



December 20, 2013

Mr. Christopher Kent  
United States Environmental Protection Agency  
Climate Protection Partnerships Division  
ENERGY STAR - MS 6202J  
1200 Pennsylvania Ave NW  
Washington, DC 20460

Subject: Comments regarding ENERGY STAR Final Draft Version 3.0 Specification for Commercial Refrigeration & Freezers.

Dear Mr. Kent:

This letter comprises the comments of the Pacific Gas and Electric Company (PG&E), Southern California Gas Company (SCGC), San Diego Gas and Electric (SDG&E), and Southern California Edison (SCE) in response to the Environmental Protection Agency (EPA) ENERGY STAR Final Draft Version 3.0 Specification for Commercial Refrigeration & Freezers.

The signatories of this letter, collectively referred to herein as the California Investor Owned Utilities (CA IOUs), represent some of the largest utility companies in the Western United States, serving over 35 million customers. As energy companies, we understand the importance of ENERGY STAR requirements to cut costs and reduce energy consumption while maintaining or increasing consumer utility of the products. We have a responsibility to our customers to advocate for voluntary requirements that accurately reflect the climate and conditions of our respective service areas, so as to maximize these positive effects. The CA IOU's have been regularly providing incentives for ENERGY STAR equipment as part of our efforts to transform commercial refrigeration markets towards greater energy efficiency and lower life cycle cost. Thus, as users of ENERGY STAR standards, we are motivated to ensure that these standards are structured to provide the market pull towards the next generation of high efficiency commercial refrigeration equipment.

We appreciate this opportunity to provide the following comments in response to this Final Specification. With this equipment critical to the efficiency of commercial food service and grocery marketplace, we support EPA updating these standards. We offer to EPA comments based on our experience in conducting energy efficiency research, testing and implementing energy efficiency programs for this product category and participating in the development of the new Department of Energy (DOE) minimum efficiency standards. We look forward to continuing our active participation in ENERGY STAR voluntary requirements, and we strongly urge EPA to consider the following comments.

**1. The CA IOUs encourage EPA to consider DOE's current rulemaking for Commercial Refrigeration Equipment (CRE) before finalizing ENERGY STAR 3.0 voluntary requirements. Proposed mandatory standard levels set to become effective in 2017 are significantly more stringent than most of ENERGY STAR 3.0's proposed levels. We recommend that the ENERGY STAR requirements be focused on preparing the market for DOE's proposed CRE standard levels in advance of their 2017 effective date.**

On September 11<sup>th</sup>, 2013 DOE released their Notice of Proposed Rulemaking (NOPR) for CRE, which includes new standards for the eight equipment classes covered by ENERGY STAR. The CA IOUs understand that this is the first time that commercial refrigeration products covered by ENERGY STAR have gone through a DOE rulemaking as previous standards for these eight equipment classes were legislatively adopted in EPACK 2005.

In DOE's rulemaking all cost-effective measures were evaluated and standards were set which maximize cost-effective energy efficiency. As a result, the standards levels specified by the DOE NOPR, which are based on cost effective and technically feasible design options, are more stringent than what is currently proposed for ENERGY STAR 3.0 for 6 out of 8 of the product classes ENERGY STAR covers (see Table 1). We think that ENERGY STAR should be setting stringent voluntary requirements to prepare the market for the upcoming mandatory standards in 2017.

*Table 1: ENERGY STAR 3.0 Equipment Classes Compared to DOE Standards*

<b>Equipment Class</b>	<b>Proposed DOE NOPR Standard Levels</b>	<b>Which Standard is More Stringent?</b>
VCS.SC.M	$0.03^*V + 0.53$	DOE NOPR
VCS.SC.L	$0.13^*V + 0.43$	DOE NOPR
VCT.SC.M	$0.04^*V + 1.07$	DOE NOPR
VCT.SC.L	$0.22^*V + 1.21$	DOE NOPR
HCT.SC.M	$0.02^*V + 0.51$	DOE NOPR
HCS.SC.M	$0.02^*V + 0.37$	DOE NOPR
HCS.SC.L	$0.12^*V + 0.42$	ENERGY STAR 3.0
HCT.SC.L	$0.11^*V + 0.60$	ENERGY STAR 3.0

Given that ENERGY STAR 3.0 is scheduled to go into effect in September of 2014, less than 3 years before new DOE standards would take effect, we recommend that EPA adjust its requirements for equipment classes to match the DOE minimum efficiency standards (2017) for CRE where the DOE minimum efficiency standards are more stringent than ENERGY STAR requirements (see highlighted rows in Table 1). In this way the ENERGY STAR voluntary specifications are essentially an early adoption of the 2017 minimum efficiency regulations. This coordinated approach is likely to result in greater energy savings than the current approach which is less stringent and does not capitalize on synergies between this voluntary program and future minimum efficiency requirements.

Since DOE's NOPR values may be altered slightly in the Final Rule which is due in February 2014, we recommend that EPA delay the finalization of the ENERGY STAR 3.0 specification a few months to incorporate the values in the DOE final CRE efficiency regulation. This way the ENERGY STAR specifications that are currently less stringent than the DOE NOPR values can be updated to reflect the standards in DOE's Final Rule.

However, if EPA decides to go forward with the current schedule for publishing ENERGY STAR 3.0, then we suggest EPA commence a new ENERGY STAR 4.0 rulemaking within 6 months of DOE's published Final Rule so to ensure ENERGY STAR voluntary standards and DOE mandatory standards are appropriately coordinated. Furthermore, we suggest ENERGY STAR 4.0 should take effect at least 2 years prior to the effective date for DOE's standards. This will provide a sufficient duration for operating an effective incentive program and help prepare the market for DOE's standards in 2017.

In conclusion, we would like to reiterate our support to EPA for establishing and updating ENERGY STAR standards for Commercial Refrigerators and Freezers. We thank EPA for the opportunity to be involved in this process and encourage EPA to carefully consider the recommendations outlined in this letter.

Sincerely,



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