



October 12, 2013

Ms. Ann Bailey
United States Environmental Protection Agency
Office of Air and Radiation
1200 Pennsylvania Ave NW
Washington, DC 20460

Subject: Follow up Comments to ENERGY STAR's Most Efficient: Proposed 2013 Recognition Criteria

Dear Ms. Bailey,

On behalf of the Northwest Energy Efficiency Alliance (NEEA), Pacific Gas and Electric Company (PG&E), Sacramento Municipal Utility District (SMUD), San Diego Gas & Electric, and Southern California Edison (SCE), we respectfully submit comments in regards to ENERGY STAR's Most Efficient (ME) 2013 criteria issued September 14, 2012. While the ME 2013 criteria includes 11 separate product categories, our comments focus specifically on the criteria for televisions.

As organizations involved in midstream incentive programs for TVs, we support EPA's efforts to update the ME criteria for televisions for 2013, which designate products as some of the most efficient TVs on the market. We feel strongly that a two-tier system, ENERGY STAR combined with the ME designation, allows EPA to transform markets more rapidly than using the single ENERGY STAR label. As ME moves out of its pilot phase and into a more permanent role as part of the larger ENERGY STAR brand, EPA should work with stakeholders to build consumer awareness of the ME label and integrate ME with stakeholder efforts. For utilities and efficiency organizations to effectively incorporate ME into our program efforts, among other elements, we would need the following:

- Assurance that ME will be a permanent part of the ENERGY STAR program
- Coordination with efficiency program managers so that ME aligns with their program efforts
- Appropriate stringency of On Mode Power requirements
- Consistent consumer messaging and product labeling

We strongly support EPA's ongoing efforts to integrate stakeholder needs into the ME planning process, and believe this type of collaboration is a model for future specification development. In addition, we support EPA's decision to make ME a permanent part of the ENERGY STAR program, as well its efforts to align ME criteria with existing utility incentive programs. Based on these collaborative efforts with EPA, we have incorporated ME 2013 criteria into our 2013 incentive program offering. This joint effort provides an opportunity for strong co-branding and maximizes program effectiveness by maintaining a clear and consistent message to its target audience.

As sponsors of utility incentive programs for TVs, we work with retailers and manufacturers to help consumers become more informed about the benefits of purchasing energy-efficient TVs. Our TV programs provide financial incentives and marketing support to encourage manufacturers and retailers to educate, promote and sell the most energy-efficient TVs on the market. The programs promote products that exceed existing ENERGY STAR specification levels. Thus, we have a strong interest in continuing to support the ME distinction and co-branding existing utility programs with EPA's ME initiative.

We have seen rapid market adoption of efficient TV technology in part due to the decreasing costs of LED technology, among other factors. Rapid developments in TV technology suggest that there remains opportunities for continued energy efficiency improvements in TVs. EPA's ME initiative can help accelerate market adoption of these super-efficient technologies by providing valuable differentiation and recognition for those products at the leading edge of efficiency. The fact that 330 TV models from 27 different manufacturers meet ME 2012 demonstrates the need for special recognition that goes beyond the traditional ENERGY STAR label. These super-efficient models will save US consumers and businesses substantial sums of money from reduced electricity bills.

1) We support EPA's decision to make the ME program a permanent part of the ENERGY STAR and encourage EPA to incorporate ME into a broader strategy of market transformation.

We have been strong supporters of the ME initiative since it was first unveiled by EPA in 2011. We believe that the ME designation plays an important role in the commercialization process of energy efficient technologies, as previously illustrated by EPA in Figure 1 below. We encourage EPA to incorporate ME into its broader market transformation strategy by developing a more defined relationship between ME and ENERGY STAR.

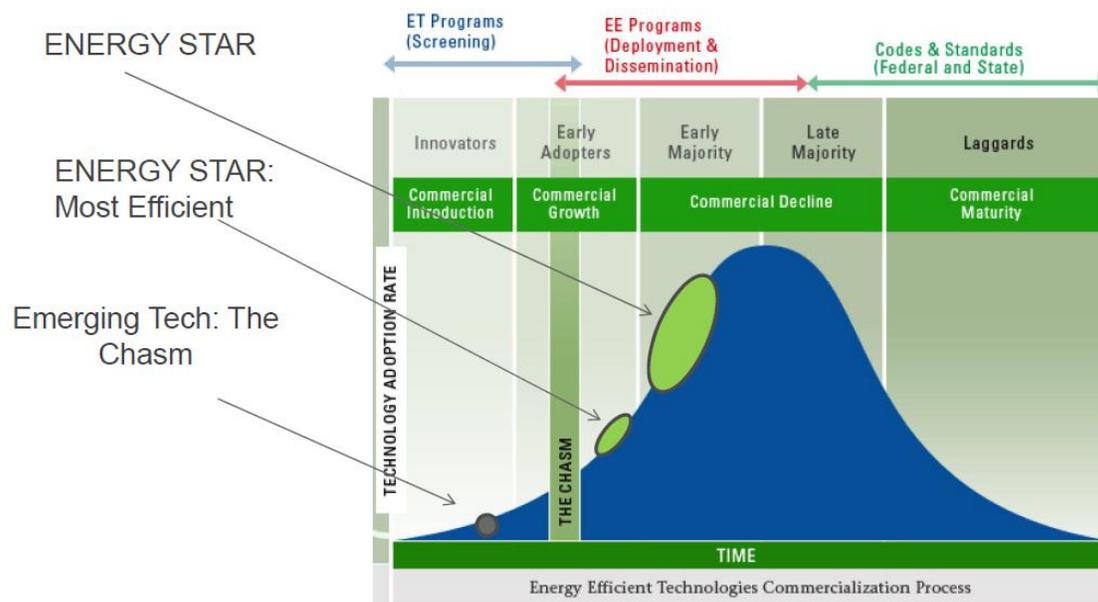


Figure 1: Energy Efficient Technologies Commercialization Process (Slide 5 from EPA's ME 2013 Webinar)

Integrating ME into the broader ENERGY STAR program requires careful stakeholder coordination to ensure that the new level does not cause consumer confusion. Based on the preliminary results of the pilot program evaluation, it appears that the ME distinction meets the requirement to not cause consumer confusion. We encourage EPA to continue to monitor consumer awareness and understanding as ME becomes more widely adopted.

Another key component of successfully integrating the ME designation is ensuring that program partners can incorporate ME criteria into their program planning processes. By making ME a permanent part of the ENERGY STAR program, EPA provides manufacturers, retailers, and efficiency program administrators with the assurance they need to invest in the ME brand.

- 2) **We support EPA's ongoing efforts to coordinate with energy efficiency program sponsors, and recommend EPA coordinate future efforts through the Consortium for Energy Efficiency so that the ME program process is streamlined and clear for all stakeholders.**

In its 'ME 2013' cover letter, EPA highlighted the ongoing coordination with energy efficiency program sponsors interested in promoting higher tiers of product efficiency. We appreciate EPA's efforts to coordinate ME 2013 with existing utility program efforts. As part of our annual planning process, program managers notify retailers of the coming year's program qualifying levels by early Fall so that retailers can make appropriate stocking decisions. Because of EPA's efforts to release the ME 2013 criteria in September, we were able to incorporate the ME 2013 levels into our 2013 program offering. This effort demonstrates EPA's commitment to partnering with utility programs to build and strengthen the ME brand, and we look forward to continued collaboration.

Additionally, utility regulators are requesting significant additional detailed data that supports both the technical and market rationale for new measures. Having both this data and the ME criteria made available by the EPA to the utilities at least 6 months prior to the launch of a new offer would help ensure that the utilities can receive regulatory approval for new measures in a timely fashion so that the utilities can roll out the offers on time.

To strengthen future co-branding efforts in 2014 and beyond, we encourage EPA to continue to work with stakeholders to develop a road map for both future ENERGY STAR and ME so that they can be incorporated into the long-term utility program planning process.

- 3) **We support the proposed maximum on mode power levels (P_{max}) and believe these levels are sufficiently stringent to distinguish the most efficient models available on the market today. We strongly recommend that EPA take a forward-looking approach and account for forthcoming efficiency gains when developing future ME criteria.**

In order to strengthen and sustain the ME brand, it is critical that ME distinguish itself from standard ENERGY STAR products by reflecting only the most efficient models on the

market. While the traditional ENERGY STAR program highlights the top 25% of available models, ME's target market is the top 3-5% of available models, which represent the cutting edge of technology. Given this rapid rate of change, there is potential for the ME brand to become diluted if it does not account for upcoming gains in efficiency. To account for these changes, ME must be nimble and respond more quickly than the traditional ENERGY STAR program. Therefore, we recommend EPA take a forward-looking approach when developing the ME criteria in future years. This will help strengthen the reputation of the ME brand and maintain its focus on the leading edge of technology.

Based on our analysis of the proposed On Mode Power levels for ME 2013, we believe that these levels are sufficiently stringent and will identify the 'best in class' for a wide variety of screen sizes.

4) We acknowledge EPA's ongoing efforts to promote the ME brand and encourage EPA to continue working with stakeholders to identify the most effective labeling strategy for ME products.

As noted above, the ME program must respond more quickly to changes in the market than a traditional ENERGY STAR specification since it targets the leading edge of available products. Since ME signage is not applied at the manufacturer level, any ME signage will be required to be placed at point of sale. In some cases, utility partners may be able to provide signage assistance in the short term. However, this may be challenging for multi-tiered incentive programs since the added complexity to distinguish between tiers may not fit within their market strategy. Thus, we encourage EPA to work with stakeholders to determine the most effective labeling strategy for ME products as ME is integrated into EPA's broader ENERGY STAR program.

It is suggested that EPA work with retailers to incorporate ME signage through their online marketing efforts as a possible strategy to promote ME. This could help bolster the brand over the next year so that the public becomes more aware of the distinction.

We appreciate your consideration for these comments and look forward to ongoing collaboration.

Sincerely,



Ty Stober
*Market Transformation Initiative Lead, Televisions
Northwest Energy Efficiency Alliance*



Jamie Cutlip
*Program Planner
Sacramento Municipal Utility District*



Marisa Uchin
*Senior Manager, Core Products
Customer Energy Solutions
Pacific Gas and Electric Company*



Paola Rosselli
*Program Specialist, Energy Efficiency Programs
San Diego Gas and Electric*



Richard Genece
*Manager, Residential Portfolio
Customer Energy Efficiency & Solar
Southern California Edison*