

March 2, 2012

Amanda Stevens
US Environmental Protection Agency
Ariel Rios Building 6202J
1200 Pennsylvania Avenue, NW
Washington, DC 20460

Dear Ms. Stevens:

The Consortium for Energy Efficiency (CEE) respectfully submits the following comments in response to the *ENERGY STAR® Draft 3 Version 3.0 of the Residential Room Air Conditioner Specification*, released by the Environmental Protection Agency (EPA) on January 23, 2012.

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 eight Canadian provinces. In 2011, CEE members directed over \$7.8 billion of energy efficiency program budgets in the two countries. CEE's Members work to strengthen ENERGY STAR as a platform for energy efficiency across North America.

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.

Connected Requirements

CEE has considered the potential for “Connected” features to be incorporated within the ENERGY STAR program and has previously submitted comment letters addressing the considerations that merit additional analysis. We review several key points from those communications below as they apply to room air conditioner specification revision.

Pursuit of additional benefits is welcomed, if the core ENERGY STAR tenets are maintained

CEE stands committed to assist in responsibly supporting the incorporation of “Connected” functionality into the Program. We look forward to working with EPA to protect the meaning of ENERGY STAR and through a carefully considered process, pursuing how additional value might be brought to bear in the Program. We appreciate that a step-wise process on a product-by-

product basis is warranted given the significant stakes at hand. But for all products, we must ensure that ENERGY STAR continues to maximize cost-effective energy savings to the consumer before we consider how to achieve new objectives that may benefit society.

With current ambiguity, specification of “Connected” features and a 5% energy efficiency credit is premature

Because ENERGY STAR is a consumer brand that employs a binary labeling strategy— and the value proposition of “Connected” functionality to consumers is neither precisely defined nor understood— it is problematic to integrate such requirements with ENERGY STAR at this time. When “Connected” functionality can be precisely defined for consumer benefit, and the benefits independently verified, we would support incorporation along the lines of how maximum mercury levels were incorporated for compact fluorescent lighting and water factor was incorporated for clothes washers and dishwashers.

CEE currently opposes the inclusion of the 5% credit for room air conditioners that meet “Connected” functionality requirements. As currently proposed, this allowance would reduce the energy savings that efficiency programs are able to claim from connected room air conditioners by an average of 23% per unit, without a measurable offsetting consumer benefit. From an efficiency program perspective, the 5% credit results in a much more significant reduction in claimable savings. Therefore, CEE recommends that EPA consider the potential impact of the credit on per unit savings, as shown in the following table.

Model	Federal Standard Energy Use ¹ (kWh/yr)	ENERGY STAR V. 3.0 Savings - 15% Above Standard ² (kWh/yr)	Savings without 5% Credit ³ (kWh/yr)	Reduction In Claimable Savings ⁴ (kWh/yr)	Percent of Claimable Savings Lost ⁵
Traditional RAC 6,000 Btu/hr	688	98	128	30	23%
Traditional RAC 8,000 - 13,999 Btu/hr	672	96	125	29	23%
Traditional RAC 20,000 or more Btu/hr	1,118	152	200	48	24%

^{1,2} Source: ENERGY STAR Stakeholder Webinar Presentation - January 11, 2011

³ Calculated: Federal Standard minus EER_{MIN} where (EER_{MIN} = EER_{Base} - EER_{Adder_Connected}), (EER_{Base} = Federal standard - ENERGY STAR Savings), and (EER_{Adder_Connected} = 0.05 x EER_{Base})

⁴ Calculated: Column 3 minus column 2

⁵ Calculated: Column 4 divided by column 3

We strongly support EPA’s stated intention to focus on “Connected” features that will yield direct benefits to consumers.

CEE agrees that if EPA’s room air conditioner specification is to recognize “Connected” products that it must start with identification of features that will directly benefit consumers, including new energy efficiency services that may be enabled. However, even this recognition requires a mechanism to verify that “Connected” features deliver the claimed benefit. We support EPA’s

plans to develop a test procedure for demand response functionality and would support an industry-wide accepted test procedure for the other “Connected” features. However, if EPA is to rely on market forces to ensure the quality of consumer-facing “Connected” features, we recommend requiring a manufacturer advertised claim that addresses the consumer benefits realized by the specified “Connected” features.

Given the significance of the Program to the nation’s efficiency agenda, we recommend careful consideration of messaging and management to protect brand integrity.

As currently proposed, expansion into “Connected” functionality could jeopardize the future success of the ENERGY STAR brand by violating at least of the following conditions indentified in a 2007 Interbrand report⁶ that would be required for expanding ENERGY STAR,

1. Technology must be proven, impeccable, and predictable
2. Benefits must be reasonably immediate and measurable
3. Outcomes must contribute to carbon reduction
4. Opportunities must be easy to access and simple to manage

We are concerned that current consumer expectations surrounding the “smart grid” banner extend well beyond that which can be specified (or managed) within the current limits of the binary labeling strategy that the ENERGY STAR Program employs. At the point when consumer benefits can be specified as noted above, we would then advise that experts in branding be consulted in conjunction with ENERGY STAR Stakeholders on how to best integrate “Connected” functionality under the ENERGY STAR Program. We would oppose any changes to the label or retail point of sale materials that would compete with the fundamental, binary labeling strategy of the Program.

Lastly, we recommend that all stakeholders to the Program be consulted as the adoption of a 5% energy credit for connected room air conditioners would represent a fundamental change in the Program with significant implication for other products going forward.

Thank you for your consideration of these comments. Please contact CEE Program Manager Eileen Eaton at (617) 337-9263 with any questions.

Sincerely,



Ed Wisniewski

Executive Director

⁶ Interbrand for the US Environmental Protection Agency, *Building a Powerful and Enduring Brand: The Past, Present, and Future of the ENERGY STAR® Brand*. June 2007.