

New Energy Efficiency Legislation Enacted; Further Legislation Efforts Expected in 2013

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President Obama signed H.R. 6582, the American Energy Manufacturing Technical Corrections Act (AEMTCA), on December 18, adding an additional brick to the U.S. energy policy structure. AEMTCA generally received strong praise from both sides of the aisle. It passed unanimously in the Senate and nearly unanimously in the House (398-2). This is a further demonstration that energy efficiency is relatively low-hanging fruit in comparison with comprehensive climate change legislation. And it is evidence of the continued acceleration of efficiency efforts under the Obama Administration. 2013 likely will see work on additional efficiency legislation, which warrants vigilance by industry.

Background

AEMTCA, among other things, amends the Energy Policy and Conservation Act (EPCA), signed into law in 1975 to help create a comprehensive national energy policy. EPCA has been amended several times to expand and refine its requirements. EPCA provides for establishing test procedures for appliances and industrial equipment; efficiency standards (including mandatory standards and the voluntary Energy Star program); labeling; and preemption of state requirements. 42 U.S.C. § 6291 *et seq.* There is an extensive regulatory structure administered by the Department of Energy (DOE) for standards and test procedures, and the FTC for labeling; DOE and the Environmental Protection Agency (EPA) share responsibility for the Energy Star program.

AEMTCA

- AEMTCA makes several amendments to the EPCA standards program. These detailed amendments reflect strong congressional interest in the program—and willingness to address very specific issues.
- EPCA contains precise insulation rules for walk-in coolers and walk-in freezers. In response to industry complaints, AEMTCA provides potential relief where coolers and freezers employ innovative component technologies. The insulation rules shall not apply if the component manufacturer has demonstrated to DOE's satisfaction that the component reduces energy consumption at least as much as if the insulation requirement were to apply.
- AEMTCA requires that DOE undertake rulemaking to provide for a uniform efficiency descriptor and accompanying test methods for water heaters. This addresses the fact that DOE rules currently use different descriptors for smaller water heaters (energy factor) and larger water heaters (thermal

efficiency), each with its own test procedure. AEMTCA provides that DOE can exclude a category of water heater from the uniform efficiency descriptor if it determines that the category does not have a residential use and is effectively rated using descriptors applied to the category under EPCA provisions for commercial products.

- AEMTCA specifies standards for service of over-the-counter, self-contained, medium-temperature commercial refrigerators; and codifies standards for through-the-wall central air conditioners and heat pumps and small-duct high-velocity systems.
- AEMTCA further clarifies the factors that DOE must take into account in considering economic justification for product efficiency standards.
- AEMTCA also requires that DOE, as part of the research and development (R&D) activities of the Industrial Technologies Program, establish collaborative R&D partnerships with other DOE programs to leverage the R&D expertise of those programs to improve industrial efficiency.
- AEMTCA requires DOE to conduct a study of barriers to the deployment of industrial energy efficiency in all electricity markets and to make recommendations.
- Finally, AEMTCA requires DOE, in collaboration with the Department of Defense and the General Services Administration, to issue an annual report on best practices for advanced metering of energy use in federal facilities, buildings and equipment by federal agencies. In addition, energy managers for various federal facilities are to use a web-based tracking system to certify compliance with energy and requirements and publish energy and water consumption data.

Legislative Efforts in 2013

Building on the passage of AEMTCA, congressional efforts on energy efficiency are likely to continue in 2013. Congress may base this work, at least in part, on S. 1000, a broader bill that had substantial support but stalled in the Senate over amendments.

S. 1000 includes such provisions as updating building codes for greater energy efficiency; a building retrofit financing program; a Supply Star program in DOE to identify and promote practices, recognize companies and recognize products that use highly efficient supply chains; rebate programs for purchase and installation of energy saving motor controls and new energy efficient transformers; and various federal agency energy efficiency efforts, including adoption of personal computer power saving techniques by federal agencies.