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Chairman Fallon, Ranking Member Bush, and Members of the Committee, thank you for the opportunity to testify before you today. My name is Dr. Geri Richmond, and I am Under Secretary for Science and Innovation at the Department of Energy.

Energy conservation standards are one of the federal government's most important tools to save energy in homes and businesses nation-wide. DOE is required to issue many of these standards by the Energy Policy and Conservation Act (EPCA). Since the program's inception in 1975, the cumulative utility bill savings to consumers resulting from appliance standards are estimated to be more than \$1 trillion by 2020 and more than \$2 trillion by 2030¹. As consumers replace their appliances with newer models that comply with the standards adopted since 1975, by 2030, households can expect to save over \$529 annually. These standards are intended to increase the nation's energy security while protecting the environment and lowering consumer costs over the long term. Improvements in energy efficiency can be made today to yield significant near-term and long-term economic and environmental benefits for the nation.

In addition, DOE's energy conservation standards provide certainty and uniformity for industry. Our test procedures ensure all covered products sold in the United States are evaluated against the same methods and criteria, so that consumers and industry can compare competing models and make informed purchasing decisions based on energy efficiency. National test procedures and energy standards preempt a patchwork of regulations across the United States, ensuring manufacturers do not have to develop and market separate types of products to sell in various states, and reduce compliance costs.

The Department's Energy Conservation Standards program is just one among a number of federal programs to make our nation's homes and offices more energy efficient while lowering long-term energy costs for consumers and businesses. These efforts include promoting and implementing energy efficiency policies and practices; strengthening consumer education and outreach on energy efficiency as a cost-saving resource; and accelerating market adoption of energy efficient technologies that save families and businesses money.

¹ Saving Energy and Money with Appliance and Equipment Standards in the United States

Program History

EPCA was enacted in 1975, and established a federal program consisting of test procedures, labeling, and energy targets for consumer products. EPCA was amended in 1979 and directed the Department of Energy (DOE) to establish energy conservation standards for consumer products. These products include consumer conventional cooking products. The statutory authorization and direction for the energy conservation standards program has been amended several times over the past five decades. At least once every six years, EPCA requires DOE to review existing standards for covered products and determine, based on an analysis of statutory criteria, whether to amend the existing standard or to determine that the standards do not need to be amended.

Under EPCA, DOE may not prescribe a standard if DOE determines by rule the standard is not technologically feasible or not economically justified or does not result in significant conservation of energy.² In deciding whether a proposed standard is economically justified, DOE must determine whether the benefits of the standard exceed its burdens.³ DOE must make this determination after receiving comments on the proposed standard, and by considering, to the greatest extent practicable, the following seven statutory factors:

- 1. The economic impact of the standard on the manufacturers and on the consumers of the products subject to such standard;
- 2. The savings in operating costs throughout the estimated average life of the covered products in the type (or class) compared to any increase in the price of, or in the initial charges for, or maintenance expenses of, the covered products which are likely to result from the imposition of the standard;
- 3. The total projected amount of energy (or as applicable, water) savings likely to result directly from the imposition of the standard;
- 4. Any lessening of the utility or the performance of the covered products likely to result from the imposition of the standard;
- 5. The impact of any lessening of competition, as determined in writing by the Attorney General, that is likely to result from the imposition of the standard;
- 6. The need for national energy and water conservation; and
- 7. Other factors the Secretary [of Energy] considers relevant.

The Department evaluates these factors qualitatively and quantitatively and presents its analysis in the proposed and final rules themselves, along with any other notices the Department publishes in the rulemaking process, such as requests for information (RFIs), preliminary analyses, and notices of data availability (NODAs). The Department uses comments and data received from stakeholders to inform their findings with regards to these seven factors during both the process of developing the proposed rule and when receiving and analyzing comments on a proposed rule in making any final decisions about the standard.

³ 42 U.S.C. 6295(o)(2)(B)(i).

² 42 U.S.C. 6295(o)(3)(B).

For home appliances, DOE's energy conservation standards apply to products manufactured (or imported) several years after a final rule is published in the Federal Register. Any DOE conservation standard under these provisions cannot and will not apply retroactively to products in consumers' homes.

In addition, when evaluating and establishing energy conservation standards, DOE may establish separate standards for a group of covered products (*i.e.*, establish a separate product class) if DOE determines separate standards are justified based on the type of energy used, or if DOE determines a product's capacity or other performance-related feature justifies a different standard. In making a determination whether a performance-related feature justifies a different standard, DOE must consider such factors as the utility of the feature to the consumer and other factors DOE determines are appropriate.

Where possible, the Department will proceed with consensus standards negotiated together with industry. In 2007, Congress recognized the importance of consensus or negotiated standards, amending EPCA to allow for an expedited rulemaking process in the event a representative group of stakeholders could reach agreement.

Sometimes the Department evaluates a product and determines the evidence does not support more stringent energy standards because new standards are not technologically feasible, economically justified, or would not result in significant energy savings. In these instances, after receiving public comment, the Department will proceed through a final determination that simply states a more stringent standard is not justified.

The standards rulemaking proceedings are transparent. Proceedings are recorded at the Federal eRulemaking Portal at www.regulations.gov with a separate docket for each rulemaking. DOE hosts public meetings for its standards rulemakings and offers a webinar version to maximize the number of participants who can attend from across the country. Comments received at public meetings and through the notice and comment periods are posted to the docket. Any meetings program officials hold with stakeholders while the rulemaking is open must be memorialized with an ex parte memo, which is then posted with the rest of the stakeholder comments on the docket. The formal rulemaking documents, including notices of proposed rulemaking, supplemental notices of proposed rulemaking, final rules, and notices of data availability, are published in the Federal Register and timely posted on the Department's website. In these materials, the Department includes detailed discussion on its methodology, how the projected energy and cost savings associated with various policy scenarios were determined, and how those figures support the overall technical feasibility and economic justification for a proposed standard. Such rulemaking documents include analysis on projected impacts, including on consumers, the nation, manufacturers, greenhouse gas emissions, employment, and small businesses. DOE also routinely contacts any interested stakeholders via dozens of appliancespecific listservs.

⁴ 42 U.S.C. 6295(q).	

Cooktops Rulemaking

The Department proposed energy conservation standards for both gas and electric consumer conventional cooking products, which includes ovens, ranges, and cooktops. Under a consent decree, DOE is required to take final action by January 2024. The Department of Energy is not proposing any ban on gas stoves consistent with President Biden's clear statement that the Biden-Harris Administration does not support such a ban. The Department is committed to consumer choice. DOE does not have the authority to ban gas stoves. DOE also cannot require (and is not proposing to require) consumers to replace stoves that are already installed in their homes. DOE's proposed standards, if adopted, would only apply to products manufactured or imported three years after a final rule is published in the Federal Register.

In December 2022, DOE released a supplemental proposed rulemaking (SNOPR) to amend energy conservation standards for conventional cooktops and conventional ovens.⁶ On January 31, DOE held a public meeting to solicit public comment on the proposed rule. The SNOPR was officially published in the Federal Register on February 1, 2023.⁷ DOE then issued an additional Notice of Data Availability on February 28.⁸ On March 30, DOE extended the public comment period to April 17 based on requests from stakeholders.⁹ At this time, DOE is reviewing all comments and data received through the comment period and the public webinar in order to determine next steps in the rulemaking. No final decisions have been made. DOE is committed to ensuring that any energy conservation standards are both economically justified and technologically feasible, consistent with our statutory requirements under the Energy Policy and Conservation Act.

As is the case with all DOE energy conservation standards, the proposed standards for cooktops were chosen based on data-driven analysis and the seven statutory factors outlined above that govern the appliance standards rulemaking process. In absence of a DOE energy conservation standard, consumers would continue to make the same purchasing decisions that they make today, which are not driven by energy efficiency for cooking due to lack of information. DOE analyzed and evaluated proposed standards for both electric and gas cooking products separately – for all appliance rulemakings, including this one, DOE keeps electric and gas appliances separate, with different standards for these fuel types.

The February 2023 SNOPR proposed new efficiency standards for both electric cooktops and gas cooktops. If finalized as proposed, these standards would not go into effect until 2027 and would only apply to products manufactured or imported into the United States three years after a final rule is published in the Federal Register. If the rule is finalized according to the efficiency levels outlined in the proposed rule:

⁵ Consent Decree, *Natural Resources Defense Council et al. v. Granholm et al.* (Sept. 20, 2022, S.D.N.Y.) No. 20-cv-9127, ECF 70 at 5.

⁶ Pre-publication version at: <u>Energy Conservation Program: Energy Conservation Standards for Consumer</u> Conventional Cooking Products

⁷ Energy Conservation Program: Energy Conservation Standards for Consumer Conventional Cooking Products. Supplemental Notice of Proposed Rulemaking (SNOPR). February 1, 2023. Available at https://www.federalregister.gov/documents/2023/02/01/2023-00610/energy-conservation-program-energy-conservation-standards-for-consumer-conventional-cooking-products

⁸ Energy Conservation Program: Energy Conservation Standards for Consumer Conventional Cooking Products

⁹ https://www.regulations.gov/document/EERE-2014-BT-STD-0005-1068

- American consumers would save up to \$130.7 million per year in 2021 dollars.
- A new gas cooktop would use 33% less natural gas on average than the least efficient models on the market today.
- Over thirty years of shipments, the proposed standards would:
 - o Save the equivalent of the electricity use of 19 million households in one year.
 - o Save American consumers \$2.3 billion dollars on their energy bills.
 - o Eliminate 22 million metric tons of CO₂ emissions.
 - o Eliminate 245,000 tons of methane.

Nearly 50% of the current gas cooktop models would not be impacted by the rule. In addition, in its evaluation of the "Lessening of Utility or Performance of Products" criteria, DOE found that based on available data, the proposed standards would not reduce the utility or performance of the products under consideration. To be specific about performance design features that consumers may care about, the proposed rule:

- Would not result in stoves being less hot or taking longer to get hot.
- Would not result in integral downdraft venting or fan systems being removed from the market.¹⁰
- Would not result in continuous cooktop grates being taken away. 11
- It would not result in high-input rate (HIR) burners being eliminated. 12

Any suggestions that only one out of 21 (4%) stoves would meet the proposed standards without significant modification is misleading. In the Supplemental NOPR, DOE selected 21 units to specifically test the likelihood that they would <u>not</u> meet the proposed standard. The tested sample is just a small subset of models to better help DOE understand the annual energy consumption of certain units – the units that DOE anticipated would be most likely to be impacted by the rule, and that would need to be redesigned. The 21 stoves tested were, by DOE's intention, not a representative sample of the commercially available gas stove models but rather a subsample specifically selected for being less likely to comply with the standards.

This 4% figure must not be confused with percentage of overall commercially available models that would meet the proposed standard. In the Department's analysis, nearly 50 percent of the models available in the overall gas cooktop market would not be impacted by the proposed standards; they are already compliant today, more than three years before the standard, if finalized, would go into effect. DOE bases this figure on a thorough review of marketing materials about design features of products currently on the market. DOE's review can determine with very close accuracy which models are likely to comply, based on their descriptions of certain designs to be implemented (which DOE knows are inherently more efficient based on its test procedure). DOE does not need to physically test the entire market to estimate that 50% of currently available models will comply. A simple review of product descriptions is enough to develop a credible estimate of what portion of these models is positioned to comply. In the end,

¹¹ SNOPR, p. 28

¹⁰ SNOPR, p. 20

¹² SNOPR, p. 28

of course, any covered product must be tested according to DOE's test procedures in order to ensure compliance with any final energy conservation standards.

Conclusion

DOE is continually working to seize the opportunities energy efficiency offers, saving families and businesses money by saving energy. The Department will also continue to fulfill its statutory obligations as directed by Congress. I appreciate the opportunity to provide more information on DOE's energy conservation standards program, and I am happy to answer questions Committee Members may have on these matters.