

November 3, 2017

TO: Members, Subcommittee on Energy

FROM: Committee Majority Staff

RE: Hearing “Discussion Draft, Energy Star Reform Act of 2017 and H.R. 3477, Ceiling Fan Energy Conservation Harmonization Act”

I. INTRODUCTION

The Subcommittee on Energy will hold a hearing on Tuesday, November 7, 2017, at 10:00 a.m. in 2123 Rayburn House Office Building. The hearing is entitled “Discussion Draft, Energy Star Reform Act of 2017 and H.R. 3477, Ceiling Fan Energy Conservation Harmonization Act.”

II. WITNESSES

- **Joseph M. McGuire**, President and CEO, Association of Home Appliance Manufacturers;
- **Doug Johnson**, Vice President, Consumer Technology Association;
- **Christopher Drew**, Chairman, Air Conditioning Heating and Refrigeration Institute;
- **Kateri Callahan**, President, Alliance to Save Energy; and
- **Greg Merritt**, Vice President, CREE/

III. BACKGROUND

A. H.R. _____, Energy Star Reform Act of 2017

Energy Star is a voluntary program, implemented by the Department of Energy (DOE) and the U.S. Environmental Protection Agency (EPA), that provides consumers and businesses with information identifying the most energy efficient choices in appliances, homes, and buildings. The goals of the program, as set out in the Energy Policy Act of 2005, are to: promote Energy Star compliant technologies as the preferred technologies in the marketplace for achieving energy efficiency and reducing pollution, enhance public awareness of the Energy Star label, preserve the integrity of the Energy Star label, and regularly update the Energy Star product criteria.¹

¹ Public Law 109-58, Section 131, at <https://www.gpo.gov/fdsys/pkg/PLAW-109publ58/pdf/PLAW-109publ58.pdf>.

Surveys show that consumers are very familiar with the Energy Star label and that many use it to inform their buying decisions.²

Responsibilities under Energy Star are divided between DOE and EPA in accordance with the terms of applicable agreements between these agencies – in effect, allowing each administration to determine the division of responsibilities under the program.³ A 2009 Obama administration Memorandum of Understanding placed EPA in the lead role.⁴

The President's FY 2018 proposed budget sought to eliminate all funding for Energy Star, but the Committee on Appropriations has chosen not to do so, instead recommending a level of \$31,000,000.⁵ It did suggest, in report language, that aspects of the program should be reviewed, including the allocation of responsibilities between DOE and EPA.⁶

The Energy Star Reform Act discussion draft contains several suggested modifications to the Energy Star program.⁷ It would change the way program responsibilities are set by making DOE the permanent lead agency, but allowing the Secretary to delegate responsibilities to EPA. It would also subject the program to the requirements of the Administrative Procedure Act - thus actions taken under Energy Star would be treated as agency rulemakings, including notice and comment requirements.

The discussion draft also creates limited liability protections for program participants. Participating companies whose products are found to be out of compliance would be subject to all corrective measures and penalties, but would not be subject to litigation related to the non-compliance.

The discussion draft also provides limited exceptions from the requirement that all products participating in Energy Star be tested by a third-party certification body. This provision would allow self-certification for makers of electronics products that are in good standing under the program. In addition, it also requires that specifications be tailored to all available sizes of products included in the program.

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https://www.energystar.gov/index.cfm?fuseaction=home.downloadFile&file=64B935F36705331DC23D594CCF31697B7B3B3E055EDDE8B838BE7755C7A1500EDE9BDBC90BBAB0D34273C3BB5181EE28E2EFD991C6F9F5041BA207C8FB6A911CC1043619861DDBA2FFA2BA5A977F77681D49A5DE1C473EB296136777A2E6D172922A8B7F8FACF5E372F0079F4EC8FF62&app_code=publications&env_name=prod.

³ Id.

⁴ https://energy.gov/sites/prod/files/2013/12/f5/epa_doe_mou.pdf.

⁵ Department of the Interior, Environment, and Related Agencies Appropriations Bill, 2018, p. 56, at <https://appropriations.house.gov/uploadedfiles/23918.pdf>.

⁶ Id.

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[file:///C:/Users/blieberman/AppData/Local/Microsoft/Windows/INetCache/Content.Outlook/YXQL6ZLS/ENERGY STAR_001_xml%20\(006\).pdf](file:///C:/Users/blieberman/AppData/Local/Microsoft/Windows/INetCache/Content.Outlook/YXQL6ZLS/ENERGY STAR_001_xml%20(006).pdf).

B. H.R. 3477, Ceiling Fan Energy Conservation Harmonization Act

Pursuant to the Energy and Policy Conservation Act of 1975 and succeeding legislation, DOE sets mandatory efficiency standards for a number of covered home appliances.⁸ This includes ceiling fans and ceiling fan lights, both of which have been subject to new standards that have yet to take effect. The compliance date for the latest ceiling fan light kit standard is January 7, 2019, and the compliance date for the ceiling fan standard is January 21, 2020.⁹ H.R. 3477, the Ceiling Fan Energy Conservation Harmonization Act, would align the compliance dates of the new standards for ceiling fan light kits and ceiling fans at January 21, 2020.¹⁰

IV. ISSUES

The following issues may be examined at the hearing:

- The division of responsibilities under Energy Star.
- The appropriateness of applying the Administrative Procedure Act to actions taken under Energy Star.
- The treatment of non-compliance under Energy Star.
- The certification requirements under Energy Star.
- The compliance dates for energy conservation standards applicable to ceiling fans and ceiling fan lights.

V. STAFF CONTACTS

If you have any questions regarding this hearing, please contact Ben Lieberman or Mary Martin of the Committee staff at (202) 225-2927.

⁸ <https://energy.gov/savings/federal-appliance-standards>.

⁹ <https://www.federalregister.gov/documents/2017/01/19/2017-00474/energy-conservation-program-energy-conservation-standards-for-ceiling-fans>; <https://www.federalregister.gov/documents/2017/01/19/2017-00474/energy-conservation-program-energy-conservation-standards-for-ceiling-fans>.

¹⁰ <https://www.congress.gov/115/bills/hr3477/BILLS-115hr3477ih.pdf>.