



GE Consumer & Industrial

Kelley A. Kline
Counsel, Regulatory

Appliance Park, AP2-225
Louisville, KY 40225
USA

T 502 452 7603
F 502 452 0347
Kelley.Kline@ge.com

October 29, 2010

Via E-Mail

Maria Vargas
U.S. Environmental Protection Agency
Ariel Rios Building
1200 Pennsylvania Avenue, N. W.
Washington, DC 20460

vargas.maria@epa.gov

Re: ENERGY STAR Proposal For Comment:
Advancing The Market For Top Tier ENERGY STAR Qualified Products

Dear Ms. Vargas:

On behalf of GE Appliances (GE), I would like to provide our comments on the ENERGY STAR Proposal For Comment: Advancing The Market For Top Tier ENERGY STAR Qualified Products. GE has had a long commitment to energy efficiency, including the manufacture of energy efficient appliances, as evidenced by receipt this year of ENERGY STAR's Sustained Excellence award for the fifth straight year. As such we have a strong commitment to the value of the ENERGY STAR brand, and offer these comments to you in a spirit of partnership.

GE hereby adopts by reference the comments submitted by the Association of Home Appliance Manufacturers (AHAM) and supplements them in the following respects.

GE continues to oppose the concept of a Top Tier program within the ENERGY STAR program and shares AHAM's concern that the impact of the Top Tier program is unknown, and may be undesirable. EPA states in its proposal for comment that the Top Tier effort needs to be a useful tool for consumers, manufacturers, efficiency program administrators and retailers, among others. GE is concerned that EPA's proposal, however, neglects to explore the benefits for stakeholders other than consumers. But even the case for consumer benefits cannot be validated by sampling focus groups in New York, Atlanta, Denver, and San Francisco. These markets do not fully represent the country. As a result, ENERGY STAR has left itself open to the claim that it chose areas of the country in which it

October 29, 2010

Page 2

would obtain the most favorable results. Without offering more detail about how the research was conducted, and by whom, it is impossible to gauge whether the survey was corrected for such potential biases, or for disinterested analysts to be comfortable with the ultimate conclusions of the survey.

GE is concerned that the proposal will dilute the ENERGY STAR brand. But, accepting EPA's conclusion that this program will make sense for a small segment of consumers for whom environmental awareness and early adoption are more important than saving money, this being the key justification outlined in EPA's market research synopsis, EPA has failed to show how such a program will benefit consumers generally, much less manufacturers, efficiency program administrators and others. ENERGY STAR's strength has been its simplicity. One need only look to Europe to see the dangers of tiered labeling programs where consumer confusion (and skepticism) is common.

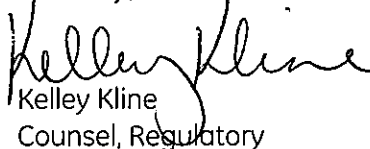
From a manufacturer's perspective, market disruption will result if retailers and rebate administrators promote and purchase only or largely Top Tier products, undercutting a substantial investment in ENERGY STAR products. Instead, ENERGY STAR should continue to focus its efforts on saving energy on a larger scale—the ENERGY STAR program as it currently exists does that.

If ENERGY STAR decides to move forward with the Top Tier program, EPA should further justify focusing on the top 5% of product models, and specifically why a more restrictive standard of 2-3% of the market would not be equally justified. This would accomplish the same early adopters benefit and create a greater gap between top and regular tiers of the market. We further suggest that EPA make the top tier determination annually, and not on a rolling basis which would be wholly unworkable for appliances.

GE has invested hundreds of millions of dollars to support the ENERGY STAR program, and continues to be a strong supporter of EPA's efforts to improve the efficiency of the nation's appliances. The ENERGY STAR program's success is the result of GE's and other manufacturer's efforts to design and manufacture products that deliver efficiency and great features. This partnership warrants more consideration and study than that provided by the limited consumer research. For this reason alone, ENERGY STAR should defer the proposal. But when added together with the limited benefits identified in EPA's own research, demand nothing less.

Please feel free to contact me at (502) 452-7603 with any questions.

Sincerely,


Kelley Kline
Counsel, Regulatory