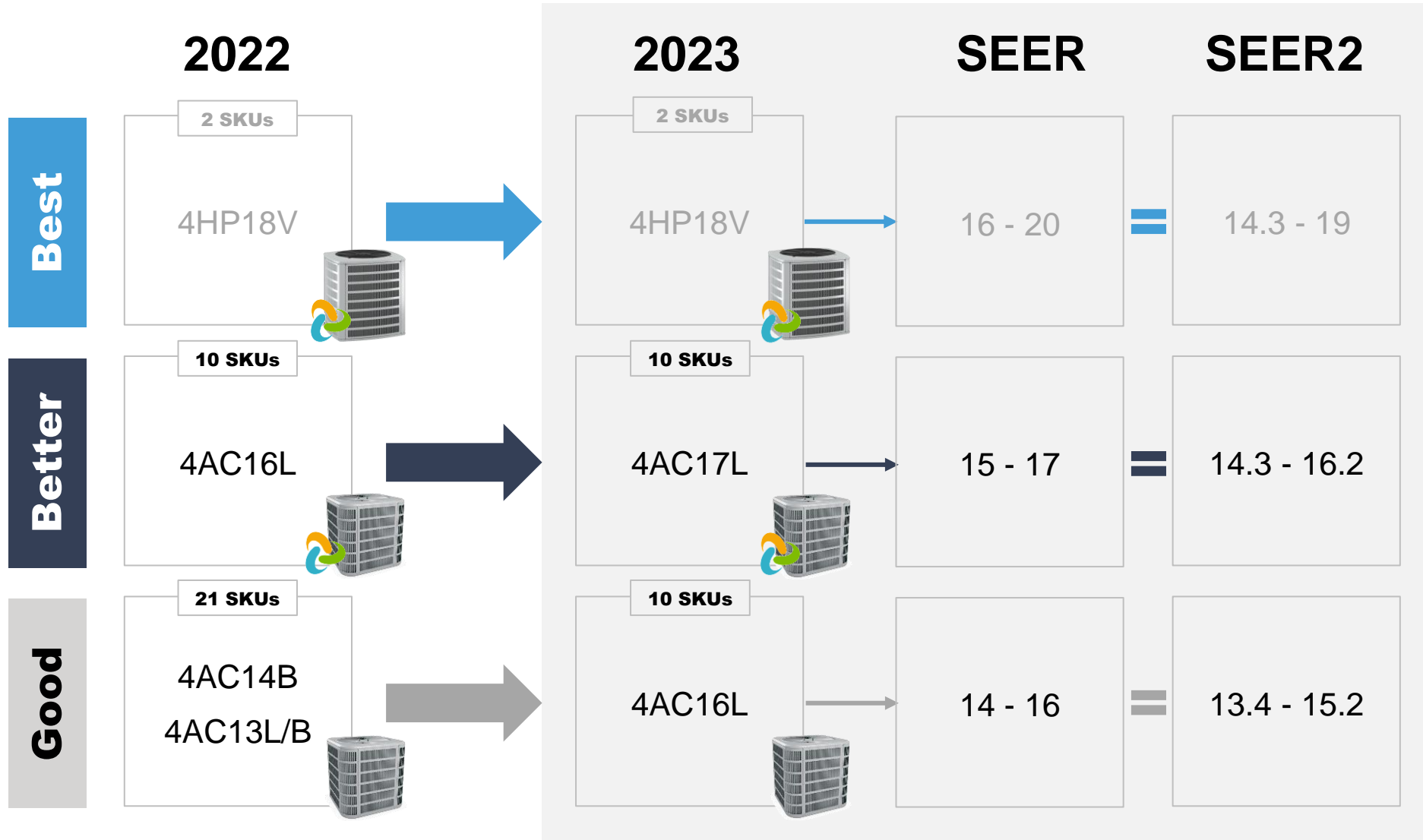


# Flagship Air Conditioners

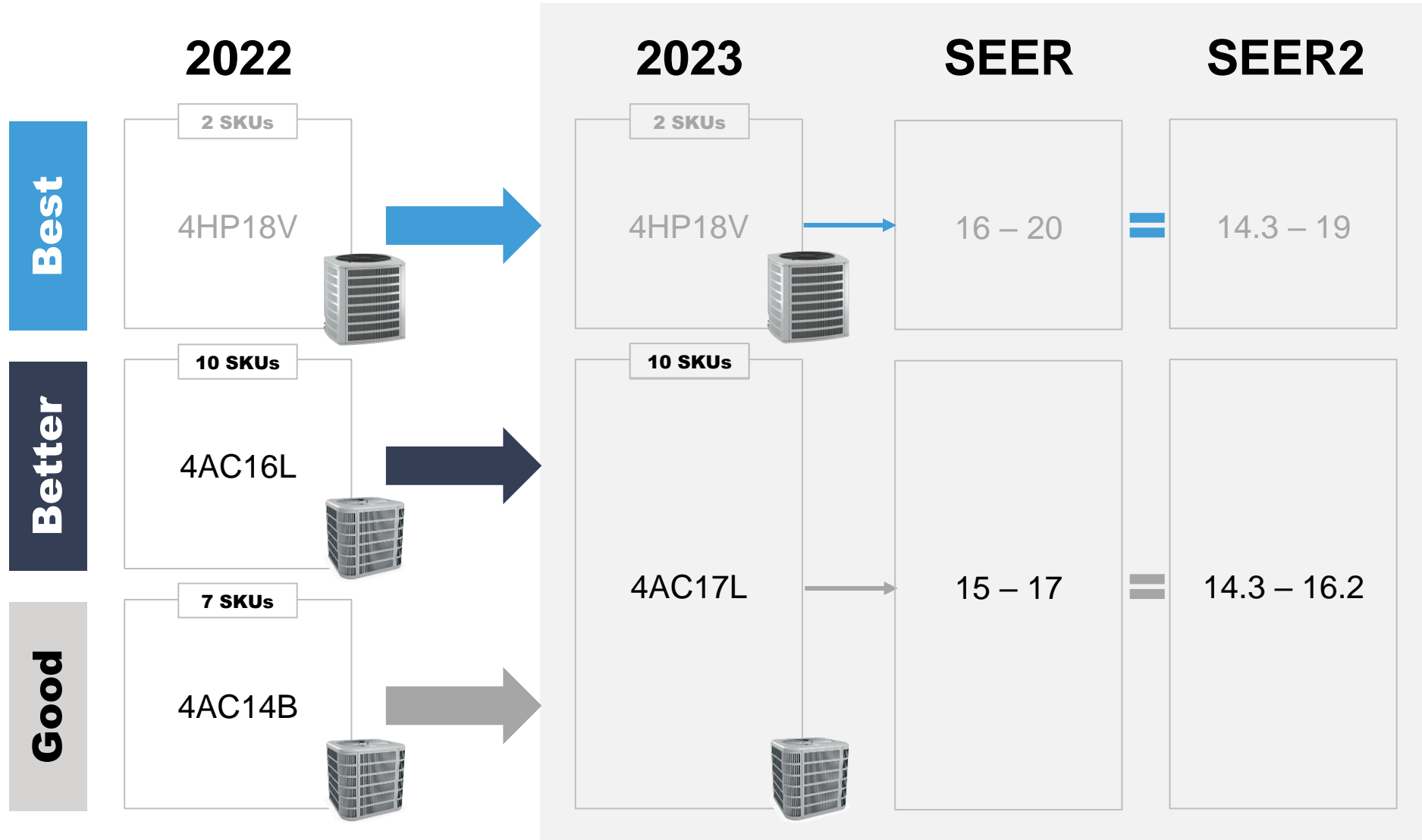




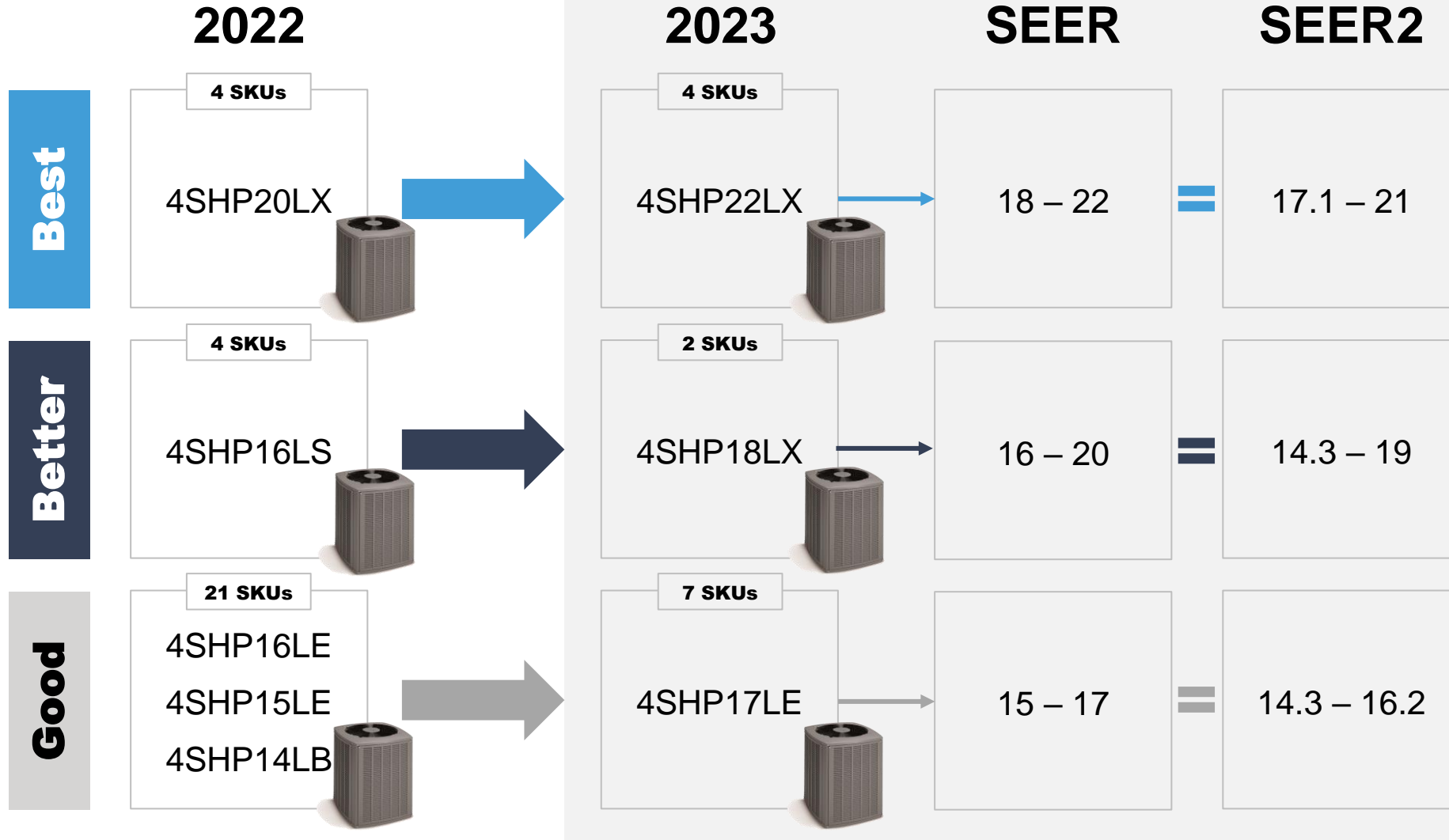
# Value Air Conditioners



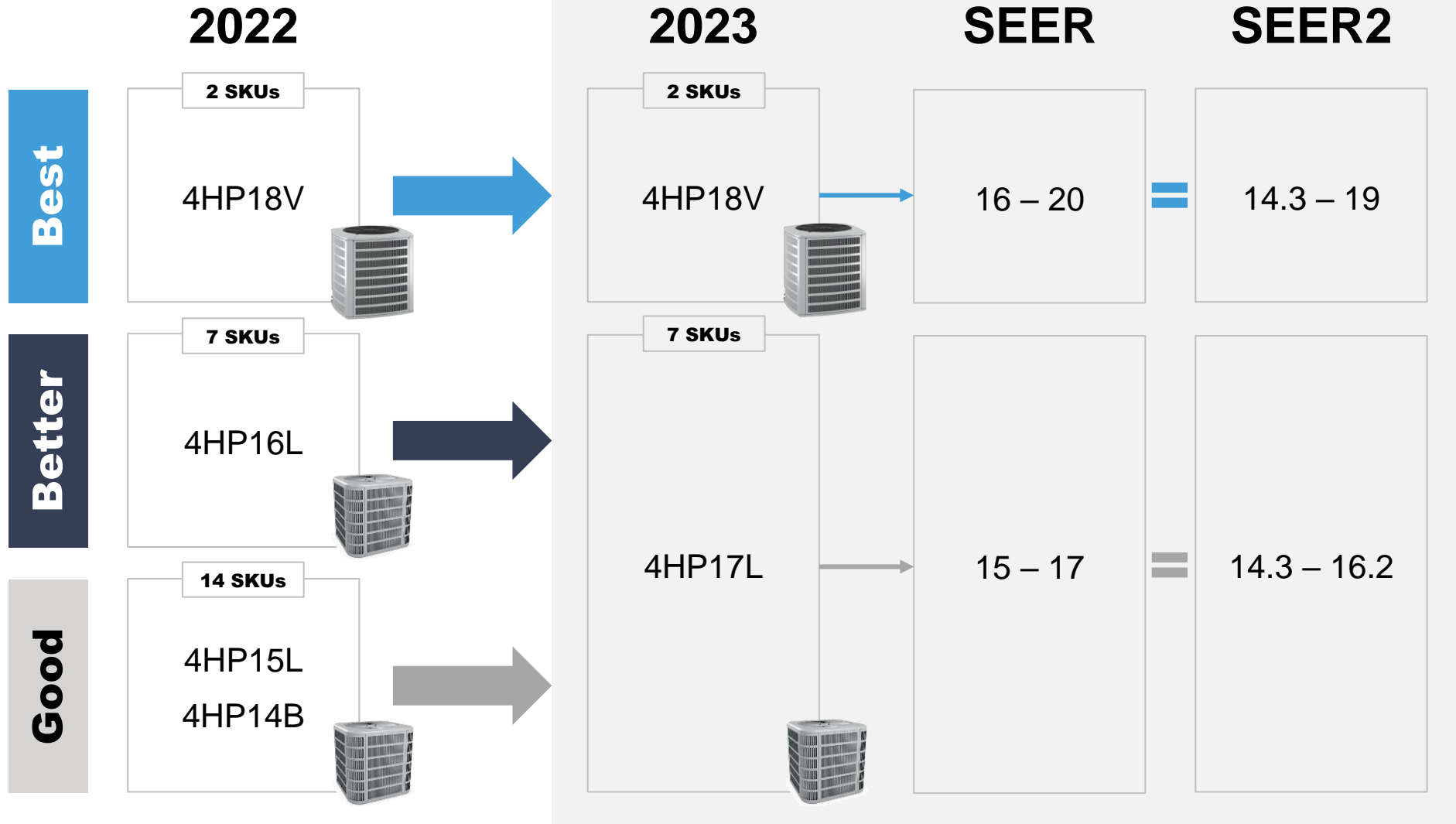
# Value Air Conditioners



# Flagship Heat Pumps



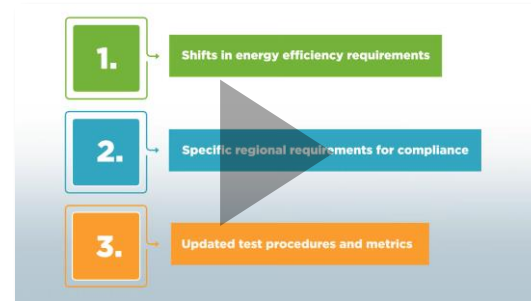
# Value Heat Pumps



# Distributor resources



- AlliedConnect™ landing page
- .com landing pages
- Regulatory brochure
- 2023 regulations video
- Regulatory & planning guide



### Minimum Efficiency Standards Are Rising

The Department of Energy (DOE) periodically analyzes energy usage and shifts minimum efficiency requirements for HVAC equipment. That's great news for consumers' energy bills and for the planet! However, it will introduce some complexities for your business. We are providing this quick reference guide to help you understand the new minimums and updated testing standards that will affect the industry in 2023.

**7-8% INCREASE**  
FROM CURRENT MINIMUM SEER RATINGS

### The Way We Talk About SEER, EER And HSPF Is Changing

**SEER2 vs. SEER: What's The Difference?**  
Beginning in 2023, manufacturers will be required to comply with new, more stringent testing standards for efficiency ratings to more accurately simulate real world home installations. There will be new metrics and new naming for these updated ratings: SEER2, EER2 and HSPF2.

**How Are The New Ratings Calculated?**  
The increased field operators used during efficiency testing means SEER2 and EER2 ratings will be approximately 5% lower than current SEER and EER ratings. HSPF2 ratings will be approximately 10% lower. This does not equate to a loss of performance.

**What Does This Mean?**  
During the transition, SEER and SEER2, EER and EER2, and HSPF and HSPF2 ratings will be published for all product lines. Current AHRI system matches will be updated and re-launched in accordance with these new standards.

**WHAT CAN YOU DO?**  
Take the time today to evaluate how install-by and sell-by dates, as well as new minimum ratings in your market, may affect your future inventory.

**SEER RATING CALCULATIONS**  
 $0.95 \times \text{SEER} = \text{SEER2}$   
 $0.95 \times \text{EER} = \text{EER2}$   
 $0.85 \times \text{HSPF} = \text{HSPF2}$

**REQUIRES 100% OF AHRI MATCHES**  
RETESTED AND RE-LAUNCHED

### Flagship heat pumps

National

	2022	2022 2H	SEER	SEER2
<b>Best</b>	4 SHP20LX	4 SHP22LX	18 - 22	17.1 - 21
<b>Better</b>	4 SHP16LS	4 SHP18LX	16 - 20	14.3 - 19
<b>Good</b>	4 SHP16LE 4 SHP15LE 4 SHP14LB	4 SHP17LE	15 - 17	14.3 - 16.2



# At the branch



**2023 Regulatory Changes: SOUTHEAST** **ALLIED**  
Air Enterprises

New energy efficiency and testing standards for residential air conditioners and heat pumps take effect across the United States in 2023. The Department of Energy (DOE) is implementing a new test procedure to simulate higher static pressure and align more closely to real-world duct systems. Beginning in 2023, the new metrics for efficiency will be referred to as SEER2, EER2 and HSPF2. Here's how they compare:

**2023 RATING**

0.95 x SEER = SEER2
0.96 x EER = EER2
0.85 x HSPF = HSPF2

**REQUIRES 100% OF AHRI MATCHES**  
RETESTED AND RELAUNCHED

All residential products 5-ton and under are required to be re-rated to the new test standards and new AHRI Directory listings published. AHRI will maintain current ratings for a period of approximately 18 months after the transition to the new metrics.

**EFFICIENCY STANDARDS IN THE SOUTHEAST**

Minimum efficiency levels are increasing for both air conditioners and heat pumps; however the air conditioner enforcement date will be based on date of installation. All other product types, including heat pumps, must be compliant based on date of manufacture. Minimum efficiency levels will not change for residential packaged units, but they will be retested with the new metrics.

**Units Installed After December 31, 2022**

Minimum Efficiency For Units Installed in This Region	
45,000 BTUH or less	15 SEER
	14.3 SEER2
Split Air Conditioners	
Greater than 45,000 BTUH	14.5 SEER
	13.8 SEER2
Split Air Conditioners	
65,000 BTUH or less	15 SEER, 8.8 HSPF
Split System Heat Pumps	14.3 SEER2, 7.5 HSPF2

**Sell-Through of Pre-2023 Inventory**

- Air conditioners below 2023 minimum requirements must be **installed** by December 31, 2022
- All air conditioners installed on or after January 1, 2023 must meet new efficiency levels (no sell-through period)
- Heat pumps that do not meet the new efficiency levels may be installed indefinitely if **manufactured** before January 1, 2023



- By-region counter flyer
- 50 sec. video - branch TV loop
- Dealer edu. videos
  - EnergyGuide labels
  - SEER vs. SEER2
  - Financing and driving replacements in 2022
- Allied-hosted webinar for TMs and Branch Managers



**FOR MORE INFORMATION ON THE 2023 REGULATORY CHANGES, VISIT**  
[www.alliedconnect.com/2023regs](http://www.alliedconnect.com/2023regs)

