

**COMMENTS OF THE NATIONAL CONSUMER LAW CENTER
ON BEHALF OF ITS LOW INCOME CLIENTS
DIRECT FINAL RULE FOR CENTRAL AIR CONDITIONERS AND HEAT PUMPS**

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Appliance and Equipment Standards Program
U.S Department of Energy, Building Technologies Office
Mailstop EE-5B
1000 Independence Avenue SW
Washington, DC 20585-0121

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To the Appliance Standards Program:

The National Consumer Law Center (“NCLC”), on behalf of its low-income clients, wishes to offer comments on the Direct Final Rule (“DFR”) for central air conditioners (“CACs”) and heat pumps, published at 82 Fed. Reg. 1786 (Jan. 6, 2017). NCLC strongly supports the DFR and urges DOE to implement it.

NCLC is a non-profit advocacy organization which, among other goals, is dedicated to making energy more affordable for low-income households. For over a decade, NCLC has been actively involved in advocating for strong, cost-effective appliance standards. We have testified and filed written comments in DOE appliance standards rulemaking proceedings and represented low-income groups in court cases involving standards. DOE’s efficiency standards have saved consumers, including low-income consumers, billions of dollars by reducing unnecessary appliance energy consumption. Strong standards for major appliances such as CACs, heat pumps, furnaces, and boilers are particularly important for low-income households as these appliances are often purchased by rental property owners – not by their low-income tenants. Low-income households are disproportionately renters. Even as to low-income homeowners, they are likely to purchase a home where CACs or heat pumps were already installed and, in the absence of the DFR, be burdened with unreasonably high energy bills.

As DOE’s own analysis shows, the proposed standards are expected to provide substantial pocketbook benefits to consumers. As Table V-27 (82Fed. Reg. 1846) shows, the DFR is expected to provide Net Present Value benefits of \$12.2 billion, at a 3% discount rate. Even if those future benefits are heavily discounted at a 7% discount rate, they are robust at \$2.5 billion. These calculated pocketbook savings exclude any

of the benefits arising from significant reductions in emissions of carbon dioxide, nitrogen oxides, and sulfur oxidants. These emission reductions are quite important in low-income communities as they suffer disproportionately high rates of asthma and other respiratory illnesses. They are often situated closer to pollution-emitting power plants than economically better-off households.

NCLC is aware that benefits are not necessarily distributed evenly across regions, or among all consumers. However, the Department's lifecycle cost analysis shows that benefits outweigh costs in every part of the country. Moreover, were the Department to somehow not allow the DFR to take effect, more consumers would be worse off than if the rule does take effect. Doing nothing is not a cost-free option. In addition, past experience in DOE standards rulemakings has shown that the agency tends to be very conservative in estimating the cost to industry of complying with standards. It is entirely possible, if not likely, that actual compliance costs will be less than assumed, and net benefits therefore larger than the \$12.2 billion (at 3% discount rate) calculated in Table V-27.

NCLC is aware of a comment from the American Action Forum which opposes the DFR, largely by citing to the costs – without even acknowledging the existence of the much larger benefits. We believe that cherry-picking the data in this fashion is analytically misleading, and contrary to the weighing of costs and benefits required by the statute.

Lastly, the process by which the DFR was developed included a wide range of stakeholders. Industry was well-represented and fully supported the negotiated rule. There is good reason to stand behind a rule that was developed via negotiations with so many stakeholders.

In conclusion, we urge the Department of Energy to put the Direct Final Rule for central air conditioners and heat pumps into effect. The benefits for low-income households are substantial.

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