

From: [Blake, William R.](#)
To: [Anderson, Mary](#)
Subject: RE: EXT || DOE Regulatory Reform RFI Summary
Date: Thursday, June 22, 2017 1:09:33 PM
Attachments: [DOE Regulatory Reform RFI Summary 20June2017.docx](#)

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Hi Mary,

Tom had one edit to your notes, see attached.

Bill

From: Anderson, Mary [mailto:M3AK@pge.com]
Sent: Wednesday, June 21, 2017 2:27 PM
To: 'Margaret Song'; Vavak, Amy B.; Boucher, Francis B.; david.giza-sisson@eversource.com; Gail Azulay; Phil Moffitt; lberger@nisource.com; Trish Walker; andrea.villamaino@berkshiregas.com; Mary Downes (downesm@unitil.com); Meera Reynolds (reynoldsm@unitil.com); aimee.powelka@eversource.com; Blake, William R.; Coughlin, Thomas J. Jr.
Cc: Bijit Kundu
Subject: EXT || DOE Regulatory Reform RFI Summary

Thank you for your participation on today's call, was helpful. Please see the initial comments to the RFI and review them with your internal management. Please send me any comments or concerns your utility may have and I would be happy to work through them with you. We will be sending the draft comment out soon.

I look forward to working on this with you!

Mary Anderson

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**Department of Energy (DOE)
Request for Information (RFI)**

*Draft Summary
June 20, 2017*

Prepared by Energy Solutions with input from PG&E

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in identifying existing regulations, paperwork requirements and other regulatory obligations that can be modified or repealed, consistent with law, to achieve meaningful burden reduction while continuing to achieve the Department’s statutory obligations.”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.

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
 - Costs of EE regulations are likely overestimated by DOE (cite ASAP paper)
 - [Research specific US manufacturers who have increased product lines/market share due to innovations in response to standards – Cree, others]
 - Potential high paying jobs – insulation worker, etc.
- **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
- Connectivity with customer allows utilities to improve the grid allow for future innovation. Standards allow utilities to meet the needs of the future while maintaining customer cost. Distributed resource proceedings underway in many states. If codified in a standard that would facilitate sooner adoption.
- 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 in the open market to meet increasing demand which would increase costs for customers
- Peak demand reduction: prevent use of expensive peaker plants – meet demand through DR and connectivity. Improved system reliability.
- Regulations establish test procedures that provide the foundation for incentive programs
- **General Benefits**
 - Net Present Value of DOE efficiency regulations for the nation is always positive. A life cycle cost analysis is always performed for efficiency regulations. This might differ from some non- efficiency regulations affected by this RFI where no life cycle cost analysis is done or the net affect of the rule would add costs.
 - 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 split 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

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 and identify ways to improve DOE's rulemaking process [CA IOUs consultant can work on this]
- ASRAC Process – DOE does not need to hire a consultant for gathering data, performing LLC, etc. ASRAC can provide specific regulatory requirements to the DOE.

(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

(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?

(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? (8) Does DOE currently collect information that it does not need or use effectively?

(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?

(11) Does the methodology and data used in analyses supporting DOE's regulations meet the requirements of the Information Quality Act?