



2000 M 63 · Mail Drop 3005 · Benton Harbor, Michigan 49022 · Phone: 269/923-4647 · Fax: 269/923-4652

J.B. HOYT
DIRECTOR, GOVERNMENT RELATIONS

April 5, 2005

Mr. Andrew Fanara
Manager, ENERGY STAR® Program
U.S. Environmental Protection Agency
1200 Pennsylvania, NW
MC 6202 J
Washington, DC 20460
fanara.andrew@epa.gov

Ms. Mehernaz Pload
ICF Consulting
1725 Eye Street, Suite 100
Washington, DC 20006
mpolad@icfconsulting.com

Dear Mr. Fanara, Ms. Polad:

Thank you for the opportunity to comment on the proposed ENERGY STAR® requirements for dehumidifiers. Whirlpool Corporation is a significant manufacturer of this product and is one of the last remaining domestic producers of this product.

In the first quarter of 2004 our trade association, AHAM (Association of Home Appliance Manufacturers), was approached by a key group of energy advocates on the subject of increased energy efficiency for dehumidifiers. Following a period of intense discussion and negotiation (in which Whirlpool actively participated), an agreement on both revised Federal standards and ENERGY STAR qualifying levels was reached. Since that time both parties have sought a vehicle for enabling that agreement.

We are pleased to learn that the EPA has adopted two points agreed to by AHAM and the energy advocates, both of which better reflect how this product is marketed and merchandised today:

- Change in moisture removal measure from liters per day to pints per day
- Change in number and range of product categories (or “bins”)

However, it is disappointing to learn that the EPA has chosen to chart a different course regarding energy efficiency than that agreed to by two parties with significantly different viewpoints, AHAM and the energy advocates. The agreement reached in 2004 was the

result of extensive review of the state of the industry, technological feasibility, cost effectiveness of options and potential energy savings.

The following table summarizes the current ENERGY STAR specifications, the agreement reached in 2004 and the new EPA proposal. Note that the current ENERGY STAR qualifying levels are approximate due to conversion from liters per day to pints per day.

Category	Capacity (pints/day)	Current Specification	AHAM / Advocate Agreement	EPA Proposal
IA	=<25	1.2	1.2	1.2
IB	>25 to =<35	1.3	1.3	1.4
IIA	>35 to =<45		1.4	1.5
IIB	>45 to =<54		1.5	1.6
III	>54 to =<75	1.5	1.6	1.8
IV	>75		2.5	2.25

Following are specific comments and observations by category:

- IA—This is a small, but important opening price point segment. There is no difference in recommendations. Also, in response to the request of the EPA, please be aware that Whirlpool Corporation’s product offering is at 25 pints per day. We are unable to comment on product with a lesser capacity.
- IB—This is a sizeable market segment. We believe that an energy factor of 1.3 is attainable without a dramatic increase in product cost. Raising the level to 1.4 may lead to a significant cost increase in a very price sensitive product category.
- IIA—An energy factor of 1.5 is attainable without a dramatic increase in product cost; we can accept the EPA proposal.
- IIB—An energy factor of 1.6 is attainable without a dramatic increase in product cost; we can accept the EPA proposal. (Note that Categories IIA and IIB are the largest segments of the Dehumidifier business, comprising nearly 60% of shipment volume. With the proposed ENERGY STAR levels, the EPA will have captured the bulk of the potential savings from all sizes of this product.)
- III—An energy factor of 1.6 is attainable without a dramatic increase in product cost. Moving to 1.7 will result in an adverse impact on product cost. Additionally, this is a smaller segment (approximately 15% of shipments); thus any energy savings from a higher efficiency would be minimal.
- IV—Whirlpool Corporation does not participate in this segment. However, given that AHAM and the energy advocates agreed on an energy factor of 2.5 and that all four models currently shown on the energystar.gov website currently exceed 2.5, it is unclear why EPA would recommend an energy factor of only 2.25.

We believe that the levels agreed to by AHAM and the energy advocates reflect significant energy savings. In the spirit of cooperation, Whirlpool can readily accept the EPA’s higher proposal for Categories IIA and IIB. However, the EPA proposals for Categories IB and III would add an unjustified level of cost to these products, further

threatening a product which has already seen a significant loss of U.S.-based manufacturing.

Finally, there is the matter of the effective date. The AHAM/advocate agreement called this to be January 1, 2007. This reflects two issues: (1) the leadtime necessary for industry to develop new designs, tooling and manufacturing capability and (2) the seasonal nature of the dehumidifier business...where production gears up early in each calendar year in order to meet the high volume selling months in the spring and early summer. The EPA proposal of March 1, 2006 does not reflect adequate time to ready new designs for production. Nor does it lend itself to coordination with the seasonal production schedules typical of this industry. We urge EPA not to implement the new ENERGY STAR qualification levels prior to January 1, 2007.

A casual review of the energystar.gov website may lead one to believe that many units on the market today are already at or near the proposed new levels. We would offer two cautions to such an analysis:

- The number of models offered does not correspond to the volume of units actually sold in any one size or energy category
- Several models shown on the website are manufactured by companies which do not appear to have a significant presence in the U.S. market. One manufacturer with many models is virtually unknown; their website is badly out-of-date. At least two other manufacturers appear to have only a very modest U.S. presence.

Again, Whirlpool Corporation appreciates the opportunity to comment in this matter. We urge the EPA to give serious consideration, not only to our position, but also to the basis for that decision. Finally, we would be pleased to engage in further dialog with you on this subject.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Calabrese".

cc: David Calabrese, AHAM