

August 23, 2013

Ms. Abigail Daken
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, DC 20460

Dear Ms. Daken:

The Consortium for Energy Efficiency (CEE) respectfully submits the following comments in response to the ENERGY STAR Central Air Conditioning/Air-Source Heat Pump Version 5.0 Framework, released by the Environmental Protection Agency (EPA) on July 1, 2013.

CEE is the binational organization of energy efficiency program administrators and a staunch supporter of the ENERGY STAR Program. CEE members are responsible for ratepayer-funded efficiency programs in 45 US states and seven Canadian provinces. In 2011, CEE members directed \$6.1 billion of the \$7.6 billion in energy efficiency and demand response program expenditures in the two countries. These comments are offered in support of the local activities CEE members carry out to actively leverage the ENERGY STAR brand. CEE consensus comments are offered in the spirit of strengthening ENERGY STAR so it may continue to serve as our national marketing platform for energy efficiency.

CEE highly values the role ENERGY STAR plays in differentiating energy efficient products and services that the CEE membership supports locally throughout the US and Canada. We appreciate the opportunity to provide these comments.

CEE Members Continue to Promote Efficient Central Air Conditioning and Air-Source Heat Pump Equipment

With heating and cooling loads accounting for as much as half of residential energy use¹ and often contributing to peak demand, efficiency gains from central air conditioning and air-source heat pump equipment remain a priority for a majority of CEE members. From the 29 CEE

¹ http://www.energystar.gov/index.cfm?c=heat_cool.pr_hvac

members who shared their program details in a recent survey to inform the CEE Residential HVAC Program Summary, 86 percent promote either efficient central air conditioners or air-source heat pumps, with nearly two thirds of the 29 respondents offering programs for both types of equipment. CEE looks forward to information on the energy savings potential of specific elements in the Draft 1 specification that would provide a nationally-consistent, binary definition of central air conditioner and air-source heat pump efficiency.

CEE Recommends EPA Explore the Testing Burden Concerns Articulated by Manufacturers

Two thirds of CEE members' central air conditioning programs and one third of air-source heat pump programs use or draw upon ENERGY STAR performance levels to inform their incentive levels, but few promote only the ENERGY STAR labeled products. We note that significantly more products meet the CEE Tier 1 level/ENERGY STAR minimum performance requirements than are formally "labeled" by EPA. AHRI and manufacturers have raised concerns about the testing and verification burden of ENERGY STAR for these products. CEE would appreciate EPA summarizing the current situation and exploring whether any steps can be taken to reduce the testing and verification burden while protecting the credibility of the ENERGY STAR brand.

Assessing ENERGY STAR Marketing Online and at Retail is Necessary to Understand the Value of Labeling These Product Categories

CEE encourages EPA to explore and share its findings on the role and value of the ENERGY STAR label in the marketplace today. Members report that HVAC installation contractors in a traditional sales situation (e.g. at the customer's dining room table) are not commonly employing ENERGY STAR as a sales tool. Similarly, few CEE members leverage ENERGY STAR in their program promotional materials. However, the ENERGY STAR label for central air conditioners and air-source heat pumps appears to have found some traction in web-based marketing and at big box retail. CEE has found that approximately half of manufacturers prominently display the ENERGY STAR label for eligible products on their web sites and several large retailers make use of the ENERGY STAR label at point of purchase on their web sites and in circulars. Given these varying levels of usage of the label for the promotion of these products, CEE is interested in EPA's assessment of the marketing value of ENERGY STAR across the various potential consumer touch points.

Additional Priority Issues to Address in the Draft 1 Version 5.0 Proposal

In developing the Draft 1 Version 5.0 Central Air Conditioner and Air-Source Heat Pump Specification, CEE encourages EPA to address these additional issues that are important to CEE members:

- ***EPA's vision for promoting high-efficiency HVAC equipment and the role ENERGY STAR and ENERGY STAR Most Efficient play within that vision.*** In order for CEE to better assess the future of the ENERGY STAR label in the residential HVAC market and within local efficiency programs, CEE members would benefit from a draft vision statement from EPA that contextualizes the suggested specification requirements.
- ***The intended relationship between the ENERGY STAR Quality Installation Certificate, the ENERGY STAR equipment label, and the ENERGY STAR Climate Controls label.*** CEE observes that EPA is targeting several overlapping objectives with these three labels, which will ultimately lead to efficient in-field performance. An elaboration on the branding strategy—with a focus on the consumer experience—would assist CEE members in their assessment of proposed requirements for Version 5.0 of the equipment specification.
- ***The impact of increased minimum standards on the energy savings potential, and how EPA will manage the uncertainty about whether these standards will go into effect in 2015.*** Given the pending lawsuit regarding regional minimum standards, we anticipate that EPA must plan for at least two scenarios in 2015. In the analysis exploring the energy savings associated with the performance requirements to be proposed in Draft 1 Version 5.0, it would be helpful for EPA to reveal assumptions about minimum standards and how these assumptions influenced the proposal. In particular, we are interested in better understanding how EPA believes the existence of a minimum EER for the Southwest region will impact the energy savings associated with ENERGY STAR.
- ***Equipment trends, such as the anticipated growth of market share for "variable capacity" systems, which may offer both energy efficiency and load management benefits.*** Any details about specific technologies that would be recognized or excluded by the performance requirements proposed in Draft 1 Version 5.0 would be very helpful in the development of our consensus comments.

CEE would once again like to thank the EPA for the opportunity to comment on the ENERGY STAR Central Air Conditioning/Air-Source Heat Pump Version 5.0 Framework and CEE looks forward to reviewing and commenting on EPA's Draft 1 proposal. Please contact CEE Program Manager Lauren Liecau at 617-337-9277 with any questions about these comments.

Sincerely,



Ed Wisniewski
Executive Director