



The Deal Amendment to HR 6 – Bad Policy, Bad Precedent

The Deal Amendment to Title I of H.R. 6, the Energy Policy Act of 2005, will preempt state energy efficiency standards for ceiling fans. Unlike other provisions in the bill setting efficiency standards for various products and equipment, the Deal Amendment will not actually *save energy*. Instead, it nullifies ceiling fan efficiency requirements that have already been adopted in Maryland and California, and would negate the legislation now pending in at least 5 other states to adopt similar efficiency measures.

The potential energy savings at stake are significant. If the efficiency standard adopted by Maryland were established nationwide, summertime peak demand by 2020 would be reduced by 6,200 megawatts, the equivalent of 20 typical new electric power plants, according to the American Council for an Energy-Efficient Economy. From the consumers' perspective, the net present value of the energy savings from more efficient fans purchased over the next 25 years would total \$13 billion.

Having stripped the states of their ability to establish meaningful efficiency standards for ceiling fans, what does the Deal Amendment offer in its place? Essentially nothing. Its language setting requirements on fan controls and switches is virtually meaningless, since it purports to require features that nearly all new fans sold today already employ.

In reality, the principal factors affecting the energy consumption of ceiling fans are the efficiency of air circulation and the efficiency of lighting. For ceiling fans with lights, the greatest opportunities for efficiency improvements relate to lighting – perhaps 90% of potential energy savings.

Regarding air circulation, the Deal Amendment authorizes, but does not require, the Secretary to adopt an efficiency standard in the future. DOE has already missed legal deadlines for nearly two dozen standards it is currently *required* to set. An optional standard is thus no standard at all. Regarding the efficiency of ceiling fan lighting – 90% of potential energy savings – the Secretary is given no new authority or direction whatsoever. This provision takes the responsibility for regulating ceiling fan lighting away from the states while doing nothing with it at the federal level – a classic example of what has previously been termed a “non-standard standard.”

The Deal Amendment contrasts sharply with the ceiling fan provisions of H.R. 6 in the 108th Congress. There, the Secretary was directed to set ceiling fan standards, such standards could address both air circulation and lighting, and states were not preempted until a federal standard was actually adopted.

In one other respect, the Deal Amendment is quite different from the other energy efficiency standards in the bill, and indeed, from all other appliance efficiency standards enacted by Congress in the last two decades. Until now, Congress has embraced proposed efficiency standards when presented by diverse stakeholders, whose endorsements have indicated at least a rough consensus on performance metrics and timetables. Congress has declined to act where technical or financial issues remained hotly contested. There is no consensus in support of the Deal Amendment, and the committee's endorsement of such a one-sided proposal sets a poor precedent that threatens to derail progress in energy efficiency for years to come.