



October 24, 2022

Mr. Bryon Berringer
U.S. Department of Energy
Office of Energy Efficiency and Renewable Energy
Building Technologies Office, EE-5B
1000 Independence Avenue SW
Washington, DC 20585-0121

Submission via <u>regulations.gov</u>

Re: The Office of Energy Efficiency and Renewable Energy's Notice of Proposed Rulemaking for Energy Conservation Standards for Consumer Clothes Dryers [Docket Number EERE-2014-BT-STD-0058]

Dear Mr. Berringer:

The American Gas Association ("AGA") and the American Public Gas Association ("APGA"), herein referred to as the Joint Commenters", appreciate the opportunity to provide comments in response to the Department of Energy's ("DOE") notice of proposed rulemaking ("NOPR") pertaining to energy conservation standards for consumer clothes dryers, which appeared in the Federal Register on August 23, 2022.¹ Although not appliance manufacturers, our members provide the energy needed to fuel consumer clothes dryers, making natural gas utilities a critical stakeholder in this work. The Joint Commenters support energy efficiency and conservation efforts, which includes the efficient use of natural gas in homes and businesses.

AGA, founded in 1918, represents more than 200 local energy companies that deliver clean natural gas throughout the United States. There are more than 77 million residential, commercial, and industrial natural gas customers in the U.S., of which 95 percent—more than 73 million customers—receive their gas from AGA members. AGA is an advocate for natural gas utility companies and their customers and provides a broad range of programs and services for member natural gas pipelines, marketers, gatherers, international natural gas companies, and industry associates. Today, natural gas meets more than one-third of the United States' energy needs.<sup>2</sup>

APGA is the trade association for more than 730 communities across the U.S. that own and operate their retail natural gas distribution entities. They include not-for-profit gas distribution systems owned by municipalities and other local government entities, all locally accountable to the citizens they serve. Public gas systems focus on providing safe, reliable, and affordable energy to their customers and support their

<sup>&</sup>lt;sup>1</sup> 87 Fed. Reg. 51734 (August 23, 2022).

<sup>&</sup>lt;sup>2</sup> For more information, please visit <u>www.aga.org</u>.

communities by delivering fuel to be used for cooking, clothes drying, and space and water heating, as well as for various commercial and industrial applications.<sup>3</sup>

Joint Commenters provide the energy needed to fuel gas-fired consumer clothes dryers, thus making them critical stakeholders. However, DOE has not provided sufficient time for stakeholders to review and analyze the lengthy NOPR, Technical Support Document ("TSD"), and associated technical spreadsheets to develop meaningful comments, considering DOE released additional information only 11 days prior to the comment deadline.

Joint Commenters support energy efficiency and conservation efforts, including the efficient use of natural gas in homes and businesses. Joint Commenters believe that the efficiency standards and test procedures developed by DOE are a key element in establishing minimum efficiency ratings for appliances and equipment covered by federal law.

Energy efficiency is critical to any successful emissions reduction plan and consumer energy affordability, which is why AGA and APGA have long supported improved building and appliance energy codes and standards that are technologically feasible, economically justified, and follow statutory requirements. Joint Commenters and their members complement those codes and standards by pursuing a customercentered approach to energy efficiency improvements, focusing on those most vulnerable to energy costs. Indeed, Joint Commenters and their members have been at the forefront of efficiency gains, from the delivery of natural gas to its end use, achieving significant benefits for consumers, environmental improvements, and economic contributions.

First and foremost, it is important the DOE implement the recommendations from the recent National Academies of Sciences, Engineering, and Medicine ("NASEM report") into all its appliance rulemakings, whether for test procedures or energy conservation standards. The NASEM report comprehensively evaluated the agency's appliance rulemaking process and identified several key areas in which DOE can improve its rulemaking process. Several of these recommendations even align with suggestions Commenters have made over the years regarding economic modeling and data availability that would greatly help all stakeholders better understand the agency's process and ensure that DOE is making its decisions on the most appropriate data and models. Some of the most pertinent recommendations include:

Recommendation 2-2: DOE should pay greater attention to the justification for the standards, as required by executive orders and the EPCA requirement that standards be economically justified. DOE should attempt to find significant failures of private markets or irrational behavior by consumers in the no-standards case and should consider such a finding as being necessary to conclude that standards are economically justified.

Recommendation 3-5: DOE should expand the Cost Analysis segment of the Engineering Analysis to include ranges of costs, patterns of consumption, diversity factors, energy peak demand, and variance regarding environmental factors.

Recommendation 4-1: DOE should put greater weight on ex post and market-based evidence of markups to project a more realistic range of likely effects of a standard on prices, including the possibility that process may fall. This would improve future analyses.

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<sup>&</sup>lt;sup>3</sup> For more information, please visit <u>www.apga.org</u>.

Recommendation 4-13: DOE should place greater emphasis on providing an argument for the plausibility and magnitude of any market failure related to the energy efficiency gap in its analyses. For some commercial goods in particular, there should be a presumption that the market actors behave rationally, unless DOE can provide evidence or argument to the contrary.

Recommendation 4-14: DOE should give greater attention to a broader set of potential market failures on the supply side, including not just how standards might reduce the number of competing firms, but also how they might impact price discrimination, technological diffusion, and collusion.

On August 17, 2022, DOE posted a pre-publication copy of the NOPR on the DOE website and notified stakeholders via email. Six days later, on August 23, 2022, DOE published the NOPR in the Federal Register, providing a 62-day comment period to end on October 24, 2022. In its September 23 letter, the Association of Home Appliance Manufactures ("AHAM") requested additional data and a 60-day extension of the comment period once DOE publishes the additional data. On October 13, 2022, twenty days after receiving AHAM's letter and only eleven days before the end of the comment period, DOE provided additional data responsive to AHAM's request but denied the requested extension to the comment period.<sup>4</sup>

Joint Commenters contend that eleven days, four of which are non-working days, is insufficient for stakeholders to provide meaningful comments on the new data provided. AHAM requested an extension of the comment deadline in its September 23, 2022<sup>5</sup> letter and reiterated the request in its October 18, 2022, letter. Additionally, the Joint Commenters's requested the deadline to be extended in their October 19, 2022 letter. These requests were denied.

Joint Commenters concur with concerns raised by AHAM in its July 6, 2022, letter in response to the TSD.<sup>8</sup> First, AHAM stated that the baseline and incremental efficiency levels proposed in the preliminary TSD are meaningless without a final test procedure. Joint Commenters urge DOE to finalize the proposed test procedure for consumer clothes dryers prior to implementing new energy efficiency standards for these appliances.

Efficiency ratings for DOE covered products have substantial impacts in several areas including proof of compliance with minimum efficiency requirements and consumer confidence in efficiency levels established in rebate programs such as EPA's Energy Star program, etc. Of course, the penalty of a manufacturer found with non-compliant product(s) is substantial. For these reasons, testing procedures

<sup>&</sup>lt;sup>4</sup> Letter from A. Armstrong, DOE, to S. Gopal, AHAM, (Oct. 13, 2022), available at <a href="https://www.regulations.gov/document/EERE-2014-BT-STD-0058-0040">https://www.regulations.gov/document/EERE-2014-BT-STD-0058-0040</a>; see also Consumer Clothes Dryers Data Spreadsheet (Supplemental Data Table), DOE (Oct. 13, 2022), available at <a href="https://www.regulations.gov/document/EERE-2014-BT-STD-0058-0039">https://www.regulations.gov/document/EERE-2014-BT-STD-0058-0039</a>.

<sup>&</sup>lt;sup>5</sup> Letter from S. Gopal, AHAM, to A. Armstrong, DOE, requesting additional data and an extension of the comment period (Sept. 23, 2022), available at <a href="https://www.regulations.gov/comment/EERE-2014-BT-STD-0058-0038">https://www.regulations.gov/comment/EERE-2014-BT-STD-0058-0038</a>.

<sup>6</sup> Letter from S. Gopal, AHAM, to A. Armstrong, DOE, requesting an extension of the comment period (Oct. 18, 2022), available at <a href="https://www.regulations.gov/comment/EERE-2014-BT-STD-0058-0041">https://www.regulations.gov/comment/EERE-2014-BT-STD-0058-0041</a>.

<sup>&</sup>lt;sup>7</sup> Letter from A. Armstrong, DOE, to R. Lani, APGA, and M. Agen, AGA, denying request for extension of the comment period (Oct. 21, 2022).

<sup>&</sup>lt;sup>8</sup> Letter from M. Agen, AGA and R. Lani, APGA,, to B. Berringer, DOE, requesting an extension of the comment period (Oct. 19, 2022), available at <a href="https://www.regulations.gov/comment/EERE-2014-BT-STD-0058-0042">https://www.regulations.gov/comment/EERE-2014-BT-STD-0058-0042</a>.

must be concise, unambiguous and provide reliable and repeatable results; and must be available prior to manufacturers.

Joint Commenters also support AHAM's comments on the disproportionate effect more stringent standards could have on low-income consumer, as well as DOE's responsibility to not develop a standard that would negatively impact the appliance's performance or have unintentional consequences that would undercut anticipated energy savings.

Joint Commenters also support AHAM's comments on vented vs. ventless appliances and urge DOE to create a separate product class for ventless standard electric products. Separate product classes are justified because these products offer the unique consumer utility of occupying the same footprint as a vented electric standard clothes dryer while not needing an outside vent.

Joint Commenters encourage DOE to finalize the test procedures for residential clothes dryers prior to moving forward with amending energy conservation standards for these appliances. Additionally, Joint Commenters encourage DOE to consider the comments submitted by AHAM and other stakeholders to ensure that new energy standards are applicable and appropriate.

We thank you for the review and consideration of these comments. If you have any questions regarding this submission, please do not hesitate to contact us.

Respectfully submitted,

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