

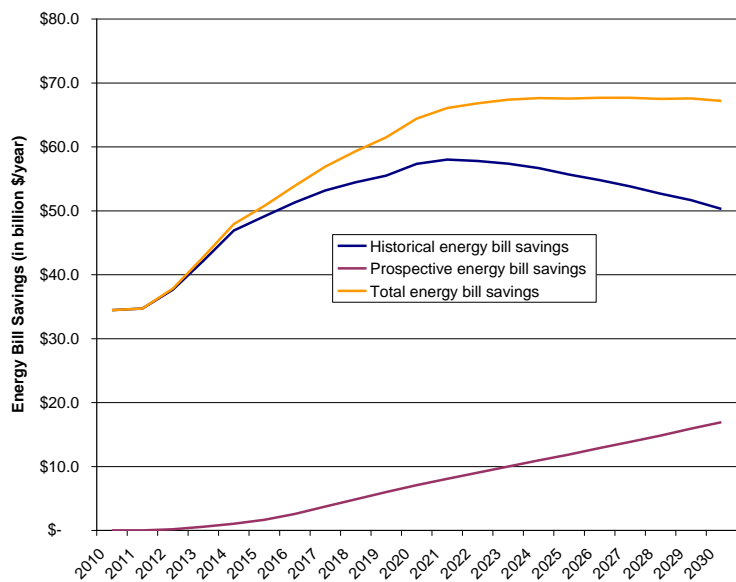
Appliance and Equipment Standards

Minimum Efficiency Standards Save Energy and Money, Create Jobs

Standards: A Strong Record of Success

The first federal energy efficiency standards for appliances were enacted in 1987 under President Reagan. Prior standards in individual states prompted manufacturers and stakeholders to seek uniform, national standards – thereby reducing regulatory burden. The National Appliance Energy Conservation Act of 1987 (NAECA), followed by additional legislation signed by Presidents Reagan, George H.W. Bush, and George W. Bush in 1988, 1992, 2005 and 2007, set national standards for residential and commercial appliances and equipment. These bipartisan standards have *saved taxpayers more than \$300 billion in energy bills*,¹ *improved national security and reduced energy-sector pollution nationwide.*

Energy efficiency standards prohibit the production and import of energy-consuming products less efficient than the minimum requirements. Covered products currently include furnaces, air conditioners, water heaters, refrigerators and freezers, washers, dryers, motors, lamps, and other residential and commercial products. These standards keep low quality appliances—whose competitive sticker prices conceal high operating costs—out of the marketplace, while still providing consumers with a broad array of product sizes and features. Because of these standards, a typical refrigerator sold today uses 70 percent less energy than those sold in the 1970s.



Energy Bill Savings from Historical and Prospective Standards, 2010-2030
Source: ACEEE & ASAP: *Appliance and Equipment Efficiency Standards*, Jan. 2011

Legislated federal efficiency standards have no budgetary impact, and reduce potentially costly and controversial DOE rulemakings. They also create regulatory certainty for manufacturers, allowing for long term investment and job creation. Ever since the 1987 legislation Congress has only adopted specific standards when there is a consensus among all the interested stakeholders, including manufacturers, efficiency advocates, consumer groups, and states.

Creating Jobs and Strengthening the Economy

Federal standards have been tremendously successful in reducing energy use and air pollution, saving consumers money, creating jobs, and lessening strain on the electric grid. *Existing standards have reduced U.S. energy use by 3.6 percent*, or 3.6 quadrillion Btu per year.² This is *greater than the total annual energy consumption of Louisiana*. National efficiency standards already in place and pending will, by 2020, reduce U.S. energy consumption by 5.7 percent. Each Btu saved represents reduced pollution, reduced strain on the electric grid, often reduced dependence on imported energy, and financial savings that can be reinvested into the American economy for productive purposes. In this way *existing standards have created a net 340,000 American jobs in 2010*.³

National Consensus Appliance Standards

National appliance standards are supported by a broad coalition of manufacturers, states, and public interest groups. Developing and updating federal appliance standards is an ongoing process. Standards need periodic updates in stringency to keep pace with evolving technological capabilities. In the absence of Congressional updates, under the law federal appliance standards are periodically revised in Department of Energy rulemakings. As an alternative to this costly and sometimes controversial procedure, stakeholders representing all relevant parties have negotiated a series of new consensus standards and proposed them for congressional action, most recently in the Energy Policy Act of 2005 and the Energy Independence and Security Act of 2007. Since then stakeholders have agreed on some additional updates, and have also agreed on consensus standards on a few new products that are currently covered by a patchwork of state standards. Congress has the opportunity to pass these agreements into law with the Implementation of National Consensus Appliance Agreements Act of 2011 (INCAAA 2011, S. 398).

Next Steps – INCAAA 2011

INCAAA 2011 (S. 398) was introduced in the senate by Senators Jeff Bingaman (D-N.M.) and Lisa Murkowski (R-Alaska) on Feb. 17, 2011. This bill would codify into law the consensus appliance standards created by the appliance manufacturing community, efficiency advocates, states and consumer groups. It contains improved standards for HVAC systems, including furnaces, heat pumps and air conditioners, which take advantage of the latest technologies and efficiency potential. It also would improve standards for many currently covered home appliances, such as refrigerators, freezers, clothes washers, dryers, and dishwashers to maximize cost-effective efficiency savings. In addition, it would create standards for some previously overlooked areas, including inefficient types of outdoor lighting.

ACEEE estimates that ***INCAAA would, by 2030, save the United States about 850 trillion Btus of energy each year*** – roughly the energy use of 4.6 million homes. That's more energy than was used by the entire state of Connecticut or West Virginia in 2008. According to these estimates, ***the net economic savings to consumers would be \$43 billion through 2030***. Because appliance standards have historically enjoyed bipartisan support, INCAAA presents an opportunity for Congress to achieve real savings for taxpayers while increasing business competitiveness – a win, win in today's economy.

The Alliance to Save Energy is a coalition of prominent business, government, environmental and consumer leaders who promote the efficient use of energy worldwide to benefit consumers, the environment, the economy, and national security.

The American Council for an Energy-Efficient Economy (ACEEE) is an independent, nonprofit research organization dedicated to advancing energy efficiency as a means of promoting economic prosperity, energy security, and environmental protection.

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March 2011

^{1,2,3} American Council for an Energy-Efficient Economy & Appliance Standards Awareness Project, *Appliance and Equipment Efficiency Standards: A Money Maker and Job Creator*. January 2011. <http://www.standardsasap.org/documents/A111.pdf>