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Mr. Lucas Adin  
U.S. Department of Energy  
Office of Energy Efficiency and Renewable Energy  
Building Technologies Office  
EE-5B  
1000 Independence Avenue SW  
Washington, DC 20585-0121

Re: Energy Conservation Program: Procedures, Interpretations, and Policies for Consideration of New or Revised Energy Conservation Standards and Test Procedures for Consumer Products and Certain Commercial/Industrial Equipment  
Docket # EERE-2025-BT-STD-0001

Dear Mr. Adin,

The American Public Power Association (APPA) respectfully submits comments in response to the U.S. Department of Energy's (DOE) Request for Information (RFI) seeking comment on the process rule for consideration of new or revised appliance and equipment energy conservation standards. See 90 Fed. Reg. 16,093 (April 17, 2025).

## INTRODUCTION

APPA is the national trade organization representing the interests of the nation's 2,000 not-for-profit, community-owned electric utilities. Public power utilities are in every state except Hawaii. They collectively serve nearly 55 million people and account for 15 percent of all sales of electric energy (kilowatt-hours) to end-use customers. Public power utilities are load-serving entities, with the primary goal of providing the communities they serve with safe, reliable electric service at the lowest reasonable cost, consistent with good environmental stewardship.

APPA appreciates DOE's efforts to maximize efficiency standards when doing so is technologically feasible and economically justified in accordance with the standards established under the Energy Policy and Conservation Act (EPCA). APPA members are making significant investments to make energy grid smarter and more dynamic, flexible, and secure. They are also diversifying the nation's energy mix and integrating new technologies that benefit their customers and the environment. These investments allow public power utilities to be agile and support new types of load demand, including data centers. It is therefore critical that when developing standards, DOE's analysis is methodologically sound. This includes ensuring that it:

- Accounts for key issues that stakeholders have raised;

- Incorporates key information that has been provided;
- Does not exacerbate supply chain challenges;
- Does not lead to significantly higher upfront costs for consumers and businesses;
- Does not negatively impact consumer choice among higher-efficiency products;
- Does not lead to the development of products that have lower life spans, quality issues, or safety issues compared to existing solutions;
- Does not create situations where only one US manufacturer has patents to make the product or key components of a product; and
- Does not lead to greater total system energy losses due to unintended consequences of any decision.

## **I. Response to Questions Regarding Consumer Choice in Appliances**

The RFI seeks information on how the Process Rule should be updated. Critical factors that DOE should consider include impacts on product availability, the potential to exacerbate supply chain challenges, and ease of replacement. These factors are often overlooked in DOE's technoeconomic analysis and can have a significant impact on consumer choice.

With respect to product availability and supply chain challenges, DOE should take into consideration whether a new standard would eliminate a majority of currently available products, create market distortions, require the use of products or implement infrastructure that is facing supply chain constraints, and/or exacerbate existing supply chain constraints. For example, DOE's 2022 proposed energy efficiency standards for distribution transformers would have eliminated over 95 percent of products from the marketplace. This would have created significant challenges for electric utilities needing to serve new load from data centers, manufacturing plants, and community growth. The 2024 final rule was less restrictive, but given trade and tariff issues in 2025, there are still concerns about supply chains and cost-effectiveness when the standards go into effect in 2029. In a recent survey, APPA members' reported median lead times for transformers was 50 weeks, with some seeing lead times of as much as 180 weeks, or three and a half years.

These supply chain constraints have material impacts on the grid and may negatively impact reliability. The North American Electric Reliability Corporation (NERC) has highlighted the reliability risk associated with the transformer shortage, noting in its most recent Summer Reliability Assessment, that "[w]hen summer maintenance preparations or installations are delayed, effects on equipment availability can challenge system operators."<sup>1</sup>

These supply chain issues are directly harming utilities and their customers. This is particularly acute for public power utilities as all the costs they incur as not-for-profit utilities are borne by their customers through their rates. Transformer unavailability has led to delays in housing construction, forcing thousands of new-home buyers to wait as work is halted on new home construction for months at a time. Among public power utilities, one in five projects were deferred or canceled. Additionally, supply constraints lead to higher prices, and higher prices lead to higher rates and bills. Scarcity can also lead to hoarding behaviors at utilities, making the problem worse.

## **II. Response to Questions Regarding Reduction of Regulatory Burden**

APPA appreciates DOE's request for comments and information on ways to reduce regulatory burden, including its request for information on difficult to quantify costs, benefits, and burdens.

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<sup>1</sup> NERC 2025 Summer Reliability Assessment at 8 (May 2025), available at: [https://www.nerc.com/pa/RAPA/ra/Reliability%20Assessments%20DL/NERC\\_SRA\\_2025.pdf](https://www.nerc.com/pa/RAPA/ra/Reliability%20Assessments%20DL/NERC_SRA_2025.pdf).

### *Supply Chain Considerations*

As noted above, supply chain issues are a critical factor that DOE should take into consideration when setting new standards. APPA recognizes that it can be difficult to estimate if and when a supply chain issue will occur—but challenges with quantifying this factor should not preclude its consideration. Rather, where variables may be difficult to quantify, DOE should use available public information to create sensitivity analyses to better assess the cost and burdens on consumers and businesses.

### *Lookback Rule*

DOE should work with Congress to revise the EISA 2007 lookback rules, specifically the “six-year lookback” rule for energy conservation standards, as well as the “seven-year lookback” rule for test procedures.

For many covered products and equipment, especially larger residential and commercial appliances, the compliance date of a new or updated standard is five years after the publication of the final rule. DOE also is required to review requirements every six years to determine if an amended standard is necessary. In practical terms, this means that the market impact of a new standard is just beginning to be felt when DOE initiates its typical 18-to-24-month rulemaking process to assess the need for an amended standard.

One reform that should be considered is to change the lookback dates to six or seven years after the compliance date of a new energy conservation standard. With that reform, DOE and interested parties will be able to see the market impacts of a new standard before DOE starts to analyze any potential increase.

### *No New Standard Determinations*

Current law requires DOE to review appliance and commercial efficiency standards within three years after publishing a “no new standard” determination. Since 2021, DOE has issued 14 “no new standard” final determinations for appliances with technologies whose shipments have declined by well over 80 percent due to market shifts. Unfortunately, there is no provision that allows DOE to stop publishing the same “no new standard” determination for obsolete products every three years.

DOE should work with Congress to reform this provision, perhaps requiring new analysis only if national shipments increase by at least 20 percent in the three-year period. In other words, only if a product makes a significant market comeback should DOE be required to perform another determination after the first “no new standard” determination.

## **III. Response to Questions Regarding Promoting Market Competition and Innovation**

The RFI seeks comments on whether and how the Process Rule should be updated to provide additional detail on how DOE’s rulemaking process can promote market competition and innovation. As discussed earlier, energy conservation standards can create market distortions that will have negative impacts on competition and innovation. As more “smart” or AI technology is utilized, DOE should be mindful that regulations do not eliminate innovative technologies or exacerbate supply chain issues. Due to increasing load, utilities will need more distribution transformers which already cost far more than they used to and take a lot longer to procure for public power utilities. Because of that, DOE should not further distort the market for distribution transformers by adopting efficiency standards that will further exacerbate these issues while only getting very marginal efficiency gains.

#### **IV. Response to Questions Regarding Public Comment and Review**

APPA appreciates the opportunity to respond to the RFI's request for comments on whether and how the Process Rule should be amended to modify public comment and review procedures for rulemakings, consistent with EPCA's requirements.

##### *Advanced Notices or Preliminary Analyses*

DOE should either retain the current Process Rule text regarding the required use of Advanced Notice of Proposed Rulemakings (ANOPR) or create regulatory requirements to release preliminary analyses for comment before initiating the rulemaking. ANOPRs provide critical information to DOE before the rulemaking process begins.

##### *Test Procedure Timing*

DOE should finalize test procedures for products well before it issues an ANOPR or proposal for those products. This includes changes to existing tests, or the establishment of entirely new test procedures. Significant changes to test procedures affect estimates of energy usage, annual energy costs, manufacturer design choice, and initial and lifecycle costs.

These changes can significantly impact the energy and economic analyses performed by DOE and stakeholders, rendering possible decisions meaningless if test procedures are not finalized before proposed rules (and especially final rules) are published.

Finalizing all test procedures well in advance of the energy conservation standard rulemaking process would allow all stakeholders to clearly understand potential impacts and comment appropriately during the regulatory process.

##### *Stakeholder Input Opportunities*

DOE should increase its use of internet platforms to allow for more stakeholder input and reduce costs for DOE and stakeholders. APPA encourages DOE to continue to host hybrid (i.e., combination in-person and virtual meetings) or online webinars to maximize stakeholder participation during the preliminary analysis and proposed rules comment periods.

More generally, DOE should ensure that it uses comment periods to carefully weigh analyses performed by informed stakeholders. For example, when DOE issued its 2022 proposed rule for distribution transformers, DOE preliminarily concluded that the proposed distribution transformer efficiency standards were technologically feasible and economically justified. Recognizing the complexity of performing the relevant technical and economic analyses to determine if the proposed efficiency standards satisfy EPCA's statutory standards, APPA respectfully submits that some of the assumptions underlying those analyses were not adequately supported and/or overlooked important considerations that were material to the conclusions. A thorough accounting of these issues in a cost/benefit analysis would have shown that the proposed efficiency standards were not economically justified at the time.

Critically, assumptions about transformer availability and cost were not adequately supported, and the use of more accurate industry data would have undercut the economic justification for the proposed revised standards. In its initial analyses, DOE did not anticipate the costs that vendors would charge to utilities. This difference in the cost assumption directly impacted the DOE cost-benefit analysis resulting in increasing transformer costs.

Similarly, DOE should be mindful that a narrow analysis regarding product efficiency not lead to significantly more system losses. For example, the proposed rule for distribution transformers would have driven larger transformer sizes by utilities, which in turn would have led to larger wire losses in secondary lines from larger transformers to meters. Therefore, any efficiency gains in the transformer would have been lost in the longer secondary runs to homes. This is also true of water heaters. Many utilities use water heaters for demand response, and overly stringent efficiency standards for water heaters would lead to a diminished capacity for effective demand response, leading to greater overall system losses.

## **V. Response to Questions Regarding Prioritizing Accuracy in Environmental Analyses**

The RFI seeks comments on how the Process Rule should be updated to modify environmental considerations. There are several aspects of DOE's current methodology for estimating upstream energy usage and emissions that should be revised. Specifically, APPA strongly encourages DOE to:

- Use the "captured energy" approach now used by the Energy Information Administration (EIA) (along with the "infinite /zero energy" methodology from ASHRAE Standard 105 and 189.1 as a sensitivity analysis) in place of the "fossil fuel equivalency" method that routinely overstates upstream energy savings from the reduced use of electricity;
- Use the NREL Cambium database that projects multiple future emissions scenarios in all electric grid subregions in the United States, enabling DOE to perform a sensitivity analysis that can be shared with all stakeholders; and
- Account for requirements in recently adopted building codes and standards.

## **VI. Response to Questions Regarding Other Topics**

### *Satisfaction of Statutory Criteria*

The RFI seeks comments on whether and how the Process Rule should be updated to provide additional detail on how DOE's rulemaking process satisfies the statutory requirements for establishing new or amended test procedures.

One of the statutory criteria refers to the "unavailability" of products. This is a critical factor for DOE to consider that directly impacts the feasibility of implementation in real world applications and the cost of compliance. APPA members provide a vital service to their residential customers, businesses, and governments. Demand for electricity is projected to increase and our ability to provide reliable, safe, and affordable electricity will be key to the economic growth of the United States, including the development of AI technologies. Proposed or final rules that eliminate many of the current products in the marketplace, as discussed earlier, can or will lead to the unavailability of some or all products in an appliance category.

### *Rulemaking Timelines*

The RFI seeks comment on whether and how the Process Rule should be amended to specify rulemaking prioritization and timelines, consistent with EPCA's requirements. As discussed earlier, DOE should work with Congress to revise EISA 2007 and the "six-year lookback" rule for energy conservation standards along with the "seven-year lookback" rule for test procedures. Any lookback period should begin after the compliance date of any new or updated standard so that all parties can review the positive and/or negative markets impacts of a final rule.

Thank you for your review and consideration of our comments.

Respectfully submitted,

AMERICAN PUBLIC POWER ASSOCIATION

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