



September 15, 2016

Ms. Verena Radulovic
Product Labeling
ENERGY STAR Program
U.S. Environmental Protection Agency

Re: A Joint Response to the ENERGY STAR Distribution Transformer Draft 2 Version 1.0 Specification

Sent via email to: DistributionTransformers@energystar.gov

Dear Ms. Radulovic:

This document represents the collaborative effort of the following key stakeholders that share a common interest in a well-designed ENERGY STAR distribution transformer (DT) specification: American Public Power Association (APPA), Edison Electric Institute (EEI), National Rural Electric Cooperative Association (NRECA), and the Natural Resources Defense Council (NRDC).

The joint proponents appreciate the fact that EPA has been actively engaged with stakeholders during the process of renewing the distribution transformer program. Stakeholder input and support will be a vital component to the ultimate success of an ENERGY STAR distribution transformer program.

Last October, we filed a joint letter with suggested improvements. We have also reviewed the latest draft specification, participated in the webinar, and reviewed the slides from the webinar.

While we believe that our current and previous comments provide a pathway for a program that we and other key stakeholders could support, based on our review and discussions, we reluctantly conclude that we cannot support the Draft 2 Version 1.0 Specifications for the following reasons:

- 1) The minimal and indirect role of TOC in the program

As currently written the use of total owning cost (TOC) is optional and indirectly encouraged. I.e., under the program, manufacturers are “encouraged” to promote the TOC approach. However, the TOC is something that the utilities could or should be



doing as customers, and manufacturers are really not in a position to decide how customers are going to perform their life cycle economic calculations.

In the previous iteration of the ENERGY STAR program, utility partners were required to use a TOC methodology before they were allowed to join the program. As proposed in our previous joint letter, it would be preferable if the EPA continued to use its prior and successful methodology by creating a separate category for utility partners and qualifying them as ENERGY STAR if they agree to use TOC to specify transformers.

2) Unduly limited product availability

Looking at the charts on page 6 of the specification, it appears that under “high load” conditions for 50 and 1500 kVA units (with an A value of \$7.00 and a B value of \$2.80), only one transformer can comply with the requirement to reduce energy losses by 11% or 16% (out of about 12 or 45 models). With the specifications shown in Table 1, we are concerned that the current thresholds eliminate well over 90% of the products on the marketplace.

Limiting the availability of transformers and increasing their costs means that the selection of certified product which provide for the recovery of any additional upfront costs associated with efficiency within a reasonable amount of time will be greatly diminished. In addition, the new ENERGY STAR designs may unreasonably increase the weight of transformers making them virtually unusable at many common utility installation points without infrastructure upgrades. For example, increasing the weight of a bank of three transformers on a pole that is 5 years old may require early replacement of the utility pole, a cost of installation that would further limit the availability of products and make ENERGY STAR products unavailable. EPA should ensure that more than one core technology would be able to meet each criterion proposed for different transformer sizes at different load factor.

3) Concerns about increased costs due to certification requirements

Based on the feedback from transformer manufacturers on the webinar, there are concerns that the requirements for multiple load factors and 3rd party certification will have a significant impact on the costs of Energy Star transformers, which could make them less likely to be purchased with or without the use of TOC methodology. Since any increased costs would need to be passed on to utility customers, or could result in a lack of utility adoption, we would suggest EPA further work with manufacturers to ensure agreement that any cost increases are minimized.



Thank you for your review and consideration of our comments. We would be happy to discuss any details of our comments and concerns as a follow-up.

Respectfully submitted,

By _____ /s/

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