

# Advanced Appliance and Equipment Efficiency Standards JULY 2014

## **C**ONGRESS SHOULD

- Ensure that DOE meets all deadlines for new and amended efficiency standards.
- Provide adequate budget for DOE to effectively develop and enforce new and updated standards.
- Eliminate budget riders or amendments that limit DOE's ability to adopt and enforce standards.

## THE DEPARTMENT OF ENERGY SHOULD

- Expeditiously complete scheduled rulemakings (more than 25 standards are due through 2016).
- Continue to set appropriately strong standards.
- Set additional standards beyond those already scheduled for products including circulator pumps, pool pumps, unit heaters, faucets, and pre-rinse spray valves.
- Continue efforts to enforce federal appliance standards and develop plan to enforce regional standards.
- Continue to update and improve the test methods which underlie federal efficiency standards and the ENERGY STAR® program. Promptly complete test methods that are in progress or due (about 25 through 2016).

#### THE OFFICE OF INFORMATION AND REGULATORY AFFAIRS AT OMB SHOULD:

• Complete reviews of all rules within the 90-day limit. For rules that have been at OMB for more than 90 days, complete the review immediately.

## THE ISSUE

Appliance, equipment, and lighting efficiency standards require products such as refrigerators, electric motors, and air conditioners to meet minimum efficiency requirements, thereby reducing energy use, saving purchasers money, and providing environmental benefits. Efficiency standards save consumers and businesses money by ensuring that cost-effective technological improvements become the norm in new products. Raising standards spurs innovation as manufacturers strive to both provide products meeting new standards at the lowest possible cost, and stretch to differentiate profitable new super-efficient products that exceed the new minimum. Overall, efficient products become more affordable and more widely available with these energy efficiency measures.

#### SUMMARY

Appliance, equipment, and lighting efficiency standards have been among the most successful U.S. policies for improving energy efficiency and reducing energy waste. Americans are already seeing dividends from the energy efficiency measures in place, which are saving the typical household over \$500 per year in lower energy bills.

The success of appliance and equipment efficiency standards is clear. For example, a typical new refrigerator uses 70% less energy than the typical refrigerator sold in the early 1970s, saving the average consumer about \$150 per year in energy costs. In a 2012 report, ACEEE and ASAP estimated that existing national standards will:

- Save U.S. consumers and businesses more than \$1.1 trillion from products sold through 2035;
- Save enough energy cumulatively through 2035 to meet current demand for two years (current U.S. energy consumption is 98 quadrillion Btu per year and standards will save double that amount);
- Reduce peak demand (when additional energy sources are called upon, such as during a heat wave) by about 237 GW, or 18%, in 2035; and
- Cut annual carbon dioxide emissions in 2035 by 470 million metric tons, an amount equal to the emissions of 118 coal-fired power plants (nearly 20% of U.S. coal plants).

DOE has finalized 10 additional standards since the report was published in 2012 so total savings will be greater.

Historically, states have been the testing ground for efficiency standards. Successful implementation of efficiency standards at the state level has frequently been followed by national standards. Often, manufacturers and efficiency proponents negotiate consensus standards that are then recommended to Congress and/or DOE for adoption.

Developing and updating efficiency standards is a continuous process, with DOE updating standards on a 6-year cycle to reflect technology and market changes. In addition, DOE is working on standards for a number of new products including compressors, portable air conditioners, fans and blowers, and pumps. The foundation of efficiency standards rests on good test methods—those that reflect how products are used in the field and capture the benefits of innovative energy-saving technologies. About 25 test methods are due for completion by the end of 2016.

#### FOR MORE INFORMATION

- The Appliance Standards Awareness Project: http://www.appliance-standards.org/
- More on appliance standards: http://www.aceee.org/topics/appliance-standards
- The International Energy Efficiency Scorecard: <u>http://www.aceee.org/portal/national-policy/international-scorecard</u>

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\*The Appliance Standards Awareness Project (ASAP) organizes and leads a broad-based coalition that works to advance, win and defend new appliance, equipment and lighting energy efficiency measures which deliver large energy, water, consumer, public health and environmental benefits. ASAP was founded by the American Council for an Energy-Efficient Economy (ACEEE), the Alliance to Save Energy, the Energy Foundation, and the Natural Resources Defense Council. To support our work and mission, we conduct independent research, do media outreach, and educate decision makers on the benefits of efficiency and the steps we can take to become a nation that uses energy in a smarter way, providing benefits to all.