

June 22, 2023

Ann Bailey, Director
ENERGY STAR Labeling Branch
U.S. Environmental Protection Agency (EPA)
1201 Constitution Ave NW
Washington, DC 20004
Submitted via email to HVAC@energystar.gov

Re: Proposed Sunset of ENERGY STAR Label for Residential Furnaces and Central Air Conditioners

Dear Director Bailey,

Thank you for the opportunity to comment on the proposed sunset of the ENERGY STAR label for residential furnaces and central air conditioners. The Institute for Market Transformation (IMT) is a DC-based national, non-partisan nonprofit organization that works to ensure that everyone in the U.S. benefits from high-performing buildings in all facets of their lives. We do this by co-creating and deploying public policy and business practices that drive widespread market action toward improving how we collectively build, design, and operate the spaces where people live, work, learn, connect, and play. We write to offer our full support for this EPA proposal to sunset the ENERGY STAR label for residential furnaces, and to raise a few considerations related to sunsetting the label for central air conditioners.

In our work with local and state governments on building performance policies, jurisdictions are often seeking guidance on how to incentivize the right technologies to meet performance standards. Sunsetting the ENERGY STAR certification for residential furnaces would help to provide clarity on which appliances meet minimum efficiency requirements that could be referenced in those policies.

We appreciate the EPA's action on this issue, but have some concerns about the following unintended consequences of sunsetting the ENERGY STAR label for central air conditioners:

1. **Reduced Energy Efficiency Awareness:** The ENERGY STAR program has been successful in raising awareness about energy efficiency among consumers. Sunsetting the label for central air conditioners could result in decreased public awareness of energy-efficient cooling options. Consumers might have a harder time identifying energy-efficient models, leading to a potential decline in energy savings. Removing labels on central air conditioners exacerbates the already high energy efficiency education gap for low to middle-income customers, who desire energy efficiency, and may not be able to afford heat pumps and other efficient home equipment, perpetuating their reliance on existing furnaces and central air conditioners. Without the ENERGY STAR label as a recognized standard for energy efficiency, consumers might face

confusion when comparing different models. This confusion could result in the purchase of less energy-efficient models, leading to higher energy consumption and costs for consumers.

2. **Decreased Consumer Confidence:** The ENERGY STAR label has become synonymous with energy efficiency and reliability for many consumers. Sunsetting the label for central air conditioners might erode consumer confidence in the energy efficiency claims made by manufacturers. Consumers might become skeptical about the energy-saving potential of new models, impacting their purchasing decisions and leading to a slower adoption of energy-efficient technologies.
3. **Continued benefit for CACs in warm climates:** In some parts of the United States, heating needs are minimal, as evidenced by low (or in some cases, zero) typical annual Heating Degree Days. In such climates, heat pumps do not currently represent a cost-effective investment, and traditional high-efficiency central air conditioners remain worthy of recognition.
4. **Loss of Incentives for Manufacturers:** The ENERGY STAR label provides manufacturers with an incentive to improve the energy efficiency of their products. The removal of the label for central air conditioners might reduce the motivation for manufacturers to invest in research and development to improve the efficiency of their products. This could slow down technological advancements and hinder progress in energy-efficient HVAC systems.

In addition, as ENERGY STAR shifts to emphasizing decarbonization with heat pump systems, it is critical that the Global Warming Potential (GWP) of refrigerants be considered. We encourage EPA to include maximum refrigerant GWPs within the ENERGY STAR specifications for heat pumps and air conditioners.

Given the issues raised above, we support ENERGY STAR's proposal to sunset its label for residential furnaces, and ask that EPA consider extending the sunset timeline for central air conditioners until these issues can be given more consideration.

We appreciate the opportunity to comment on this important issue and appreciate the EPA's work with this program to help consumers, businesses, and industry, save money and protect the environment through the adoption of energy-efficient products and practices.

Sincerely,

A handwritten signature in cursive script that reads "Jessica Miller".

Jessica Miller, Senior Director of Policy Strategy & Engagement
Institute for Market Transformation