



January 29, 2023

Via: <https://www.regulations.gov/>

Hampton Newsome
Staff Attorney, Division of Enforcement
Bureau of Consumer Protection
Federal Trade Commission
600 Pennsylvania Ave., NW
Washington, D.C. 20580

Re: Energy Labeling Rule ANPR, Matter No. R611004

Dear Mr. Newsome,

The National Propane Gas Association (NPGA), the American Gas Association (AGA), and the American Public Gas Association (APGA) (together, the Group), respectfully submit this comment in response to the Advance Notice of Proposed Rulemaking (ANPR) published by the Federal Trade Commission (FTC) on October 25, 2022.¹ The Group thanks the FTC for seeking public comment on a number of important matters that are crucial to providing consumers with accurate information about the cost, efficiency, and associated emissions of household appliances. The current Energy Labeling Rule (Rule) provides only limited information based on national averages and usages and fails to provide consumers with regional data on energy prices, efficiency, and emissions that they need to make informed purchasing decisions.

NPGA is the national trade association of the propane industry with a membership of about 2,800 companies, and 36 state and regional associations that represent members in all 50 states. NPGA members include retail marketers of propane gas who deliver the fuel to the end user, propane producers, transporters and wholesalers, and manufacturers and distributors of equipment, containers, and appliances. Propane gas fuels millions of installations nationwide for home and commercial heating and cooking, in agriculture, industrial processing, and as a clean air alternative engine fuel for both over-the-road vehicles and industrial lift trucks. Approximately 75% of NPGA's members are small businesses with fewer than 100 employees.

AGA, founded in 1918, represents more than 200 local energy companies that deliver clean natural gas throughout the United States.² There are more than 76 million residential, commercial, and industrial natural gas customers in the U.S., of which 95 percent — more than 72 million customers

¹ 87 Fed. Reg. 64399 (Oct. 25, 2022).

² American Gas Association, *About Us*, <https://www.aga.org/about/> (last visited Dec. 19, 2022).

— receive their gas from AGA members.³ Today, natural gas meets more than thirty percent of the United States' energy needs.⁴

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 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.⁵

The Group has a stake in the debate over a label that presents FFC data versus end-use data because, in many geographic locations, propane and natural gas appliances are the more efficient and affordable option, and result in less emissions than the grid-generated electricity of the same region.

This comment addresses the FTC's request for potential amendments to the Rule under its ANPR, including energy labels for several new consumer product categories and other possible amendments to improve the Rule's effectiveness and reduce unnecessary burdens. The Group's comment is broken into two sections: (I) Primary Comments and (II) Supplemental Comments. The Primary Comments focus on the practical reasons why a full fuel cycle (FFC) energy label for household appliances is necessary to give consumers the information they need to make informed purchasing decisions. This portion of the comment will provide a brief overview of this rule's history and address how implementing a FFC energy label for household appliances can be practically and relatively easily accomplished.

With a focus on Section D of the ANPR, *General Label Content and Format Requirements*, the Group's comment outline certain policy considerations that strongly support including FFC labeling, particularly because of the positive impact such action would have on greenhouse gas emissions reductions and fuel choice. The comment then provides a legal analysis supporting the FTC's statutory authority to adopt FFC labeling and explains why switching to FFC is sound public policy based on the anticipated industry and consumer effects. As part of this submission, we include a draft label for the FTC's consideration, which provides FFC data in a functional, easily accessible manner that will help better inform the purchasing public.

The Supplemental Comments briefly detail the Group's positions on the right to repair as well as the proposal to expand the current list of appliances that receive a FTC energy label. The Group has opted not to comment on every area for which the FTC seeks comment, and it views the highest priority to be the adoption of a FFC label.

I. PRIMARY COMMENTS⁶

³ *Id.*

⁴ *Id.*

⁵ American Public Gas Association, *About Us*, www.apga.org (last visited Dec. 19, 2022).

⁶ 87 Fed. Reg. 64399 (Oct. 25, 2022) (the Group makes its primary comments in reference to Section III (D) of the ANPR).

The Energy Policy and Conservation Act of 1975 (EPCA) created EnergyGuide; a mandatory labeling program administered by the FTC with assistance from the Department of Energy (DOE).⁷ Under this program, manufacturers are required to label and prominently display information about the energy consumption and annual energy costs of various categories of household products.⁸ EPCA also requires DOE to develop test procedures that measure how much energy appliances use and to determine the representative cost a consumer pays for different types of energy.⁹ The Energy Policy Act of 2005 (EPACT) required the FTC to consider “the effectiveness of the consumer products labeling program in assisting consumers in making purchasing decisions and improving energy efficiency.”¹⁰ EPACT directs the FTC to consider “changes to the labeling rules that would improve the effectiveness of consumer product labels.”¹¹

In response to EPACT, the FTC has conducted a number of notice of proposed rulemakings (NPR) seeking comments on energy labeling.¹² In both the 2005 and 2007 NPRs, the FTC asserted it lacked statutory authority to implement an FFC label for household appliances.¹³ In the FTC’s 2013 rulemaking, the agency withdrew this position and instead asserted that it would continue to work with DOE “to consider this issue as part of the regulatory review.”¹⁴ EPCA clearly delineated power to the FTC to require “a different measure of energy consumption if...the Commission [FTC] determines such a disclosure is not likely to assist consumers in making purchasing decisions or is not economically feasible.”¹⁵

The current labeling requirements are incomplete and misleading. Standards for measuring FFC have now advanced to the point where excluding this information is a policy choice that effectively precludes consumers from having accurate data about the energy cost and more of household appliances. The FTC should adopt a FFC label not only because it is now feasible but because it is consistent with the agency’s mission of providing consumers complete and accurate information under EPACT.

a. General Label Content and Format Requirements

The existing yellow EnergyGuide is ripe for review and updating. A FFC label will provide a purchasing consumer with better, more accurate information about the energy costs, efficiencies, and emissions associated with household appliances. As suggested below, a QR code can easily be adapted on existing energy labels to provide the additional information necessary to help consumers understand the true energy costs, efficiency, and emissions levels of appliances they may be considering for purchase. In recent years, the buying public is much more familiar with

⁷ 42 U.S.C. 6294(c)(1)(A) (2018).

⁸ U.S. Government Accountability Office, GAO-07-1162, Report to the Chairman of the Committee on Energy and Natural Resources in the U.S. Senate, *Opportunities Exist for Federal Agencies to Better Inform Household Consumers* (Oct. 4, 2007), <https://www.gao.gov/assets/gao-07-1162.pdf> (published Sept. 26, 2007).

⁹ 42 U.S.C. 6294 (2018); 42 U.S.C. 6293 (2018).

¹⁰ 42 U.S.C. 6291 *et seq.* (2018); 16 C.F.R. § 305 (2007); CRS Report for Congress, *Energy Policy Act of 2005: Summary and Analysis of Enacted Provisions* (Mar. 8, 2006), https://www.everycrsreport.com/files/20060308_RL33302_5deb6e20eda4faa299d9f2b5ca6cdacf9c60c0b5.pdf.

¹¹ 42 U.S.C. § 6294 (2018); 42 U.S.C. 6291 *et seq.* (2018).

¹² 65 Fed. Reg. 17554, 17559 (Apr. 3, 2000); 70 Fed. Reg. 66307 (Nov. 2, 2005); 72 Fed. Reg. 6835 (Feb. 13, 2007); 77 Fed. Reg. 15298 (Mar. 15, 2012).

¹³ 70 Fed. Reg. 66307 (Nov. 2, 2005); 72 Fed. Reg. 6835 (Feb. 13, 2007).

¹⁴ 78 Fed. Reg. 8371 (Feb. 6, 2013).

¹⁵ 42 U.S.C. 6294(C)(1)(A) (2018).

and capable of utilizing QR codes in various settings. QR codes have become interwoven into the fabric of our society to the point where most consumers understand and can easily utilize them. This also has the practical benefit of streamlining and simplifying the appearance of a label for commercial use.

Policy Considerations

Various policy considerations bolster the argument for a foundationally equal energy labeling strategy. FFC labeling promotes environmental justice, helps consumers better understand the emissions impact from different appliances, and sustains a policy of fuel neutrality.

1. Consumer Awareness

A FFC label on household appliances would be a more accurate source of information to all consumers.¹⁶ For instance, on average, rural locations or areas where large local distribution systems are lacking, propane and natural gas are often better choices for consumers who prioritize energy efficiency and overall cost considerations.¹⁷ It is vital that consumers be provided a label that accurately reflects these regional differences. An easy solution is to provide a simple QR code that links to an FTC-approved website that provides consumers with accurate regional data. We attach such a proposed label to this comment.¹⁸

The label currently provides consumers with the yearly cost of energy and energy efficiency rating based on end-use or site-use. However, these numbers on the EnergyGuide label don't paint the full picture for a consumer. As one study notes on consumer perception, "most labels report only very coarse information based on national average energy prices and typical national usage. In practice, energy prices and typical usage vary substantially so the labels provide information that is highly inaccurate for many consumers."¹⁹ This study highlights the key problem with the current EnergyGuide label: it fails to provide accurate consumer information because it does not take into account the geographic location of the consumer. Instead of being state-based or regionally based, all energy labels provide national averages. However, as an example, the typical operating costs for room air conditioners in Washington state are \$28 per year while in Florida they average \$316

¹⁶ See Gas Technology Institute Report, Prepared for American Gas Association, *Full-Fuel-Cycle Energy and Emission Factors for Building Energy Consumption* at 8 (2013 Update) (noting site-use measurements do not properly or equitably account for the total energy consumed when more than one energy source is used in an appliance and does not account for energy lost and emissions created throughout the extraction, processing, transportation, conversion, and distribution of energy to the building, whereas full-fuel-cycle does).

¹⁷ See GTI Energy, Energy Planning Analysis Tool, Residential State Level Comparison, <https://cmicepatcalc.gti.energy/> (the tool calculates and compares annual energy cost, source energy consumption, and greenhouse gas emissions, as well as criteria pollutant emissions, associated with site energy consumption by purchased energy form for alternative technologies providing the same energy services) (last visited Dec. 19, 2022).

¹⁸ The attached sample label includes a QR code that the Group suggests should link to an FTC website where consumers could find data derived from tools, such as GTI's Energy Planning Analysis Tool or GTI's Source Emissions and Analysis tool to understand their localized costs and emissions impacts. See *supra* n.17.

¹⁹ Lucas Davis and Gilbert Metcalf, *Does Better Information Lead to Better Choices? Evidence from Energy-Efficiency Labels*, University of Chicago E2E Working Paper 015 at 1 (Nov. 2015).

per year.²⁰ Despite these differences, all consumers see the same EnergyGuide label. The FTC must do better to ensure consumers have the necessary data to make informed purchasing decisions.

2. *Climate*

FFC labeling is also helpful to advance the Biden Administration's policy goal of addressing climate change.²¹ Consumers have a growing desire to reduce greenhouse gas (GHG) emissions. End-use emissions numbers do not account for total emissions of GHGs from a given appliance. Electric appliances and equipment produce nearly no emissions at the site of use, but the mix of U.S. electricity generation that powers them does. Ignoring this important fact in energy labeling can mislead consumers to believe they may be reducing emissions when in actuality they are not. Externalities of energy use should be included in the labels and can be accurately achieved by including such emissions over the FFC.²²

3. *Fuel Neutrality*

The use of FFC efficiency calculations in EnergyGuide labels would also enable fuel choice. The current reliance on end-use consumption estimates inappropriately favors electric appliances and equipment by unreasonably failing to consider fuel cycle losses and ultimately promoting labels that underestimate overall energy consumption and emissions. Using a FFC label would still allow consumers the opportunity to compare across fuel types on a reasonable basis of operating costs while factoring in the true energy cost and emissions of various appliances. The current government practice of rating appliances based on site emissions rather than source emissions inhibits the government's regulations from being fuel neutral, impairing effective consumer awareness regarding fuel choice.

FTC's Legal Authority to Adopt FFC Labels

The FTC has statutory authority to implement labeling that contains energy consumption over the FFC.²³ DOE has statutory authority to create test procedures to be utilized by the FTC.²⁴ FFC test

²⁰ *Id.*; see Richard Newell and Juha Siikamaki, *Can Product Labels Nudge Energy Efficient Behavior?* (Sept. 2014), <https://www.resources.org/archives/can-product-labels-nudge-energy-efficient-behavior/> (noting consumers struggle to understand the operating cost); see also GTI Energy, Energy Planning Analysis Tool, <https://cmicepatcalc.gti.energy/Default.aspx>. See *supra* n.17.

²¹ The White House, Statements and Releases, *Fact Sheet: President Biden Sets 2030 Greenhouse Gas Pollution Reduction Target Aimed at Creating Good-Paying Union Jobs and Securing U.S. Leadership on Clean Energy Technologies* (Apr. 22, 2021), <https://www.whitehouse.gov/briefing-room/statements-releases/2021/04/22/fact-sheet-president-biden-sets-2030-greenhouse-gas-pollution-reduction-target-aimed-at-creating-good-paying-union-jobs-and-securing-u-s-leadership-on-clean-energy-technologies/>; 86 Fed. Reg. 7619 (Jan. 27, 2021).

²² PERC, *Understanding Carbon Intensity Regional Collection*, <https://propane.com/resource-catalog/resources/understanding-carbon-intensity-regional-collection/> (last visited Dec. 19, 2022) (finding that measuring a fuel's carbon intensity helps to capture emissions across the full life cycle of an energy carrier — and reveals the truth that conventional propane is often a cleaner residential energy choice than grid electricity).

²³ 42 U.S.C. 6294 (C)(1)(A) (2018); 42 U.S.C. 6294(c)(1)(A) (2018).

²⁴ 42 U.S.C. 6293 (2018).

procedures already exist and are currently being relied on by other federal agencies.²⁵ The FTC, together with DOE, should use existing test procedures to ensure that more accurate energy consumption data is provided to consumers through FFC labeling.

Pursuant to 42 U.S.C. § 6294 (C)(1)(A), the contents of the label are at the discretion of the FTC so long as it accords with test procedures set forth by DOE under 42 U.S.C. § 6293.²⁶ Furthermore, to substantiate FTC’s authority under the relevant statutes, EPCA expressly granted the FTC the ability to disclose additional information about energy consumption on labels if such information would assist consumers in making purchasing decisions.²⁷ EPACT called on the FTC to review whether the labeling was effectuating the desired outcome. The FTC previously asserted it lacked this authority but has since reversed its position.²⁸

The FTC should follow the National Academies of Sciences, Engineering, and Medicine and DOE and use FFC for labeling as such a practice measures energy consumption, environmental impacts, and greenhouse gas emissions, and provides more comprehensive information to the public through labels.²⁹ The FTC has also previously asserted that DOE test procedures only measure end-use energy consumption but the FTC has more recently asserted it is working on FFC test procedures.³⁰ Not only does DOE already have test procedures that measure FFC energy consumption, but such test procedures are actively in use in a number of areas for efficiency standards, including commercial water heating equipment and residential ovens.³¹ The FTC has statutory authority to determine what information is provided on energy labels in accordance with DOE’s policies and test procedures, so there is no legal hurdle to using FFC as discussed herein.³²

Industry & Consumer Effects

Though there is no legal hurdle, skeptics of adding FFC labeling may have practical concerns about complicating the existing EnergyGuide labels to add any new information. The Group addresses these concerns below and explains why industry and consumer research necessitate these labeling changes. In addition, attached to this comment is a new proposed FFC label, which

²⁵ 87 Fed. Reg. 30610 (May 19, 2022) (FFC analysis used in appliance efficiency standards in commercial water heating equipment); 81 Fed. Reg. 34439 (May 31, 2016) (FFC analysis used in appliance efficiency standards in residential ovens); *see* National Academies of Sciences, Engineering, and Medicine, National Research Council, Letter Report: *Review of Site (Point-of-Use) and Full-Fuel-Cycle Measurement Approaches to DOE/EERE Building Appliance Energy-Efficiency Standards* (May 15, 2009) (recommending DOE switch to full-fuel-cycle).

²⁶ 42 U.S.C. 6294 (C)(1)(A) (2018); 42 U.S.C 6293 (2018).

²⁷ 42 U.S.C. § 6294 (2018).

²⁸ 65 Fed. Reg. 17554, 17559 (Apr. 3, 2000); 70 Fed. Reg. 66307 (Nov. 2, 2005); 72 Fed. Reg. 6835 (Feb. 13, 2007).

²⁹ *See* National Academies of Sciences, Engineering, and Medicine, National Research Council, Letter Report: *Review of Site (Point-of-Use) and Full-Fuel-Cycle Measurement Approaches to DOE/EERE Building Appliance Energy-Efficiency Standards* (May 15, 2009) (“DOE/EERE should consider moving over time to use of the full-fuel-cycle measure of energy consumption for assessment of national and environmental impacts, especially levels of greenhouse gas emissions, and to providing more comprehensive information to the public through labels and other means including an enhanced website”); *see also* 76 Fed. Reg. 51281 (Aug. 18, 2011) (DOE plans to use FFC measures of energy use in the national impact analyses and acknowledges the ability to rely on other agency data and current site-specific energy consumption to calculate FFC).

³⁰ 70 Fed. Reg. 66307 (Nov. 2, 2005); 77 Fed. Reg. 15298 (Mar. 15, 2012).

³¹ 87 Fed. Reg. 30610 (May 19, 2022) (FFC analysis used in appliance efficiency standards in commercial water heating equipment); 81 Fed. Reg. 34439 (May 31, 2016) (FFC analysis used in appliance efficiency standards in residential ovens); *see n. 28, supra*.

³² 42 U.S.C. 6294 (C)(1)(A) (2018).

clearly, accurately, and in a streamlined fashion (with a QR code) presents the consumer with the energy efficiency and associated FFC cost of furnaces, water heaters, and other products where data is available, even accounting for regional differences in energy costs tied to the electric grid.

1. Consumer Interest in Energy Efficiency

Studies show that consumers do care about energy efficiency when it comes to household appliances. In a 2018 study conducted by the Propane Education & Research Council (PERC), a large majority of residential audiences said it is very or somewhat high priority for their home to be energy efficient, with cost savings and environmental considerations regarded as the most important reasons for wanting to be energy efficient.³³ In addition, a stated willingness to pay more to make a home energy efficient is also high.³⁴ As it pertains to appliances in particular, the study found that nearly all consumer audiences are likely to consider energy-efficient appliances if they need to replace a current appliance or add a new one.³⁵ Moreover, at least half are very likely to do so.³⁶ The available evidence suggests that consumers strongly consider energy efficiency in purchasing decisions, and are likely to continue to do so in the future.

Market research suggests that consumers have a strong desire to select appliances that are more cost-effective, and consumers have expressed an interest in energy equity.³⁷ Cost-effectiveness is a key driver of consumer choice for household appliances.³⁸ For many, natural gas appliances, in addition to propane appliances, would help consumers achieve their cost-effectiveness and energy efficiency goals. For instance, natural gas-powered appliances would save consumer households an estimated cost of \$750 and \$910 per year compared to electric furnaces.³⁹ Consumer preference for a home with natural gas was classified as “important” to nearly 90 percent of people surveyed⁴⁰ while nearly 70 percent of consumers say they prefer natural gas home heating, water heating, and cooking.⁴¹ As for efficiency pertaining to natural gas appliances, it is three times more efficient for a consumer to use natural gas directly in homes and business as opposed to electrification⁴² and natural gas generated electricity averages a source-to-site efficiency of 32 percent.⁴³ These differences in costs and efficiency compared to other sources of power are important for a consumer to understand and have available to them when making purchasing decisions.

To align the label with consumer preferences, the FTC must adopt a label that reflects the FFC to provide consumers with accurate information on what matters most to them when making a

³³ The Harris Poll, *ZNE Home Survey*, Propane Education & Research Council (Dec. 4, 2018).

³⁴ *Id.*

³⁵ *Id.*

³⁶ *Id.*

³⁷ ACUPOLL, Project #210606, Final Report, Testing Messaging Statements to Determine What is Most Impactful to Consumers (June 2021) (finding the top ranked message among respondents in this Project was “Propane equipment generally lasts much longer than electric appliances, and usually costs 40-60% less to operate, making propane a much more cost-effective solution”).

³⁸ Deloitte, *Energy Management: Navigating the Headwinds*, Deloitte Resources 2016 Study, <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/energy-resources/us-er-deloitte-resources-2016-study.pdf> (“keeping my energy bills affordable” noted as the most important energy issue).

³⁹ American Public Gas Association, *How Forced Electrification Will Negatively Impact You* (citing American Gas Association, *Implications of Policy-Driven Residential Electrification*).

⁴⁰ *Id.* (citing NW Natural, *Increase the Value of Your Home with Natural Gas*).

⁴¹ *Id.* (citing Energy Solutions Center 2016).

⁴² *Id.* (citing EPA Energy Star Program, *What are the Site-to-Source Conversion Factors?*).

⁴³ *Id.*

purchasing decision: cost, efficiency, and emissions. An end-use label fails to portray the cost-effectiveness of an appliance since it computes the yearly overall energy cost based solely on where the energy is consumed, in the home, rather than the potential costs associated over a FFC, including transportation, distribution, generation, and energy consumed in production or extraction. As for efficiency, the bulk electric power system faces a multitude of inefficiencies. For example, more than 60% of energy used for electricity generation is lost in conversion.⁴⁴ Therefore, a FFC energy label will convey more accurate cost-effectiveness and efficiency data by providing a rating that includes these additional costs and efficiency measures.⁴⁵

Finally, EnergyGuide labels should provide the consumer with information on emissions associated with each household appliance. As our “Policy Considerations” section above indicates, not only are consumers experiencing a growing desire to reduce emissions, but the current administration has placed a premium on this goal by placing it at the forefront of energy policy. Emissions reduction is a by-product, like lower costs, of more efficient energy usage. Energy efficiency is one of the easiest and most cost-effective ways to combat climate change, reduce energy costs for consumers, and improve the competitiveness of U.S. businesses.⁴⁶ Therefore, it follows that emissions reduction should be provided to a consumer when making a purchasing decision of appliances so they may understand how purchasing a more energy efficient product will also reduce emissions in a concrete way while also saving the consumer money over the life of the appliance.

2. Consumer Understanding of Energy Label

Market research suggests that providing consumers with more data (not less information) is actually helpful to inform educated purchasing choices. In a 2015 University of Chicago study, researchers measured how consumer decisions would change with information tailored to each household’s state of residence. The study found that better labels lead to better purchasing decisions.⁴⁷ Since state-specific labels decrease lifetime cost by an average of \$11.60 per air conditioner, and US consumers purchase more than 4 million room air conditioners each year, the implied aggregate cost savings exceed \$50 million annually.⁴⁸ The study then demonstrated consumer confusion over EnergyGuide labels. Despite having just participated in the experiment, most participants were unable to correctly answer basic questions about the information they had just seen.⁴⁹ Primarily, they did not know whether the labels they just saw were based on national or state energy prices, nor do they know how energy prices or appliance usage in their state

⁴⁴ EIA, Today in Energy, *More than 60% of Energy Used for Electricity Generation is Lost in Conversion* (July 21, 2020), <https://www.eia.gov/todayinenergy/detail.php?id=44436>.

⁴⁵ See Energy Star Portfolio Manager, Technical Reference, *Source Energy* (Oct. 2020), <https://portfoliomanager.energystar.gov/pdf/reference/Source%20Energy.pdf> (discussing source energy as a more accurate and thereby equitable metric for efficiency than site energy); see also EIA, *Average Price of Electricity to Ultimate Customers by End-Use Sector* (2020 and 2021), https://www.eia.gov/electricity/annual/html/epa_02_10.html; EIA, *Petroleum and Other Liquids, Weekly Heating Oil and Propane Prices (October-March)*, https://www.eia.gov/dnav/pet/pet_pri_wfr_a_EPLLP_PRS_dpgal_w.htm (released Dec. 14, 2022); 87 Fed. Reg. 12681 (Mar. 7, 2022) (Energy Conservation Program for Consumer Products: Representative Average Unit Costs of Energy).

⁴⁶ Department of Energy, Office of Energy Efficiency & Renewable Energy, *Energy Efficiency*, <https://www.energy.gov/eere/energy-efficiency> (last visited Dec. 19, 2022).

⁴⁷ Lucas Davis and Gilbert Metcalf, *Does Better Information Lead to Better Choices? Evidence from Energy-Efficiency Labels*, University of Chicago E2E Working Paper 015 at 25 (November 2015).

⁴⁸ *Id.* at 2.

⁴⁹ *Id.*

compares to the national average.⁵⁰ It has been demonstrated that consumers care about cost savings and energy efficiency and are willing to invest in this; however, this study adds the extra layer that when consumers are making these purchasing decisions, they are doing it with a misunderstanding of the label at its most basic level.⁵¹

The overall evidence from the study exemplifies that people take the information in these labels at face value. Consumers do not ignore the information, which is a positive overall; however, they fail to exert additional effort to better understand what the information means “nor are they ... tak[ing] local conditions into account.”⁵² Therefore, while consumers do have an interest in energy efficiency and costs, the labels are confusing consumers who rely on the information as-presented. Instead, a simple and straightforward label with FFC information would provide the consumer with the accurate associated costs, emissions, and efficiency data they can use to compare particular household appliances.

3. Adopting an FFC Label is Not Only Feasible, But Can Be Accomplished In A Simple, Easy to Understand Format Utilizing a QR Code.

The Group proposes that a QR code on energy labels be linked to a website where an individual can access all the relevant data they would want regarding purchasing decisions on appliances in one location at their fingertips. This practical solution would save space on a label, thereby streamlining its appearance and appeal to be utilized by a consumer.

Given the previous sections discussing the various studies on consumer use of the EnergyGuide label and consumer perception/understanding of such a label, the Group proposes the attached mock-up EnergyGuide label for household appliances. A straightforward label with the associated cost number and energy efficiency rating based on the FFC, with a QR code linked to a government-approved website with additional explanation of the calculations and regional or state-specific numbers will better inform consumer decision-making.

II. SUPPLEMENTAL COMMENTS

The Group generally supports expanding the energy labeling list to include other consumer products so long as appropriate test results exist and the labels provide consumers with sufficient information to allow them to make an informed purchasing decision.⁵³ However, at this time the Group is opposed to the FTC adding a label on Miscellaneous Gas Products (MGPs), comprised of decorative hearths and outdoor heaters, due to a lack of applicable test procedures and efficiency standards. DOE has not yet completed its work on how it will establish efficiency levels and test procedures for a number of products within this category of appliances and therefore it would be premature to include an energy label that would risk communicating incomplete or inaccurate information to a consumer. Further, MGP’s determination is currently undergoing a legal

⁵⁰ *Id.*

⁵¹ Richard Newell and Juha Siikamäki, *Can Product Labels Nudge Energy Efficient Behavior?* (Sept. 2014), <https://www.resources.org/archives/can-product-labels-nudge-energy-efficient-behavior/> (noting that simple information on the cost of operating the appliance was most important element for encouraging investment in energy efficiency).

⁵² Lucas Davis and Gilbert Metcalf, *Does Better Information Lead to Better Choices? Evidence from Energy-Efficiency Labels*, University of Chicago E2E Working Paper 015 at 2 (Nov. 2015).

⁵³ 87 Fed. Reg. 64399 (Oct. 25, 2022) (the Group makes its comments in reference to Section III (A) of the ANPR).

challenge, which could alter its current status as a covered product under EPCA. Furthermore, the Group is concerned that EnergyGuide labels for gas cooking products are also premature, as stakeholders have identified several outstanding concerns with the recently finalized test procedures.

The ANPR also solicits comment on potential requirements related to repair instructions. The Group and their members take the safe operation and maintenance of gas systems seriously, including for end-use appliances. The repair and maintenance of propane and natural gas products covered under EPCA presents public health and safety concerns if done incorrectly. For this reason, existing code language requires repairs to fuel gas-fired equipment to be installed and repaired by a certified professional.⁵⁴ The group supports current practice, where repair of these products is limited to highly trained and regulated professionals who are experts in ensuring these products do not present a public or private health or safety concern. The Group would also support making this code requirement more broadly known to consumers to ensure the safe operation of these appliances.

CONCLUSION

The FTC has authority to adopt a label that accurately presents to the consumer the true cost of household appliance purchasing decisions. Doing so promotes fuel neutrality and advances the policy priorities of the Biden Administration by helping to tackle climate change. The FFC test procedures necessary to adopt this new label are straightforward and already available to the FTC. Industry and consumer considerations reflect a desire to be more energy efficient and emissions conscious. The Group urges the FTC to move forward with this approach to inform the consumer of the full spectrum of energy costs, efficiencies, and emissions for appliances in the consumer's region through implementation of an FFC label. Accordingly, the FTC should propose and finalize such an amendment to its EnergyGuide regulation following this ANPR.

Thank you for your consideration of these very important matters.

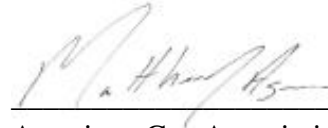
Respectfully Submitted,



National Propane Gas Association (NPGA)
Benjamin Nussdorf

⁵⁴ National Fire Protection Association (NFPA) 54 – National Fuel Gas Code, Section 4.1 (explaining that “the design, installation, testing, purging, and replacement of gas piping, appliances, equipment, and accessories,” as well as the “repair and services of appliances and equipment” shall only be performed by a “qualified agency”), available at <https://link.nfpa.org/free-access/publications/54/2021>.

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