October 13, 2016

Via E-Mail

Melissa Fiffer
Product Manager
U.S. Environmental Protection Agency
ENERGY STAR Appliance Program

appliances@energystar.gov

Re: ENERGY STAR Program Requirements, Product Specification for Clothes Washers, Eligibility Criteria, Draft 1, Version 8.0 Supplemental Comments

Dear Ms. Fiffer:

On behalf of the Association of Home Appliance Manufacturers (AHAM), I would like to provide supplemental comments to our original comments submitted on September 7, 2016 regarding ENERGY STAR Product Specification for Clothes Washers, Eligibility Criteria, Draft 1, Version 8.0. We recognize the comment period has closed, but we respectfully request that EPA consider these comments as it considers the next draft of the version 8.0 specification.

AHAM represents manufacturers of major, portable and floor care home appliances, and suppliers to the industry. AHAM’s membership includes over 150 companies throughout the world. In the U.S., AHAM members employ tens of thousands of people and produce more than 95% of the household appliances shipped for sale. The factory shipment value of these products is more than $30 billion annually. The home appliance industry, through its products and innovation, is essential to U.S. consumer lifestyle, health, safety and convenience. Through its technology, employees and productivity, the industry contributes significantly to U.S. jobs and economic security. Home appliances also are a success story in terms of energy efficiency and environmental protection. New appliances often represent the most effective choice a consumer can make to reduce home energy use and costs.

AHAM supports EPA and the Department of Energy (DOE) in their efforts to provide incentives to manufacturers, retailers, and consumers for energy efficiency improvement, as long as product performance can be maintained for the consumer. As detailed in our September 7 comments, AHAM is concerned that the data and analysis underlying the proposed Version 8.0 specification are flawed. The following supplemental comments using AHAM shipment data demonstrate a significant difference in the ENERGY STAR penetration and a clear distinction between product classes. This should warrant EPA reevaluating whether a change in criteria is necessary, especially by product class.
In our comments dated September 7, AHAM commented that in determining whether or not to revise the specification, EPA should evaluate the market penetration of ENERGY STAR top- and front-loading clothes washers separately. We indicated that EPA may draw a different conclusion regarding the need to revise the qualification criteria if it evaluates the product classes separately. We noted that this approach would be consistent with EPA’s approach of evaluating the percentage of models that would meet the proposed criteria for each class separately.

AHAM also commented that, in determining whether or not to revise the specification, EPA relied on its unit shipment data (as it should), but that we believed that data likely includes data for models that meet Version 6.0 because Version 7.0 (now 7.1) went into effect in March 2015. Because EPA’s data sheet did not include instructions on whether or not to include shipments of products qualified to the previous specification, AHAM believed manufacturers likely included both (i.e., models meeting Version 6.0 and 7.1).

In further support of our comments, AHAM evaluated its shipment data. Table 1 below shows:

1. 2015 shipment data for only models tested using Appendix J2, and therefore more likely to be those that meet the current ENERGY STAR specification; and
2. The shipment data mentioned in item 1 split by product class.

EPA found that the ENERGY STAR residential clothes washer market share was 56% in 2015. However, AHAM’s evaluation of each product class separately depicts a different picture of the ENERGY STAR penetration, with only 30.6 percent of shipments meeting the current ENERGY STAR criteria for top-load washers. We note that the top-load ENERGY STAR penetration has not reached the 35 percent threshold EPA references in the ENERGY STAR Products Program Strategic Vision and Guiding Principles (Guiding Principles). EPA should evaluate whether to revise the specification based on this data.

Table 1: Shipments Meeting Version 7.1 ENERGY STAR Criteria By Product Class

<table>
<thead>
<tr>
<th>Product Class</th>
<th>AHAM Shipments</th>
<th>EPA Shipments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top-Load</td>
<td>30.6%</td>
<td>56%</td>
</tr>
<tr>
<td>Front-Load</td>
<td>95.1%</td>
<td></td>
</tr>
<tr>
<td>Combined Product Classes</td>
<td>40.5%</td>
<td></td>
</tr>
</tbody>
</table>

In our September 7 comments, AHAM also urged EPA, in its analysis regarding the appropriate eligibility criteria, to consider the shipments that would meet EPA’s proposed eligibility criteria instead of simply counting the number of models that would meet the proposed levels. AHAM recognizes that a model-based approach is outlined in the Guiding Principles. But that approach is flawed because simply counting models can miss the penetration of those models in the market. It could be that the models meeting the levels are low volume models and thus, those models may not be representative of the market. And, if the models meeting the proposed criteria are relatively unavailable, that could mean that the proposed levels will not actually achieve the consumer and environmental benefits EPA estimates in its analysis.

Accordingly, AHAM analyzed the impact of the proposed ENERGY STAR specification 8.0 using unit shipment data. Table 2 below depicts the substantial difference in ENERGY STAR penetration when the proposed specification is measured by unit shipments instead of by number.
of models. These data show that very few top-loading models would meet EPA’s proposed levels.

Table 2: Percent of Shipments Meeting Proposed Version 8.0 Criteria

<table>
<thead>
<tr>
<th>Product Class</th>
<th>AHAM Shipments</th>
<th>EPA Model Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top-Load</td>
<td>5.7%</td>
<td>30%</td>
</tr>
<tr>
<td>Front-Load</td>
<td>33.9%</td>
<td>27%</td>
</tr>
<tr>
<td>Combined Product Classes</td>
<td>16.1%</td>
<td></td>
</tr>
</tbody>
</table>

Furthermore, the above table emphasizes the importance of having a much more rigorous evaluation of energy savings and consumer payback. As detailed in our original comments, EPA may be relying on a single data point which mostly likely is not representative of the market. If the analysis uses a shipment-based approach, EPA will likely find that the energy savings it has estimated will not be achieved, particularly because of the low percentage of shipments that currently meet EPA’s proposed criteria for top-loading clothes washers.

AHAM appreciates the opportunity to submit these additional comments on the ENERGY STAR Product Specification for Clothes Washers, Eligibility Criteria, Draft 1, Version 8.0 beyond the comment deadline, and would be glad to further discuss these matters should you so request.

Best Regards,

Jennifer Cleary
Director, Regulatory Affairs