



Department of Energy

Washington, DC 20585

March 1, 2018

The Honorable Pete Olson
Vice Chairman
Subcommittee on Energy
Committee on Energy and Commerce
U. S. House of Representatives
Washington, DC 20515

Dear Mr. Vice Chairman Olson:

On November 7, 2017, Acting Secretary Daniel Simmons testified regarding a hearing entitled "Discussion Draft, Energy Star Reform Act of 2017 and H.R. 3477, Ceiling Fan Energy Conservation Harmonization Act."

Enclosed are answers to questions submitted by Ranking Member Pallone and you.

If you need any additional information or further assistance, please contact me or Fahiyeh Yusuf, Office of Congressional and Intergovernmental Affairs at (202) 586-5450.

Sincerely,

A black rectangular redaction box covers the signature area of the letter.

Marty Dannenfelser
Deputy Assistant Secretary for House Affairs
Congressional and Intergovernmental Affairs

Enclosures

cc: The Honorable Bobby L. Rush, Ranking Member, Subcommittee on Energy



QUESTIONS FROM VICE CHAIRMAN OLSON

- Q1. The Department of Energy (DOE) sets the mandatory minimum standards for appliances, while Energy Star identifies those models that go above and beyond the minimums and save consumers additional money. Aren't there synergies between the two programs that make DOE a better fit than the Environmental Protection Agency (EPA) to be the lead agency for Energy Star for appliances?
- A1. There are synergies between the standard setting of the appliance and equipment standards program and setting levels for appliance models to earn the Energy Star designation. DOE and EPA have an interagency agreement - a Memorandum of Understanding (MOU) - assigning roles and responsibilities under the program. The current MOU went into effect on September 20, 2009. DOE and EPA have the ability to revisit that agreement to determine if a different assignment of roles and responsibilities might be preferable.
- Q2. At our October 12, 2017 hearing with Secretary Perry, the Secretary stated repeatedly that it makes sense for Energy Star to be run by DOE. Is the agency taking any concrete steps to strengthen its role in Energy Star?
- A2. Within DOE we've had some discussions about Energy Star, but to date, DOE and EPA have not begun to revise or replace the existing MOU.
- Q3. As the law now stands, each administration can divide responsibilities under Energy Star between DOE and EPA. In 2009, the Obama administration chose to shift many responsibilities to EPA via a MOU. The current administration may choose to again restructure the program. Would it make sense to give Energy Star a permanent organizational structure?
- A3. The 2009 MOU realigned roles and responsibilities at EPA and DOE for the Energy Star program in a budget neutral manner, focusing DOE more on the underlying technical work and consolidating the consumer outreach, retail industry partnerships, utility partnerships, and related efforts at EPA. The Administration has not determined whether Congress should legislate a permanent organizational structure for Energy Star.
- Q4. In DOE's Statement for the Record, Acting Assistance [sic] Secretary Daniel Simmons referenced the voluntary nature of the Energy Star Program, but given the fact that there are federal purchase requirements for Energy Star products, that many rebate programs only apply to Energy Star products, and that retailers have been pressured to only carry Energy

Star products, isn't it the case the Energy Star is a de facto mandatory program in many instances and thus should be treated as one?

- A4. There is currently no statutory or regulatory requirement for any party to participate in the Energy Star program. We believe that is appropriate. Participation in ENERGY STAR reflects a business decision based on anticipated return on investment in technology progression. Significant market demand continues to be fulfilled by products that do not earn the ENERGY STAR.
- Q5. Is DOE working with EPA on a new MOU to revise or replace the 2009 MOU?
- A5. DOE and EPA have not initiated any actions to revise or replace the 2009 MOU.

QUESTIONS FROM RANKING MEMBER PALLONE

- Q1. The Energy Star program has been a tremendous success since its inception in the 1990s, saving consumers money and reducing energy usage, which leads to less greenhouse gases being emitted into the air. Given the success of the program, I look with great skepticism at any plan to uproot how, and where, the program currently functions.
- Q1a. Please provide an estimate of how much it would cost DOE to transfer, assume, and fully operate the Energy Star program responsibilities currently delegated to EPA.
- A1. DOE does not have an estimate of these costs. Over the past several years, the combined cost between DOE and EPA of the EnergyStar program was approximately \$45 million annually.
- Q2. The Administration's Fiscal Year 2018 budget request moved to terminate the Energy Star program all together. I worry not only about the costs to make the shift from EPA to DOE, but also whether the program would get the yearly funding it needs to be successful at DOE.
- Q2a. What do you consider an appropriate funding level for the Energy Star program to be successful if all programmatic functions are shifted to DOE?
- A2. An estimate of required funding would need further study.