



Energy

DOE Appliance Efficiency Proposal Draws Opposition From Utility Groups

A Department of Energy proposal to incorporate an analysis that would measure greenhouse gas emissions and broaden the energy consumption information in future appliance efficiency standards is drawing opposition from utilities, with representatives launching a volley of complaints during an administrative meeting Oct. 7.

A shift to using "full-fuel-cycle" measures in the department's energy conservation standards program would confuse customers, "inflate" the economic benefits of high-efficiency appliances, and could push appliance standard levels "beyond what is economically feasible," Kenneth Barker, speaking on behalf of the Edison Electric Institute, testified at a meeting held by the department's Office of Energy Efficiency and Renewable Energy.

The department's current appliance standards process "has been enormously successful in saving energy and preserving customer choice for over thirty-years," said Barker, a vice president at Virginia Dominion Power. "It is not broken, and therefore, does not need to be fixed."

Other organizations opposed to the proposal included the American Public Power Association and the National Rural Electric Cooperative Association, which is "gravely concerned," a representative said.

David L. Mohre, the executive director of the association's energy and power division, said, "We believe the analysis and cost-effectiveness of efficiency standards must be based on cost savings that customers directly experience."

Currently, the Energy Department's appliance efficiency standards are based on point-of-use measurements, which take into account only the energy consumed to operate an appliance.

Extracting, Processing, Transporting

As proposed in a notice of proposed policy published in the Aug. 20 *Federal Register*, a switch to a full-fuel-cycle analysis would be a broader measure that also accounts for the energy consumed in extracting, processing, and transporting fuels to run an appliance (160 DEN A-3, 8/20/10).

In addition, the proposal includes accounting for two greenhouse gases—methane and nitrous oxide—emitted in the production or use of appliances.

The proposed change to a full-fuel-cycle approach follows a May 2009 report by the National Academy of Sciences that urged the department to "consider moving over time" to such an measurement, though the report said further work on data and analysis is needed (100 DEN A-6, 5/28/09).

Energy Savings, Emissions Reductions Increased

According to the Energy Department, such a change would increase energy savings and emission reductions estimated to result in specific efficiency standard levels by roughly 7 percent to 15 percent.

In addition, the department said a move to full-fuel-cycle analysis would not alter the estimated impacts on consumer life cycle costs, manufacturer impacts, or net present value of consumer savings.

The proposal represents a "conclusion that full-fuel-cycle analysis would provide us with better, more comprehensive information on the likely impacts of energy and emissions with future efficiency standards," Mark Friedrichs, an Energy Department policy analyst, said at the meeting.

The next step in the process, Friedrichs said in an interview, would be the publication of a notice of policy, most likely late next year, followed by the initiation of a rulemaking if the department decides to move forward.

Those speaking in favor of the move included the American Clean Skies Foundation, the National Propane Gas

Association, and the American Gas Association.

Change Would 'Level Playing Field.'

"Full-fuel-cycle metrics enable a more comprehensive analysis of the total energy and environmental impacts of energy efficiency standards," Andrew K. Soto, the American Gas Association's senior managing counsel for regulatory affairs, said in his written testimony. "Full-fuel-cycle metrics, therefore, would level the playing field for appliances that can use different fuels and would make the Department's appliance standards truly fuel neutral."

Gregory C. Staple, chief executive officer of the American Clean Skies Foundation, said the idea of full-fuel-cycle measurements was first broached in energy legislation enacted in 2005, which directed the Energy Department to contract the National Academy of Sciences to examine the benefits of full-fuel-cycle measurements.

"I would like to stress the urgency of this," Staple said. "We are responding today to something that was written into a piece of legislation better than five years ago. Let's get on with it, we are talking tens of millions of dollars potentially in savings."

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