



December 19, 2014

Abigail Daken
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U.S. Environmental Protection Agency
Washington, D.C. 20460

Subject: Broan-NuTone Response to ENERGY STAR Program Requirements Product Specification for Residential Ventilating Fans Version 4.0 Final Draft Proposal

Dear Abigail,

Thank you for the opportunity to comment and offer suggestions to the ENERGY STAR Program Requirements Product Specification for Residential Ventilating Fans Version 4.0 Final Draft Proposal. By working together, ENERGY STAR and product manufacturers can continually advance the adoption and growth of energy saving ENERGY STAR products in the marketplace.

Broan-NuTone is one of the founding organizations for the ENERGY STAR Residential Ventilating Fans Program and one of its biggest advocates. We support the ENERGY STAR brand and program through digital media, print advertising, product branding, displays and continuous improvement to our product offerings. Broan-NuTone has consistently grown its ENERGY STAR product offerings.

Broan-NuTone supports continuous improvement and is encouraged by the advancement shown in the proposed changes (V4.0-Final) to the Residential Ventilating Fans requirements. Consumers who value the ENERGY STAR brand promise and product choices are the true benefactors. However, so as to not adversely affect the ENERGY STAR product choices for the consumer with the implementation of this program, we strongly recommend that the implementation timeline must be reconsidered.

In the Best Interest of the Consumer

When analyzing the products listed in the HVI Certified Directory, one can see that a significant number of currently ENERGY STAR qualified products would not meet V4.0-Final specifications. As manufacturers wish to provide the products consumers need for their homes, the manufacturers will employ product changes to meet the new requirements.

The Energy Policy and Conservation Act specifically requires that the agency take into account the "timing requirements of the manufacturing, product marketing, and distribution process for the specific product addressed." ENERGY STAR must recognize the significant risk of product availability disruption associated with the current implementation timing of the efficacy and installed performance changes proposed in V4.0-Final.

Motor design and type are the greatest contributors to fan efficacy. To meet many of the new V4-Final specifications, manufacturers will examine motor changes. Many of the manufacturers will be competing for the same motor manufacturing resources due to the motor industry consolidation. This lack of available resources will limit many manufacturers from being able to supply the products their customers desire in the limited implementation timeframe established.

When one looks at the timeline for a single motor approval, the manufacturer must factor in the motor specification, prototyping and development, UL approval of the motor and the ventilation fan using said

motor, PPAP, materials procurement, manufacture, at least one month of transportation of the motor, and finally the production at the manufacturer's site. Multiply this by a large percentage of the current fans that will no longer be certified under V4.0-Final, and one can see the scenario identified in The Energy Policy and Conservation Act as requiring consideration by ENERGY STAR.

In reviewing other ENERGY STAR certification programs, one sees that the implementation schedules vary dramatically. Some are at the shorter 10 month period. Efficiency programs such as Refrigerators employed a 15 month implementation schedule. There is a compelling need for both manufacturers and their downstream retailers to have a longer implementation schedule than the 10 months identified in V4.0-Final so as to insure adequate supply of available ENERGY STAR products to meet consumer demand.

Ventilating Fan Market

In review of the V4-Final Specification, we see that in both the Note Insert (lines 115-125, page 3) and the V4-Draft 1 Comment Matrix, ENERGY STAR has discounted the partners' input as to market size and market disruption potential and consequently determined consumer choice and where products may be available. We are very concerned that it is the consumer who will ultimately and adversely be affected by these decisions.

In the Comment Matrix, Panel Line 6, which deals with Model Availability, ENERGY STAR had responded:

Upon review of current vent fan offerings, EPA found that there are more than the desired number of products that meet ENERGY STAR, which justifies the need for revision.

EPA investigated the percent of ENERGY STAR models available to consumers through popular on line outlets, and at popular retail stores. In addition, EPA had extensive discussions with stakeholders to understand whether the HVI directory accurately reflects models available in the market, and why. Taking all this into account, EPA is confident that the proposed levels will leave consumers a good level of choice and differentiation.

A second comment within the Comment Matrix, Panel 7, which deals with Efficacy, ENERGY STAR had responded:

EPA's analysis showed that if consumers invest in a slightly more expensive bath fan with an efficient motor, it yields a longer lifetime and savings in return.

The question must be asked as to what research was used to determine consumer preferences and availability.

When one examines the Retail Marketplace, such as Home Depot, Lowes and Menards, it becomes quickly evident that retailers rarely have multiple vendors for a particular fan performance level. The performance levels are established as consumers want to have the optimal ventilation rate for their situation. To force consumers to select/buy up or down in CFM rate could cause under or over ventilation of their environment which may be in violation of building codes that require certain levels of ventilation.

Distributors may have more than two identical performance products; however, most consumers do not have direct access to these distributors.

Broan-NuTone research has shown that while the internet offers a wide selection of particular product performance levels, less than 7% of consumers actually purchase online. Since consumers are not generally familiar with fans, they investigate the models online and then buy from an established local retailer or contractor.

We share the concern that large sectors of the retail market – including homebuilders and related contractors – must be able to purchase fans that are immediately available from big box retailers (such as Home Depot, Lowes and Menards) that provide full warranty service for those fans. It would be impractical and an unjustified restriction on homebuilding and remodeling to require that these contractors purchase fans over the internet given their high volume demands and time sensitive constraints.

The basis for the initial decision by ENERGY STAR to update the Residential Ventilating Fan Specifications was their perception of a significant market penetration. The market penetration was shown, in previous discussions, to be less than 19% by volume (units). This falls far below the EPA Guiding Principles of 35%. Yet the ENERGY STAR office continues to use market penetration and product availability as the impetus for the proposed changes and implementation timeline. We again must note our concern with consumers being adversely affected by market disruption due to product availability with the current implementation timeline.

Other V4.0-Final Changes

Broan-NuTone supports the revised Range Hood Scope. This is a very good solution to a past problem.

We do not agree with the changes to the Installation Instruction Requirements. The additional paragraph is somewhat cumbersome as a paragraph. We would prefer that the elements of the paragraph be noted by bulleting as with the other requirements and allow the manufacturer to incorporate into their instructions per their format.

Final Comment

In the June 11, 2014 letter, ENERGY STAR noted that the efficacy requirements haven't changed since 2003. V4.0-Final has some efficacies doubling and others increasing dramatically. To properly implement the new ENERGY STAR program and give consumers, the ultimate stakeholders, the product choices that they demand, manufacturers must have adequate time to meet these needs. A hurried implementation provides no benefits to affected parties. We are recommending a change to V4.0-Final that reflects a 15 month minimum implementation schedule.

Summary

Broan-NuTone supports advancing the requirements to give consumers more energy-efficient products.

Broan-NuTone disagrees with ENERGY STAR's assumptions and conclusions on product availability.

We feel strongly that implementing the current timeline for V4.0-Final requirements will have significant market disruption.

We look for an extended implementation timeline of 15 months minimum to allow manufacturers time to meet the new requirements and not harm consumer choice.

Thank you for your consideration,

BROAN-NUTONE LLC



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