



GE Appliances & Lighting

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Via E-Mail

Amanda Stevens
U.S. Environmental Protection Agency
ENERGY STAR Appliance Program
appliances@energystar.gov

Re: ENERGY STAR Program Requirements Product Specification
For Room Air Conditioners, Eligibility Criteria, Draft 2, Version 3.0

Dear Ms. Stevens:

GE is pleased to submit these comments regarding the Environmental Protection Agency's ("EPA" or the "Agency") ENERGY STAR Program Requirements Product Specification For Room Air Conditioners, Eligibility Criteria, Draft 2, Version 3.0. GE has a long history of innovation and development of energy efficient products. It is a long-term supporter of the ENERGY STAR Program and is proud to be a six-time recipient of the ENERGY STAR Sustained Excellence award.

GE is a member of the Association of Home Appliance Manufacturers ("AHAM"), which represents industry members who produce and market appliances in the U.S. GE joins in the July 1 comments filed by AHAM and incorporates them into these comments. As AHAM's pointed out the EPA can best promote the up-take of smart appliances into the market by favorable action on the Joint Petition filed by the industry, and a coalition of efficiency advocates, utilities and state and municipal energy offices. In addition, members of the public service commissions for the states of California and Ohio have registered their support for the approach outlined in the Joint Petition. GE strongly urges EPA to grant the Joint Petition and provide an allowance of 5% towards reaching the more aggressive criteria that can be expected as new ENERGY STAR criteria are adopted. GE's more specific comments are set forth below.

I. Granting the petition will promote national policy to create a smart grid.

The Recovery Act¹ provided more than \$4 billion to modernize the electricity grid. Notwithstanding this large investment, consumers have realized few—if any—direct benefits by this investment. Smart appliances offer the vehicle for consumers to realize those benefits. They will allow consumers to manage their energy use and save money on their electric bills. The grid efficiencies that result from wide deployment of smart appliances also benefit consumers by reducing peak demand, which can avert the need to add capacity by constructing new power plants and/or by adding expensive “peaker” generators, both which consumers pay for in their rates. Finally, smart appliances, with their ability to communicate with the grid, will provide consumers the opportunity to monetize deferral of energy intensive appliance operations, for example, clothes or dish drying and refrigerator defrost, to off-peak periods. And, smart appliances will allow these benefits automatically to be realized as they will come pre-programmed with the ability to respond to signals and yet allow the consumer to have input on the energy management of their products.

Because energy-intensive functions can be deferred as needed, widespread adoption of smart appliances would aid incorporation of renewable energy sources such as wind and solar into the grid and help accommodate the introduction of electric vehicles. These system benefits are described in the Joint Petition.

Quoting from the White House letter releasing framework paper for the recent Smart Grid Summit (“A Policy Framework for the 21st Century Grid: Enabling Our Secure Future,” dated June 13, 2011):

Facilitating a smarter and more secure grid will require sustained cooperation among the private sector, state and local government, the Federal Government, consumer groups and other stakeholders. Such progress is important to ensure that the United States is a world leader in the 21st century economy, is at the forefront of the clean energy revolution and was the future by encouraging innovation.

GE urges EPA to abandon the one-appliance-at-a-time approach set forth in the draft Room Air Conditioners, Eligibility Criteria. What’s needed is a comprehensive decision that will enable manufacturers to build smart capabilities into new products now being designed for efficiency standards that will go into effect in 2013-15. With each successive increase in efficiency requirements compliance costs escalate disproportionately. Given the significant increases in the cost required to produce these new products to achieve the aggressive efficiency levels providing the petitioned-for 5% allowance would be a fair

¹ Pub.L. 111-5.

trade-off to cover the costs of adding the communications ability needed to make an appliance smart.

EPA should take the lead role for the Federal Government by favorably acting on the Joint Petition to leverage the ENERGY STAR brand to promote smart appliances.

II. EPA should leave to NIST the job of determining the communications requirements for smart appliances.

George Arnold, National Coordinator for Smart Grid Interoperability at the National Institute of Standards and Technology ("NIST"), heads the effort to develop communications protocols for grid-connected devices. NIST's mandate was issued by Congress when it enacted the Energy Independence and Security Act of 2007² ("EISA"), which was strengthened by provisions of the Recovery Act. As Mr. Arnold observed in remarks before the Federal Energy Regulatory Commission ("FERC"),

Achieving EISA's vision of a smart grid in which the electrical grid, smart appliances, electric vehicles, distributed renewables and other elements cannot be accomplished without moving away from the legacy proprietary, customized systems that characterize today's system to a framework based on open interoperable standards.³

Yet, that is exactly what EPA's draft specifications for room air conditioners would do. The draft requirements in Section 4.A.e & f are an example of micro-specifying performance criteria that are best left to the NIST Smart Grid Interoperability Panel ("SGIP") established by NIST in November 2009. Members of every stakeholder group participate. The process is open and its mission is to develop open standards that all stakeholders can use to assure that all devices communicate and work together. The SGIP is able to adjust quickly to innovation and unexpected developments, unlike regulatory bodies such as EPA. (This is true even of a voluntary program such as ENERGY STAR, which, by virtue of the brand's market power, is no longer truly voluntary). SGIP members have the requisite expertise and interest to develop communications protocols as part of the successful roll-out of the smart grid.

Even worse is EPA's venture into security requirements (Section 4.A.d). This proposal is inadequate to provide consumers with needed assurances regarding their personal data and non-interference with appliance operations. As in other aspects of communications protocols NIST has the expertise to address security and is doing so.

EPA's efforts to specify communications criteria can only undermine the NIST effort. GE urges EPA to follow the recommendations of the Joint Petition and the findings of NIST's Smart Grid Interoperability Panel.

² Pub.L. 110-140.

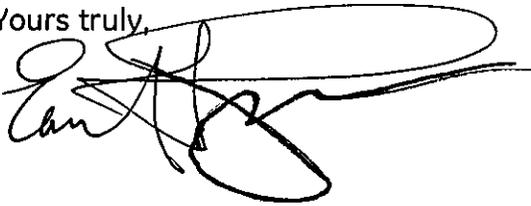
³ <http://www.ferc.gov/EventCalendar/Files/20110131084102-Arnold,%20NIST%20-%20Final.pdf>

III. Conclusion.

For all the above reasons, GE urges EPA to grant the Joint Petition. Favorable action is needed to provide producers with sufficient notice so they can design smart capabilities into new product platforms and take advantage of economies of scale. Advancing national energy policy can best be done by following this course. The alternative, post-production add-on capabilities will necessarily be more costly to consumers and retard the build-out of the smart grid, losing the consumer and environmental benefits that would otherwise accrue.

Please let me know if you have any questions or want any additional information.

Yours truly,

A handwritten signature in black ink, appearing to be "Amanda Stevens", written over a horizontal line. The signature is stylized and cursive.