**Department of Energy (DOE)**

**Request for Information (RFI)**

*Draft Summary*

*June 19, 2017*

*Prepared for CA Investor Owned Utilities by Energy Solutions*

**Background**

* On May 30, DOE released an RFI “seeking comments and information from interested parties to assist DOE in identifying existing regulations, paperwork requirements and other regulatory obligations that can be modified or repealed, consistent with law, to achieve meaningful burden reduction while continuing to achieve the Department’s statutory obligations.”
* Part of implementation of Executive Order (EO) 13771 (*Reducing Regulation and Controlling Regulatory Costs*) which requires:
	+ 2-for-1 – repeal 2 regs for any 1 proposed.
	+ Total incremental costs for all new regulations of all new regs shall not be greater than zero (cost-benefit).
	+ Any new incremental costs for a new reg shall be offset by costs with 2 current regs.

**Objective**

Docket a letter with DOE that includes the following comments regarding the appliance standards program:

* The positive impacts of energy efficiency regulations and test procedures with respect to jobs, necessity, and benefits.
* Statutory obligations in EPCA.
* Recommendations for improvements to rulemaking.

**Schedule of Rulemaking and Effective Date**

|  |  |
| --- | --- |
| ***Milestone*** | ***Date*** |
| RFI Published | May 30 |
| Review Form Distributed | *June 28* |
| Draft Comment Letter to IOUs | *July 5* |
| Comment Deadline | July 14 |

**Summary of Key Issues and Potential Comments**

Topic: DOE shall identify regulations that… *(i) Eliminate jobs, or inhibit job creation; (ii) Are outdated, unnecessary, or ineffective; (iii) Impose costs that exceed benefits*…

* **Jobs**
	+ Lower utility bills for consumers means larger macroeconomic benefits to the US economy – including creation of jobs – Rethink, potentially reducing jobs in the G&E industries
	+ Net Present Value of regulations for the nation is always positive
	+ Costs are likely much smaller (cite ASAP paper)
	+ [Research specific US manufacturers who have increased product lines/market share due to innovations in response to standards – Cree, others]
	+ New bullet on customer impacts - Charles
* **Utility Sector**
	+ EE regulations provide the stick to complement the carrot of incentive programs. Without mandatory regulations, incentive programs can become outdated with limited savings opportunities
	+ Advocacy on EE regulations are a significant component in the utilities EE portfolio and the most cost-effective program
	+ EE regulations reduce utilities costs by not having to build new power plants or contract for additional capacity to meet increasing demand which would increase costs for customers
	+ Peak demand reduction: prevent use of expensive peaker plants
	+ Regulations establish test procedures that provide the foundation for incentive programs
* **General Benefits**
	+ All DOE efficiency regulations adopted have benefits that far exceed the costs
		- Cite statutory requirement in EPCA
	+ Appliance manufacturers participate in a global market with standards from the European Union and others setting market regulations in the absence of USA
* **Consumer Benefits**
	+ Appliance regulations bridge the spit incentive problem for tenants who do not buy major energy consuming appliances
	+ Lower utility bills means more consumer purchasing power
	+ EE regulations fosters US manufacturers innovation to make product which perform better performing and feature-rich – increasing customer satisfaction
	+ More efficiency appliances help meet state and local building code regulations which lowers costs for builders and owners
* **Statutory Requirements**
	+ Cite EPCA and cost-benefit requirements, periodic review of rules
	+ Anti-backsliding provision
* **Enhancements**
	+ Support working with states to reduce duplicative reporting burdens Support ASRAC working group efforts as a way to streamline regulations
	+ Simultaneous Rulemakings: New Efficiency Standards and Test Procedures
	+ LCC Methodology – SoCalGas can draft a comment regarding concerns

**References**

* RFI: <https://www.gpo.gov/fdsys/pkg/FR-2017-05-30/pdf/2017-10866.pdf>
* ASAP Jobs Paper: <http://appliance-standards.org/sites/default/files/Appliance-and-Equipment-Efficiency-Standards-Money-Maker-Job-Creator.pdf>
* ASAP Better Appliance Paper: <https://appliance-standards.org/sites/default/files/Better_Appliances_Report.pdf>
* ASAP Comparing Predicted and Observed Prices: <https://appliance-standards.org/sites/default/files/Appliance_Standards_Comparing_Predicted_Expected_Prices.pdf>
* Executive Order 13771: Reducing Regulation and Controlling Regulatory Costs
	+ <https://www.gpo.gov/fdsys/pkg/FR-2017-02-03/pdf/2017-02451.pdf>
* Executive Order 13783: Promoting Energy Independence and Economic Growth
	+ <https://www.gpo.gov/fdsys/pkg/FR-2017-03-31/pdf/2017-06576.pdf>

**DOE Questions for Stakeholder Comment**

*The following list of questions represents a preliminary attempt by DOE to identify rules/obligations on which it should immediately focus.* ***This non-exhaustive list is meant to assist in the formulation of comments and is not intended to restrict the issues that may be addressed****. In addressing these questions or others, DOE requests that commenters identify with specificity the regulation or reporting requirement at issue, providing legal citation where available. The Department also requests that the submitter provide, in as much detail as possible, an explanation why a regulation or reporting requirement should be modified, streamlined, or repealed, as well as specific suggestions of ways the Department can do so while achieving its regulatory objectives.*

(1) How can DOE best promote meaningful regulatory cost reduction

while achieving its regulatory

objectives, and how can it best identify

those rules that might be modified,

streamlined, or repealed?

Uniform LED quality standards

Making final EPA refrigerant regulations well in advance of DOE EE requirements

Look at process of international regulatory bodies

ASRAC Process

(2) What factors should DOE consider

in selecting and prioritizing rules and

reporting requirements for reform?

Nation energy use is required but regional impacts are also important

The water/energy nexus is ignored but important in the dry southwestern USA, conserving potable water since that is becoming an isssue

Bullet on voluntary standards – Charles

(3) How can DOE best obtain and

consider accurate, objective information

and data about the costs, burdens, and

benefits of existing regulations? Are

there existing sources of data DOE can

use to evaluate the post-promulgation

effects of regulations over time? We

invite interested parties to provide data

that may be in their possession that

documents the costs, burdens, and

benefits of existing requirements.

Field research and data collection is needed but it is expensive and takes years.

Support of voluntary alternatives to HVAC test standards such as HPWH and VCHP.

(4) Are there regulations that simply

make no sense or have become

unnecessary, ineffective, or ill-advised

and if so what are they? Are there rules

that can simply be repealed without

impairing DOE’s statutory obligations

and, if so, what are they?

There are possible negative impacts, but can organizations like AHRI be engaged in a positive way on this issue. There would need to be a stakeholders Project Advisory Group (PAG), including EE advocates, to guide the effort. Funding would come from members.

(5) Are there rules or reporting

requirements that have become outdated

and, if so, how can they be modernized

to better accomplish their objective?

Use current web based technology.

Have stakeholder accessible data.

Leverage CEC database and EU appliance databases where possible

(6) Are there rules that are still

necessary, but have not operated as well
as expected such that a modified, or

slightly different approach at lower cost

is justified?

Comment on incentive program

Highlight rulemakings where DOE chose the wrong metrics or test procedure.

(7) Are there rules of the Department

that unnecessarily obstruct, delay,

curtail, or otherwise impose significant

costs on the siting, permitting,

production, utilization, transmission, or

delivery of energy resources?

SCE wants to be silent

(8) Does DOE currently collect

information that it does not need or use

effectively?

Wrong question – DOE does not collect sufficient information

(9) Are there regulations, reporting

requirements, or regulatory processes

that are unnecessarily complicated or

could be streamlined to achieve

statutory obligations in more efficient

ways?

(10) Are there rules or reporting

requirements that have been overtaken

by technological developments? Can

new technologies be leveraged to

modify, streamline, or do away with

existing regulatory or reporting

requirements?

Charles’s comment on computers

(11) Does the methodology and data

used in analyses supporting DOE’s

regulations meet the requirements of the

Information Quality Act?