

December 29, 2011

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® Refrigerator Draft 1 Specification*, released by the Environmental Protection Agency (EPA) on November 7, 2011.

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 2010, CEE members directed over \$7.5 billion of energy efficiency program budgets in the two countries. In short, CEE members are actively working to make ENERGY STAR the relevant 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.

Data Sharing

In general, CEE supports ENERGY STAR's objective to better distinguish top performing models while providing consumers with choice among different configurations and feature sets.

However, we are unable to comment on the proposed energy efficiency requirements without additional data regarding product availability and incremental price. Limited product availability can significantly reduce program participation, which is directly tied to the total energy savings that can be achieved. Efficiency programs also require detailed price information to determine whether products will be cost-effective and justify their promotion. To enable programs to complete the required analysis, we request that EPA share average price data and retail availability for ENERGY STAR refrigerators that meet the proposed requirements.

“Connected” Requirements

CEE Members invest in the ENERGY STAR marketing platform to promote credible, verified energy saving opportunities for customers. Collectively, our members have invested hundreds of millions of dollars since 1997 building the ENERGY STAR brand as our common marketing platform for customer energy efficiency. We depend on ENERGY STAR as a foundational element in our local energy efficiency programs. We need a strong, consistent ENERGY STAR brand to drive the necessary increases in efficiency through the mass markets in order to achieve the significant efficiency goals we face.

Capturing additional benefits is welcomed, if the core ENERGY STAR value is protected CEE stands committed to assist in responsibly supporting the incorporation of “Connected” functionality into the Program in the spirit of our long-standing and unique partnership. In this regard, the CEE Appliance, Whole House, and Behavior Committees are working with EPA to better understand the energy efficiency opportunities that a “Connected” appliance could offer. We are in favor of working towards the integration of energy efficiency and demand response programs, where consistent messaging to customers will be very important. While we don’t believe ENERGY STAR should be the laboratory for untested integration, we are pleased to see EPA working towards this integration. There are several major considerations that are required to evaluate the role of “Connected” functionality for inclusion in ENERGY STAR, which are detailed in our comments below.

It’s premature to specify “Connected” features, let alone award a 5% energy efficiency credit for “Connected” products Because ENERGY STAR is a consumer brand that employs a binary labeling strategy—and the value proposition of “Connected” functionality to consumers is not universally defined nor understood—it would be difficult, if not impossible to incorporate such requirements into ENERGY STAR at this time. We recognize the potential for societal and individual consumer benefits attributable to such “Connected” functionality. Only when this potential is fully specified and a basis for independent assessment to validate such benefits exists can inclusion in the Program be weighed to determine messaging for incorporation, as well as the critical matter of managing the overall Brand meaning. At such time, we would recommend consultation with Program stakeholders who have made significant investments tied to the Program’s past and current meaning to ensure buy in and ongoing Program support. We also recommend consideration of market readiness for connected benefits that are dependent upon yet-to-be-made investments, e.g., advanced meters.

Only when “Connected” functionality can be precisely defined, and the benefits independently verified, would we support the consideration of incorporating “Connected” features within the program. Toward that end, CEE proposes that EPA and DOE convene detailed discussions with industry and efficiency program administrators to answer the following questions:

- What products are good candidates for yielding consumer benefits if they possess “Connected” functionality?
- What are the consumer benefits (energy efficiency, demand response, or other) associated with each “Connected” attribute, and is realization of those benefits dependent on something?
- What test procedures exist—or are in development—for “Connected” functionality?
- What are the brand implications of expanding ENERGY STAR into “smart grid,” and is a term such as “Connected” preferable?
- Would the potential benefits of “Connected” products merit the creation of a separate, complementary, federal program that identifies smart products?

We strongly support the EPA stated intention to focus on “Connected” features that will yield direct benefits to consumers. CEE agrees with the EPA position that expanding the refrigerator specification to recognize “Connected” products must start with identification of features that will directly benefit consumers, including new energy efficiency measures that may be enabled. However, this recognition requires at least two, currently unfulfilled, conditions:

- Consensus among manufacturers, retailers, and energy efficiency program administrators on what the most promising efficiency and nonefficiency features of a “Connected” refrigerator are to a consumer
- Mechanism to verify connected features function properly, ideally through a vetted test procedure. If EPA intends to rely on market forces to control for quality of consumer-facing “Connected” features, then manufacturers should be required to advertise the benefits of connected features used to qualify for any future specification of ENERGY STAR.

Once the consumer-facing benefits of Connected refrigerators are fleshed out and evaluated, it may pave the way for other societal benefits (e.g., grid efficiency) to be realized by ENERGY STAR-labeled products.

Consultation with brand management experts will inform our collective assessment of if or how to expand ENERGY STAR to address “Connected.” The following excerpt is from a 2007 EPA report on managing the ENERGY STAR brand that was prepared by Interbrand. We find it particularly relevant to the consideration of specifying “connected” functionality in ENERGY STAR appliances:

“ENERGY STAR clearly has permission to expand its boundaries, but new developments must be disciplined by the heritage and credibility of its current reputation. ENERGY STAR benefits from the simplicity of its promise and the reliability of its core competencies: proven technology and services that save energy and money. Any departure from this proposition will

invite confusion and challenge the credibility of the brand. Therefore, any movement or expansion from the essence of the brand must be carefully examined to ensure that short-term gain is not compromised by long-term alienation from loyal constituents. Following are the brand tenets that cannot be compromised: Technology must be proven, impeccable, and predictable

1. Benefits must be reasonably immediate and measurable
2. Outcomes must contribute to carbon reduction
3. Opportunities must be easy to access and simple to manage”

As currently proposed, expansion into “Connected” functionality would violate at least three of these tenets, thereby jeopardizing the future success of ENERGY STAR. We are concerned that current expectations surrounding the “smart grid” banner extend well beyond that which can be specified (or managed) within the ENERGY STAR Program. When the consumer benefits can be specified as noted above we would then advise that a brand expert (e.g., Interbrand) be consulted on the feasibility and means of how ENERGY STAR could encompass this “Connected” functionality prior to any decision by EPA.

Thank you for your consideration of these comments. Please contact CEE Program Manager Eileen Eaton at (617) 337-9263 or CEE Liaison to ENERGY STAR John Taylor at 617-532-0944 with any questions.

Sincerely,



Ed Wisniewski

Executive Director