



KYLE PITSOR

Vice President, Government Relations

July 27, 2015

VIA EMAIL TO: ConnectedThermostats@energystar.gov

Ms. Abigail Daken
U.S. Environmental Protection Agency
ENERGY STAR Climate Protection Partnerships Division
Office of Air and Radiation
Washington, DC 20460

NEMA Comments on Draft ENERGY STAR® Program Specification for Connected Thermostats

Dear Ms. Daken,

The National Electrical Manufacturers Association (NEMA) appreciates the opportunity to provide the attached comments on the subject proposal. These comments are submitted on behalf of NEMA Residential and Commercial Controls Section companies.

As you may know, NEMA is the trade association of choice for the electrical manufacturing industry. Founded in 1926 and headquartered near Washington, D.C., NEMA represents nearly 400 electrical and medical imaging manufacturers. Our combined industries account for more than 400,000 American jobs and more than 7,000 facilities across the U.S. Domestic production exceeds \$117 billion per year.

Thank you for your consideration of these comments. We look forward to working with you further on this important project. If you have any questions on these comments, please contact Alex Boesenber of NEMA at 703-841-3268 or alex.boesenberg@nema.org.

Sincerely,

A handwritten signature in black ink that reads 'Kyle Pitsor'. The signature is written in a cursive, flowing style.

Kyle Pitsor

Vice President, Government Relations

NEMA Comments on Draft ENERGY STAR® Program Specification for Connected Thermostats

NEMA and its members who make climate control systems and thermostats appreciate the years of investment and investigation made by EPA following the sunset of the ENERGY STAR Thermostats program in 2009. Since 2009, ENERGY STAR has investigated several potential avenues of product design and qualification to provide greater assurance of energy savings based on the use of a qualified product from an ENERGY STAR partner.

In this latest installment, ENERGY STAR has proposed an approach that requires significant investment by the manufacturer/partner to gather and report and verify data to prove energy savings, which in turn will yield certification as a supplier of an ENERGY STAR-worthy product or system. As proposed, however, it appears to NEMA that there will be no significant benefit to manufacturers or consumers.

NEMA and members have stated our strong concerns regarding data gathering feasibility and data privacy, but ENERGY STAR has not succinctly addressed these concerns to date. We appreciate that the EPA has stated in the recent specification's cover letter that "In light of comments expressed by some stakeholders that consumers may have privacy concerns with data from their home being used as part of the product certification process, EPA wished to make clear to the public that certification is based solely on aggregate data, from which no personally identifiable information can be derived, and intends to post a statement to this effect on our consumer-facing web site." This statement does not guarantee that privacy is assured, only that attempts will be made, and there is no implied protection from FOIA request or other legal requests for information. This is a fundamental obstacle for NEMA members and our customers and the users of NEMA member thermostats.

We also note that discussions to date seem to have dismissed the heavy influence of human factors associated with verifying energy savings as well. There is a significant risk that energy savings will not be able to be proven with field data for consumers whose activity is being monitored if they override programmed settings. The actual benefits of obtaining ENERGY STAR certification are also unclear. Historically, the ENERGY STAR mark and associated certification is a benefit to manufacturers who display it on products to influence purchasing decisions by consumers. Correspondingly, the implied benefit to consumers is energy savings from having bought a "better" product than other available choices.

The significant costs embedded in the data gathering and certification requirements implied in the draft specification are not offset by implied sales benefits. This program is therefore untenable as proposed. We appreciate that EPA acknowledged on the July 10, 2015 webinar for this specification that there are many portions not fully developed, but we suggest that even after these are fully developed the final specification might not be useful from an industry perspective, i.e. no increase in sales or return on investment from participating in the development of the program. Until or unless the EPA proves the business case for this program, we suggest that it is not worth investing additional resources in it because it will NOT enjoy sufficient participation or benefits to industry or consumers.

In terms of their apparent developmental paths, the ENERGY STAR Connected Thermostats program and ENERGY STAR Climate Controls program may only be viable if validation and certification of the entire building ecosystems (climate control, networked control elements and HVAC systems) is conducted by ENERGY STAR, and with all industry vendors involved. This

area of ecosystem certification is currently ill-defined by the EPA, and the overall investment by would-be industry partners versus the payback is very likely not justified.

More importantly, NEMA and its members believe that climate control system manufacturers should have the freedom to innovate and deliver solutions to their customers that aid in understanding system HVAC usage, estimated energy usage, and deliver tools to help save money. Manufacturers should continue to play a role to help educate their customers on energy usage. Ultimately, NEMA and its members believe that the 'choice' of taking action to save money and to manage a specific level of energy savings should be in the hands of the consumer, not the result of government pressures.

For the reasons set forth above, we respectfully propose that EPA terminate the investigation on a proposed specification for connected thermostats.