

January 24, 2017

Ms. Ann Bailey
US Environmental Protection Agency
Ariel Rios Building 6202J
1200 Pennsylvania Avenue, NW
Washington, DC 20460

Dear Ms. Bailey:

The Consortium for Energy Efficiency (CEE) respectfully submits the following comments in response to the draft ENERGY STAR® Standard Operating Procedures, released by the Environmental Protection Agency (EPA) on November 20, 2017.

CEE is the binational organization of energy efficiency program administrators and a staunch supporter of the ENERGY STAR® Program. CEE members are responsible for ratepayer-funded efficiency programs in 46 US states, the District of Columbia, and seven Canadian provinces. In 2015, CEE members directed over \$6 billion of the \$7.7 billion in energy efficiency and demand response program expenditures in the United States. These comments are offered in support of the local activities CEE members carry out to actively leverage the ENERGY STAR brand. CEE consensus comments are offered in the spirit of strengthening ENERGY STAR, so it may continue to serve as the national marketing platform for energy efficiency.

CEE highly values the role ENERGY STAR plays in differentiating energy efficient products and services that the CEE membership supports locally throughout the US and Canada. We appreciate EPA's ongoing commitment to continuous improvement and applaud efforts to reexamine ENERGY STAR guidelines and procedures in the interest of fostering greater transparency and involvement by stakeholders. Given the evolution and enhanced importance of the ENERGY STAR program and dramatic change to the operating environment of the Program, it is timely to consider appropriate procedural changes.

We look forward to the continued practice of working closely with EPA during the planning and development of annual ENERGY STAR business plans in consultation with the CEE membership and Board. Below, we respectfully highlight standard operating procedures and transparency that we believe support stakeholder ability to provide useful, actionable input to EPA and the Program.

The Current Management Structure Serves the ENERGY STAR Program Well

ENERGY STAR is widely recognized and trusted by consumers and businesses. That trust is the managed result of the dedicated staff of ENERGY STAR and of continuing market investments by corporations, utilities, and individual citizens. The ongoing partnership between ENERGY STAR and electric and gas utilities has fueled an unprecedented binational marketing platform that easily allows customers to identify higher value products that can also be more profitable for manufacturers and retailers. Utilities often promote products that meet or exceed ENERGY STAR levels because they are good for their customers, may help reduce the cost of providing service, and serve objectives determined by the states in which they operate. This industry relies upon the ongoing success and stability of the ENERGY STAR brand.

ENERGY STAR also provides a win for citizens, a win for manufacturers, a win for states, and a win for those responsible for keeping the lights on and homes safely warm. We believe this outcome is not to be taken for granted and that the memorandum of understanding (MOU) between managing agencies makes effective use of their respective competencies. CEE contributed to the development of the current MOU, and we continue to believe the responsibilities of EPA and Department of Energy (DOE) reflect respective strengths while enabling room for enhancement of the Program as circumstances require.

Described in this MOU is a governing council to guide, coordinate, and oversee annual budget requests, annual program plans, and future changes to key ENERGY STAR program elements. Advanced notice of planned program activities for the year is crucial to stakeholders as it enables adequate preparation and enhanced engagement. This council would ensure that work programs between EPA and DOE are complementary and leverage federal dollars to achieve maximum energy efficiency. It coordinates communication about the EPA and DOE partnership to outside stakeholders, including Congress, the Administration, and the public. The governing council ensures that ENERGY STAR, Energy Policy and Conservation Act minimum federal standards, and whole building programs are mutually reinforcing and coordinate their enforcement and verification efforts. To help serve all these roles, the council would hold meetings twice annually with stakeholders. CEE believes this governing council is best positioned to effectively advance improvements to the ENERGY STAR program

We Support Data Transparency, Disclosure of Necessary Assumptions, and Sharing All Analysis at the Onset of Proposed Program Changes

To ensure CEE and other stakeholders can assess a specification proposal and provide responsible comment, a given proposal needs to fulfill all of the ENERGY STAR guiding principles bulleted below along with a narrative as to how the specified performance levels and other requirements relate, and what, if any, unique considerations exist for the proposal at hand:

- Significant energy savings can be realized on a national basis.
- Energy efficiency can be achieved through one or more technologies such that qualifying products are broadly available and offered by more than one manufacturer or service provider.
- Product performance and amenity are maintained or enhanced in combination with increased energy efficiency.
- Product energy consumption and performance are measurable, meaningful, and verifiable with known testing methodologies.
- Purchasers can recover any incremental investment for increased energy performance within a reasonable period of time.
- Labeling effectively differentiates qualified products, and label identification is recognizable to purchasers.

To satisfy ideal transparency considerations, statements and accompanying data and analysis would clearly demonstrate the range and performance values for the measure at hand, and the level that represents the top 25 percent market share would be identified. Representations as to the amount of energy savings that are expected over typical use and time frames would be provided, as well as incremental cost and availability assumptions disclosed.

We recognize that in some product categories, perfect data to assess compliance with these tenets is not available. In these cases, we recommend that EPA share assumptions or logic used to establish the basis for the proposed action.

By equipping efficiency program administrators and other ENERGY STAR Partners to conduct their assessments of whether the proposed performance levels will enable cost-effective offerings, consumer value, and yield regulatory support, every proposal would at least include:

- Full masked dataset used by the agency to develop the proposal
- Market sales and penetration data or the data EPA is using as a proxy, such as shipment data by product type
- Per unit and percent energy savings of proposed performance levels for all product categories, including transparency to how these energy savings values are calculated
- Number and percent of models, brands, or unique model groups “available” that would meet the proposed performance criteria for each product type
- Cost-effectiveness analysis and incremental retail price of the base unit relative to the ENERGY STAR unit

A 40 Business Day Comment Period is Generally Sufficient to Develop Program Administrator Comments

When a complete proposal is offered, CEE believes that a 40 business day review period would afford sufficient opportunity to review and analyze materials, convene rounds of facilitated discussion, develop and test informed positions, and craft a final written response. Should additional releases of information or changes in Program positions be made after the “complete

proposal” is provided, an additional comment period would be advisable relative to the significance of the change or addition.

CEE Supports an Inclusive, Technology Neutral Approach in Specifications

CEE supports efforts of the ENERGY STAR Program to be inclusive of all product sizes and capacities. We recognize and agree that in some instances, it may be impossible to cover a specific product class, type, or size due, for example, to the absence of an industry or government accepted test procedure. To ensure that all stakeholders recognize when and why these decisions are made, we recommend that the basis for any decisions to not include a given size or category be disclosed and made available for public comment and reply.

CEE Supports Use of Industry Standards

Over the years, CEE has witnessed the ENERGY STAR program take steps toward advancing new test protocols, performance metrics, and certification programs leveraging industry led efforts. For many product categories, the ENERGY STAR program has leveraged and benefitted from the use of these industry methods, which already have traction and support from the affected manufacturers. CEE supports the use of existing industry standards whenever they serve as a credible basis for measuring energy efficiency or other relevant parameters specified by the Program. We believe that the practice of using industry standards minimizes the burden on industry, avoids duplication of efforts, and leads to more consistent and credible information in the market. When these standards are demonstrated to have flaws or shortcomings, we recommend EPA work with the relevant organization of standing to improve the existing standard rather than creating a new, competing standard in the market that may inadvertently create market confusion or other consequences.

In closing, CEE believes that continuous improvement is an important aspiration for any effective effort, and we believe any necessary changes to the ENERGY STAR program can be addressed under the auspices of the existing MOU, including regular meetings of a governing council and advanced notice for anticipated Program changes for each calendar or fiscal year. We once again appreciate EPA efforts to seek feedback from stakeholders on ENERGY STAR guidelines and procedures in the interest of fostering greater transparency and involvement by stakeholders.

Sincerely,



Edward J. Wisniewski, CEE Executive Director