



September 11, 2014

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® Most Efficient 2015 Designation:
Proposed 2015 Recognition Criteria**

Dear Ms. Bailey,

On behalf of the Northwest Energy Efficiency Alliance (NEEA), Pacific Gas & Electric Company (PG&E) and Sacramento Municipal Utility District (SMUD), we respectfully submit comments in regards to ENERGY STAR®'s Most Efficient (ME) 2015 criteria issued August 4th, 2014.

As organizations involved in supporting the introduction and commercialization of energy efficient products into the market, we believe that the ME initiative can help accelerate market adoption of these super-efficient technologies by providing valuable product differentiation and recognition as the leading edge of efficiency. These models will save US consumers and businesses substantial sums of money from reduced electricity bills. We feel strongly that a two-tier system, consisting of ENERGY STAR® and the ENERGY STAR®: Most Efficient designation, allows EPA and its efficiency program partners to transform markets more rapidly than using the single ENERGY STAR® label.

A summary of our primary recommendations are:

- Consider expanding the Most Efficient designation to additional product categories and solicit efficiency program sponsor input as part of this expansion plan; and
- Revise the proposed ME 2015 criteria for televisions to ensure that models with 3% of current sales qualify for the proposed levels.

We encourage EPA's continued efforts to coordinate with efficiency program sponsors regarding the marketing and promotion of the ME brand. The ME designation continues to gain consumer recognition and support from partnering utilities and efficiency organizations. ENERGY STAR® has over thirty residential product categories, and the Most Efficient designation now covers twelve of these categories. As EPA noted in the ME 2015 cover letter, twelve utilities have incorporated the ME designation into their incentive program offerings, while another twelve have expressed interest.

NEEA, SMUD, and PG&E are currently piloting an initiative to offer retailer incentives for promoting and selling more efficient products. This pilot leverages both the ENERGY STAR® and ENERGY STAR®: Most Efficient designations, and having both ENERGY STAR® and ME is critical because it provides multiple levers to drive adoption of energy efficient products. Utilizing both levels allows our programs to provide a more dynamic incentive offering: if a retailer already stocks and sells ENERGY STAR® products, program sponsors can utilize the ME designation to incentivize retailers to sell the most efficient products on the market.

We appreciate EPA's ongoing efforts to integrate stakeholder needs into the ME planning process and believe this type of collaboration will strengthen its integration into utility programs and increase the uptake of qualified products in the market. As part of this effort to streamline and integrate the ME designation into partner efficiency programs, we have the following recommendations:

1) We encourage EPA to expand the Most Efficient designation to additional product categories and solicit efficiency program sponsor input as part of their expansion plan

Since its inception in 2011, the ME designation has gained traction and become increasingly integrated into utility incentive programs. We support EPA's addition of the Dishwashers Product Category, and recommend that EPA continue to identify product categories that are well suited for the ME designation. To further increase program uptake, we recommend that EPA solicit efficiency program sponsor input as part of their ME product category expansion plan. Based on our preliminary analysis of existing ENERGY STAR® specifications, we recommend that EPA consider adding freezers, air cleaners, and room air conditioners, as well any other product categories that EPA believes would benefit from the ME designation.

2) We support EPA's efforts to set stringent ME requirements, which maintains the value of the brand. For televisions, we believe that the proposed maximum on mode power levels (P_{max}) for screen sizes below 50" should be revised so that roughly 3% of all sales meet the proposed criteria.

In order to strengthen and sustain the ME brand, it is critical that the ME designation distinguish itself from the ENERGY STAR® label by reflecting only the most efficient models on the market. We recognize the inherent challenges in setting qualifying levels that capture only the most efficient products on the market yet still provide adequate selection for retailers to stock and sell products meeting the ME criteria. EPA's approach to setting the ME levels is based on model availability. However, as efficiency program

sponsors, it is critical to have models that are not only available but that are stocked and sold by retailers. Without products that are being actively sold in the market, it is difficult for program sponsors to create an effective two tier program that leverages both ENERGY STAR® and Most Efficient. Based on our experience with the previous ME criteria, we believe that EPA should ensure that roughly 3% of television product sales meet the ME criteria at the time they are finalized. This will ensure that there is sufficient product selection on retailer shelves. Based on our analysis of May 2014 retail sales data, we estimate that ME 2015 criteria is adequate for models with screen sizes greater than 50 inches.¹ However, while there are models below 50" that meet the proposed ME 2015 requirements, we believe that they make up little or none of actual TV sales.² Our analysis suggests that relaxing the proposed criteria for screen sizes less than 50" by 15% will allow additional models to qualify while resulting in a minimal increase (3-6 Watts) in overall product power requirements.

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

Sincerely,



Jon Clark
Market Strategy Manager, Mass Market/Residential
Northwest Energy Efficiency Alliance



Julie Colvin
Senior Program Manager, Residential Programs
Pacific Gas & Electric Company



Cheri Davis
Principal Demand Side Specialist
Sacramento Municipal Utility District

¹ On Mode Power values used in this analysis are based on models using the previous ENERGY STAR® test procedure. Because On Mode power values for 2015 models will be based on the test procedure outlined in the 2013 DOE Final Rule, we recommend that EPA adjust its levels accordingly to account for any changes in On Mode power caused by the transition to the new test procedure.

² Our analysis is based on monthly TV sales data using NPD's Market Tracking Service from January – May 2014 for the Northwest region (WA, OR, MT, and ID).