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J.B. HOYT  
DIRECTOR, GOVERNMENT RELATIONS

April 13, 2005

Mr. Richard Karney  
Energy Star Program Manager  
U.S. Department of Energy  
Building Technologies Program  
1000 Independence Avenue, SW  
Washington, DC 20585-0121

Re: Position of Whirlpool Corporation Regarding 2007 ENERGY STAR® Qualifying Levels for Clothes Washers

Dear Mr. Karney:

Whirlpool Corporation appreciates the time and effort which the Department of Energy put into development of the 2007 ENERGY STAR levels. All references herein are to the Department's March 28, 2005 Market Analysis, unless otherwise indicated.

We specifically appreciate that the Department has continued to focus on the six well-established criteria for assessing new levels. The additional objective of strong support for reduced water usage is also admirable and appropriate.

However, we do not feel that:

- The approach used was true to the above-mentioned criteria
- It effectively incorporated industry input into the process
- That the analysis clearly indicates that the approach used for the ENERGY STAR program is different from and not analogous to any potential future standards rulemaking process.

Specifically:

- 1) Meaningful differentiation between ENERGY STAR and non-ENERGY STAR products. Clearly there will be a very distinct difference between these products. However, this does not take into account the very critical issue of product choice which is elaborated on in point #4, below.

- 2) Result in significant energy savings. The analysis provided by the Department does not clearly indicate the national savings across multiple qualification levels that were considered. Perhaps this data could be derived from the various tables in the document, but the answer is not immediately obvious. Therefore, it is not possible to determine if the differences between the various options considered by the Department are meaningful or how the selected option best results in significant energy savings. Finally, the analysis does not indicate how the savings from this change in ENERGY STAR qualification levels compares to prior changes; if it did, it is likely that the result would be a diminishing return each time that the levels have been raised.
- 3) Cost-effective for consumers. The Department indicates that as a result of this proposed ENERGY STAR level the only ENERGY STAR qualified models available to the consumer would be front-load machines and specialty top-load machines. We agree that this will be the outcome; we do not agree that this is cost-effective for consumers. While direct feature comparisons are not practical, the price differential between similarly featured conventional top-load machines and specialty top-load machines is on the order of \$300. The differential between conventional top-loaders and front-loaders is on the order of \$500. It is difficult to understand how these substantial differentials can be viewed as cost-effective given that the average conventional top-load washer only retails for approximately \$450.

The Department argues (on page 5) that the least expensive current ENERGY STAR model is \$430 while under the new qualification levels it would be \$600, a 39.5% price increase. The Department indicates that the payback on higher cost washers would be 6.5 years. While, that is indeed less than the average life of a washer, it is approximately three times longer than the payback period our consumer research indicates a willingness to pay for.

- 4) Ample consumer choice. According to the data shown in Table Four, choice of manufacturer is maintained. However, as noted above, the levels chosen by the Department will exclude conventional (agitator) top-load washers from the ENERGY STAR program; thus consumer choice is not maintained. Today 80+% of consumers purchase top-load machines. The reasons are many, but include: price, ergonomics of use and experience of use. Yes, front-load washer sales as a percentage of total sales has grown significantly over the past few years. However, the rate of growth has been very modest over the past 6 – 8 quarters, suggesting a plateauing of front-load demand. As we have previously indicated to the Department, our research suggests that the majority of consumers will continue to prefer top-load machines for the foreseeable future. The decision to exclude this lower-priced, yet relatively efficient class from the ENERGY STAR program is inconsistent with consumer choice.

The National Appliance Energy Conservation Act specifically requires that consumer choice be maintained in any standards setting process. The ability of consumers to continue purchasing conventional top-load washers must not

be impacted by future rulemaking. The decision process used for this voluntary market transformational program (ENERGY STAR) cannot and must not be carried over to any future standards rulemaking process. It would be appropriate for the Department to indicate in this analysis that the approach used for ENERGY STAR qualification criteria is not relevant to a rulemaking process.

The Department appears to be quite concerned about the hygiene implications of effective rinsing. This is an issue that we have not raised, nor seen raised in the public comments made to the Department. We do not understand this issue or its origin. Hygiene is a function of wash water temperature, which is often reduced by manufacturers in order to meet higher MEF requirements. Rinsing performance is a function of the volume of water used.

That said, effective rinse performance is very important to the consumer and a key determinant of overall machine performance. Such rinsing is crucial to the removal of detergents and soils. Spray rinse technology is one approach to obtaining good rinsing while reducing water usage. This technology, which has been in the marketplace for some time, allows a conventional top-load washer to achieve a water factor between 8.0 and 9.0. However, this choice will no longer be available to the consumer under the ENERGY STAR program. The rationale for eliminating this consumer choice is not obvious and has not been explained by the Department.

The Department must recognize that all of the larger manufacturers have significant U.S.-based top-load washer production facilities. Any regulatory or market transformation decisions which lead to large capital investments by manufacturers will cause those manufacturers to consider making that investment in lower cost, non-U.S. production locations. The potential for loss of American jobs should be taken into account as part of this process.

- 5) Do not compromise functionality or performance. The functionality aspects are covered above in point #4.
- 6) Do not rely on proprietary technology. Whirlpool feels that this has been adequately explained by the Department.

Finally, we feel that the Department's equating of the number of models offered to sales volume is erroneous and misleading. We have repeatedly pointed out this fallacy to the Department, yet use of this approach persists. While data on volumes by model is not readily available, we are unaware that the Department has specifically asked manufacturers or our trade association (AHAM) for this information as part of the 2007 washer ENERGY STAR assessment.

In summary, Whirlpool Corporation feels that the concerns we raised to the Department regarding consumer choice and the need for continued production of conventional top-load washers were not fully considered by the Department. In future efforts we urge the Department to focus on the importance of conventional top-load washers to manufacturers and consumers alike.

Whirlpool appreciates the efforts of the Department in leading the ENERGY STAR program and looks forward to continuing to work with the Department on this and other matters.

Sincerely,

A handwritten signature in black ink, appearing to read "JB Hoyt". The signature is written in a cursive, flowing style. The "JB" is written as a single, connected unit, and "Hoyt" follows in a similar cursive script.