



Katharine Kaplan
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Re: ENERGY STAR Program Requirements, Product Specification for Residential Refrigerators and Freezers Final Draft, Version 5.0 and Final Draft Test Method to Validate Demand Response

Dear Ms. Kaplan:

Nationwide Marketing Group is North America's largest buying and marketing organization. We work with over 3,500 members, who operate more than 10,000 store fronts and have \$14 billion in combined annual sales, who sell major appliances, electronics, furniture and other household goods. Our members are often referred to as independent dealers to distinguish them from outlets that are part of national chains and so-called big-box retailers. Most are small businesses as defined by the SBA. As such, managing costs is critical to their ability to compete. Nationwide, by combining the purchasing power of the independent dealers, allows them to take advantage of savings from their combined purchasing volume.

I understand that in the latest version of the specification for ENERGY STAR-qualified residential refrigerators and refrigerator-freezers, EPA has proposed to make the effective date of the new requirements March 1, 2014, a little more than six months earlier than the date that the new DOE energy regulation for these products goes into effect. We are concerned that the proposed schedule will force our members to undergo two major floor transitions, one in March and a second in September. That is why, on behalf of Nationwide's 3,500 members, we request that EPA align the ENERGY STAR effective date with the already scheduled effective date of Department of Energy (DOE) energy conservation standards on September 15, 2014.

Floor transitions, especially ones that follow regulatory changes, also mean replacing merchandising materials and training employees on how the new regulations affect product performance. In contrast to the level of support that manufacturers provide to large retailers in the form of product training, preparing and placing merchandising materials, Nationwide members largely must themselves perform these activities. The need for sales training will be even greater in 2014 because the FTC EnergyGuide label will have to include the energy used to make ice. If EPA sets the effective date of the new specification for March, manufacturers will be compelled at least to have some qualified models available by that date. Ironically, those models, with labels reflecting the kilowatts used to make ice, will appear to be less efficient than some of the older



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models that qualified under the prior specification. And, since in all probability the new models will have higher prices, our sales team will have to be equipped to handle the expected negative consumer reaction. Increasing the pressure to introduce ENERGY STAR models in March will exacerbate consumer confusion because many older models will still be on retail floors during the six months before the September floor transition. Confusion would be reduced if the ENERGY STAR effective date were moved to September when 2014 DOE models with new labels that also reflect ice-making energy use are fully loaded onto the floors.

Most manufacturers will not be manufacturing their full 2014 line-ups by March. As a result, Nationwide members will have fewer new ENERGY STAR (and other) model refrigerators to offer. Competitive pressures will likely force manufacturers to offer any models that are available but a full transition will have to be implemented by September when all new products must comply with the DOE standards. As a result, our members will confront two problems: incomplete product availability at the beginning of the selling season and the need for a second floor transition in the fall.

For these reasons we urge EPA to hold off making the new refrigerator specification effective until September or later so that a more complete range of qualified products can be integrated into the major floor transition that will occur in anticipation of the new DOE standards.

Thank you,

David Bilas