



May 15, 2020

Mr. John Cymbalsky  
Appliance and Equipment Standards Program  
U.S. Department of Energy  
Building Technologies Office  
Mailstop EE-5B  
1000 Independence Avenue SW  
Washington, DC 20585-0121

Re: Energy Conservation Program: Procedures for Use in New or Revised Energy Conservation Standards and Test Procedures for Consumer Products and Commercial/Industrial Equipment; Prioritization Process, Docket # EERE-2020-BT-STD-0004

Dear Mr. Cymbalsky:

The Edison Electric Institute (EEI), National Rural Electric Cooperative Association (NRECA), and the American Public Power Association (APPA) (collectively, the “Joint Stakeholders”) appreciate the opportunity to submit comments on the Request for Comments (RFC) issued by the Department of Energy (DOE or Department) on the prioritization of new or updated energy conservation standards and test procedures for covered products. *See 85 Fed. Reg. 20,886 (April 15, 2020).*

EEI is the association that represents all U.S. investor-owned electric companies. Our members provide electricity for about 220 million Americans and operate in all 50 states and the District of Columbia.

NRECA represents more than 900 consumer-owned, not-for-profit electric cooperatives, public power districts, and public utility districts in the United States, powering 56% of the US landmass and over 20 million businesses, homes, schools and farms in 48 states.

APPA is the national service organization representing the interests of more than 2,000 not-for-profit, state, municipal and other locally-owned electric utilities in the United States. Public power utilities collectively serve more than 49 million consumers.

As a whole, the electric power industry supports more than 7 million jobs in communities across the United States.

Driven by customer demands, technology developments, and federal and state regulatory obligations, the electric sector is undergoing a transition of its generating fleet that will

continue over the next decade and beyond. Concurrent with this transition, the Joint Stakeholders' member companies are investing significant amounts of capital—well over 100 billion dollars annually—to make the energy grid smarter, more dynamic, more flexible, and more secure in order to integrate and deliver a balanced mix of resources from both central and distributed energy resources to customers.

The Joint Stakeholders strongly support the Department's energy conservation standards program for consumer products and certain commercial and industrial equipment. The program has been one of the most successful energy efficiency efforts ever created in large part due to its focus on setting standards that are technically feasible and economically justified for a large majority of consumers. The program's success can be largely attributed to its historical reliance on setting standard levels that ensure that customers who purchase the product save money. According to a March 2020 report by the Edison Foundation's Institute for Electric Innovation (*Energy Efficiency Trends in the Electric Power Industry (2008-2018)*), electric companies spent nearly \$7.2 billion on efficiency programs in 2018, saving 211 billion kWh of electricity—enough to power 26 million U.S. homes for one year. DOE is appropriately requesting stakeholder input regarding prioritization of appliances at this point in the rulemaking process, which allows all stakeholders to provide DOE with information that is helpful with upcoming rulemakings. This is consistent with and meets the requirements of the February 14, 2020 Final Rule “Procedures for Use in New or Revised Energy Conservation Standards and Test Procedures for Consumer Products and Commercial/Industrial Equipment.” *See 85 Fed. Reg. 8,626.*

### **DOE Should Base the Final List of Prioritized Appliances on Site Energy Savings and Provide Supporting Data.**

As part of the rulemaking process, DOE should provide site energy savings estimates for the covered products that are prioritized—and products that are not prioritized—and base the underlying analysis for prioritization on site energy savings to be consistent with the February 14, 2020 process improvement rule. Consistent with this approach, DOE should provide a list of the estimated national savings based on different appliance annual site energy savings based on efficient product availability. This would allow all stakeholders to review the DOE preliminary savings estimates and compare them against other studies or other technology and market data. Additionally, it would allow all parties to see which appliances would be able to meet the new thresholds that were established in the February 14, 2020 final rule. DOE should also analyze the annual estimated site energy savings along with the estimated savings over 10-, 20-, and 30-year periods, which would allow stakeholders to see the relative impacts of different appliance standards rulemakings over time and allow for thorough analysis by all stakeholders.

In terms of outputs, DOE should show the savings in typical units related to the product energy source and then convert these savings to site British thermal units (BTUs) using technical conversion factors from kilowatt hours or therms or gallons or other typical energy units associated with the appliance. This would allow stakeholders to perform “apples to apples” comparisons for products that use different types of energy inputs.

## **DOE Should Prioritize Products That Have Gone Through Fewer Rulemakings.**

Some covered products have gone through more than two or three rulemakings over the past several decades, while DOE has been less active on other products. In many cases, the estimated potential energy savings have decreased as minimum energy conservation standards have significantly increased—the “bang for the buck,” essentially, has been declining as the efficiency “floor” has risen while the product efficiency technological “ceiling” has levelled off. This is especially the case in some recent product categories that DOE has regulated, including small electric motors. The March 10, 2010 DOE final rule for energy conservation standards of small electric motors showed maximum potential energy savings on the order of 12.6 percent to 32.1 percent, with most of the motor product categories showing savings of 21.7 percent to 32.1 percent for baseline motor to “max tech” efficiency. *See 75 Fed. Reg.* 10,874. In contrast, in the DOE Notice of Proposed Determination for Small Electric Motors published on April 30, 2020 (85 *Fed. Reg.* 24,146), the maximum energy savings (from the current federal efficiency standards to the “max tech” efficiency levels) range from 5.1% to 8.6% - a significant decline compared to 2010.

Therefore, DOE should prioritize rulemakings for products that have been through fewer than two rulemakings, as it is likely that there are significant site energy savings potential for these products when compared to more highly regulated product categories.

## **DOE Should Account for the Benefits of Connected, “Smart” Appliances in its Analysis Supporting Prioritization.**

DOE should consider grid-interactive (or grid efficiency) benefits of “smart” appliances that can save money and provide benefits to the grid while not necessarily correlating to device-level electricity consumption reduction. There are multiple examples of how “smart” appliances are key components of “grid-interactive” efficient homes and buildings.<sup>1</sup> Smart appliances are able to shed load, shift loads, modulate (decrease or increase) loads in ways that provide benefits to building owners and the overall energy grid. As the US electric grid becomes greener and cleaner, the benefits of “smart” appliances will increase in tandem.

Where applicable, DOE should account for the ability of an appliance to be “smart” and/or “grid interactive” when prioritizing appliance standards, and ensure that future standards do not penalize appliances with such features (even if they increase annual site energy usage by a minimal amount compared to “non-connected” or traditional appliances).

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<sup>1</sup> *See*

[https://www.energy.gov/sites/prod/files/2019/04/f61/bto-geb\\_overview-4.15.19.pdf](https://www.energy.gov/sites/prod/files/2019/04/f61/bto-geb_overview-4.15.19.pdf), and <http://greenmanual.rutgers.edu/grid-interactive-efficient-buildings-geb/>.

## **Conclusion.**

The Joint Stakeholders strongly support the Department's energy conservation standards program for consumer products and certain commercial and industrial equipment. DOE should show the results of prioritization with estimates of site energy savings, focus on the covered products that have been through fewer rulemakings, avoid the use of any source energy estimates in the prioritization process to be consistent with the updated process rule, and account for the increasing use of "smart" technology, and the impact of standards on their features (in the active or standby mode) when finalizing priorities.

Thank you for your review and consideration of our comments. Please feel free to contact any of the contacts below if you have any questions about these comments.

Respectfully submitted,

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