March 23, 2012

Ms. Amanda Stevens
U.S. Environmental Protection Agency
ENERGY STAR Appliance Program
1200 Pennsylvania Avenue, NW
Washington, DC 20460

Re: ENERGY STAR Program Requirements Product Specification for Residential Refrigerators and Freezers – Eligibility Criteria Draft 2 Version 5.0 (the "Framework")

Dear Ms. Stevens:

Headquartered in Irvine, CA, BSH Home Appliances (BSH) is a subsidiary of Bosch and Siemens Hausgeräte GmbH, the world's third largest appliance manufacturer. BSH encompasses more than 42 factories in 40 countries, with more than 40,000 employees and sales in excess of $12 billion (9.1 billion Euro). Our company's North American products include premium and luxury brands Bosch, Thermador and Gaggenau.

ENERGY STAR is an incentive to manufacturers to continuously improve the energy efficiency of their appliances. As the winner of the 2011 & 2012 ENERGY STAR Award for Sustained Excellence for appliance manufacturing, BSH strongly supports the ENERGY STAR program and continues to advocate for higher thresholds for efficiency. We believe ENERGY STAR has made great strides in encouraging manufacturers to bring increasingly efficient products to market.

BSH appreciates the opportunity to submit to EPA additional comments regarding the current Framework. We would like to address both built-in units and the 5% qualification credit for connected appliances.

Built-in Refrigerators and Freezers:

DOE has provided functional adders, for all classes of Built-In refrigerators, freezers and refrigerator-freezers in 10 CFR Part 430. This new standard will come into effect in September 2014.[1] We kindly request the EPA to provide the same functional adders for all classes of built-ins including refrigerators and freezers (in addition to refrigerator-freezers), with and without through the door ice.

DOE granted BSH an exception for Built-in Freezers with through the door ice.[2] DOE increased the maximum energy use allowed for this model by 0.36AV + 72.0 as compared to a similar model with an internal ice maker. We request EPA to provide the same functional adder for Built-in Upright Freezers with through the door ice.

[1]Reference: http://www1.eere.energy.gov/buildings/appliance_standards/pdfs/refrig_finalrule_frnotice.pdf
[2]Reference: http://www.oha.doe.gov/cases/ee/EXC-11-0001.pdf

100 Bosch Boulevard, New Bern, NC 28562
Phone: 252-626- 6746

5% Qualification Credit

We believe our previously submitted comments on August 17, 2011 and December 9, 2011 have not been adequately addressed and our concerns regarding the 5% "connected" credit (adder, allowance, etc) have been expressed by a wide variety of stakeholders as displayed on comments found on the ENERGY STAR website.

Lines 130 – 133 of the current draft 2.0 Framework:

> …EPA views this adder proposed for Version 5.0 as a temporary step that will cost consumers little, if anything, as the proposed allowance for connected is offset by strengthened ENERGY STAR energy efficiency requirements…

The ENERGY STAR Label is a valuable guide for consumers when purchasing a new refrigerator. By lowering the efficiency threshold and including less efficient (and mostly less expensive) models the credit will have the unintended consequence of encouraging manufacturers to produce less efficient products in order to narrow the price point between their more efficient models with cheaper, less efficient models.

For example, with the credit in place, a manufacturer that has a refrigerator well above the minimum threshold to be ENERGY STAR rated will now need to compete with less efficient and cheaper products that do not qualify without this credit. The cost is much lower to make a less efficient model "connected" versus improving its efficiency with more expensive components. This incentivizes manufacturers to replace expensive energy efficient technologies with much lower cost connectivity technologies to narrow the price gap. With no differentiation of the ENERGY STAR mark at point of sale, there is no incentive for manufacturers to add expensive energy efficient technologies to gain the ENERGY STAR mark; rather, you give manufacturers opportunity to "cost out" with less efficient "connected" technologies adding to their bottom line.

We ask the EPA to revisit your ENERGY STAR® Products Program Strategic Vision and Guiding Principles document and the first of six key principles identified within for revising a spec for justification to remove this qualification credit:

> ***1. Significant energy savings can be realized on a national basis.*** *(Emphasis Added)*
> *Product categories covered by ENERGY STAR can contribute significant greenhouse gas and energy savings nationwide. An ENERGY STAR specification can achieve sizable energy savings from a product category where there are significant savings on a unit basis and limited annual unit sales (e.g. commercial kitchen equipment) or, where there are relatively small energy savings on a unit basis, but very large annual unit sales (e.g. laptops).*

To our knowledge, there is no actual data showing "significant energy savings" that would support the inclusion of a qualification credit and connected criteria. Please see our earlier comments supporting the absence of such data and the DOE's comments as sited in our December 9, 2011 comments.

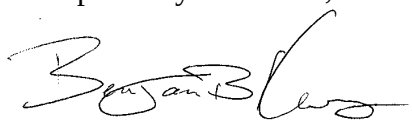
To be clear, BSH is committed to supporting the integration of demand response technology into appliances without sacrificing energy efficiency. ENERGY STAR should take care to incentivize manufacturers that integrate both connected technologies (including Smart Grid) and better efficiency into their products, not one over the other. We appreciate the EPA's efforts to find middle ground and turn the credit into "temporary". Without a definite sun-setting clause for the 5% credit, this becomes somewhat irrelevant. The credit is simply bad policy and undermines years of efforts to increase efficiency ratings.

Furthermore, the credit will dramatically impact state appliance rebate programs that will now further incentivize less efficient products. The net result will be states subsidizing less efficient "connected" products that will cause consumers to spend more for electricity for an undetermined amount of time into the future.

Conclusion

The EPA can easily provide incentives to manufacturers to incorporate connected functionality into refrigerators and other appliances without sacrificing the many benefits of the ENERGY STAR program. All manufacturers need is for the EPA to list "connected" products on the Qualified Product List so states can issue rebates accordingly. We all pay attention to rebate dollars as they have a major impact at point of sale.

Respectfully submitted,



Benjamin King
Environmental Innovations & Standardization Manager
BSH Home Appliances Corporation
100 Bosch Boulevard
New Bern, NC 28562
benjamin.king@bshg.com