

Energy Policy and Conservation Act (EPCA) Reform Policy Proposals

Transparency and Effectiveness of Rulemaking Processes

- Establish a mandatory requirement that DOE publish final test procedures for appliances at least 180 days before initiating a minimum efficiency standard rulemaking for the same appliance.
- Direct DOE to use full-fuel-cycle energy calculations in calculating the efficiency descriptor for appliances consistent with its 2011 Policy Statement¹.
 - Definitions should remain consistent with 42 U.S. Code § 6291:

- (4) The term “energy use” means the quantity of energy directly consumed by a consumer product at point of use, determined in accordance with test procedures under section 6293 of this title, for the purposes of section 6293. The term “energy use” means the quantity of energy consumed by a consumer product determined from full-fuel-cycle accounting for preemption exception under 42 U.S.C. § 6297(f)(3)(C). (from [42 U.S. Code § 6291 - Definitions | U.S. Code | US Law | LII / Legal Information Institute](#))

(67) Full-Fuel-Cycle. –

The term “full-fuel-cycle” means the energy consumed by an appliance, system, or building as measured at the building site plus the energy consumed in the extraction, processing, and transport of primary energy forms such as coal, oil, natural gas, biomass, and nuclear fuel; energy consumed in conversion to electricity in power-generation plants; non-combustible renewable electricity generation using the captured energy efficiency approach for conversion efficiency; and energy consumed in transmission and distribution to the building site. (from [AGA's Full-Fuel-Cycle Energy and Emission Factors for Building Energy Consumption – 2018 Update](#), with additions)

(68) Captured Energy Efficiency Approach. –

The term “captured energy efficiency approach” means the source energy of renewable energy generators is exactly equal to the electricity produced with no energy losses prior to transmission and distribution for the purpose of full-fuel-cycle accounting. (from [DOE's Accounting Methodology for Source Energy of Non-Combustible Renewable Electricity Generation](#))

- Full-fuel cycle analysis and metrics provide a more comprehensive and accurate approach. This method examines all impacts associated with energy use, including those from extraction/production, conversion/generation, transmission,

¹ <https://www.federalregister.gov/documents/2011/08/18/2011-21078/energy-conservation-program-for-consumer-products-and-certain-commercial-and-industrial-equipment>

distribution, and ultimate energy consumption. Site energy analysis only takes into consideration the ultimate consumption stage. Significant energy is consumed, with resulting polluting emissions, during all stages of energy use.

- The National Academies report to DOE supports this view, “[Review of Site \(Point-of-Use\) and Full-Fuel Cycle Measurement Approaches to DOE/EERE Building Appliance Energy Efficiency Standards](#).” The report found that DOE should consider changing its measurement of appliance energy efficiency to one based on the full-fuel cycle. This more accurate measurement would give consumers more complete information on energy use and environmental impacts.
- Congress should require DOE to evaluate the effects of its standards before increasing their stringency rather than simply evaluating whether further increases in efficiency are technically feasible.
- The review should also include money saved, energy savings, and technological feasibility evaluations.
- An EPCA reform bill should continue this principle and strengthen it such that DOE is not required to increase efficiency on any product where it is not deemed necessary or productive.
 - While DOE must evaluate any need to change a minimum efficiency requirement on a regulated product or component within the legislated time frame, DOE is not obligated to change to increase the requirement. If it determines there is no need to do so, this fully complies with DOE’s requirement under the law.
 - Clarify that DOE must evaluate current standards before increasing their stringency rather than simply evaluating whether further increases in efficiency are technically feasible.
 - Require DOE to conduct a retrospective review of an appliance’s prior efficiency standard rulemaking before initiating a new rulemaking for the same product.
- Eliminate or modify EPCA’s mandatory 6-year review of energy conservation standards to reduce regulatory burdens, free up resources for innovation, and align with other regulatory frameworks. This could be achieved by repealing 42 USC 6295(m) while retaining key provisions, limiting the number of mandatory reviews, extending review timelines, or adjusting the review trigger to prevent overly frequent rulemaking cycles.
- Create an alternative to continued serial rulemakings for covered products, by triggering new evaluations based on petitions for a new standard rather than an arbitrary six-year timeline.
- Direct DOE to base energy conservation standards solely on the factors outlined in the original EPCA statute—energy savings, economically justified (i.e., cost savings), and

technological feasibility, and specify that DOE is precluded from supporting a rule based on extraneous considerations beyond these core criteria.

- DOE rulemakings should guarantee transparency, access to, and disclosure of models and modeling assumptions.
- **Require DOE to follow its Process Rule.** DOE has established processes for its standards and test procedure development. These processes, outlined in the Process Rule, dictate the order of rulemakings, the analyses, and the criteria DOE will examine. However, because the rule is not mandatory, DOE often chooses not to follow portions of it, leading to uncertainty and allowing justification of rules that might not otherwise be justified. To address this, DOE should be required to adhere to its established processes when establishing and amending test procedures and energy conservation standards.

Ensure Real Energy and Consumer Savings

- Clarify and simplify the definition of “economically justified” and decrease the complexity of the analysis used to determine if a proposed standard meets this definition.
- Ensure analysis gives appropriate credit for direct use of gas and efficiency savings and ensure calculations for efficiency savings capture percentage electricity loss as compared to natural gas or other fuel direct use
- Require the appliance energy regulations (gas, electric, or oil) that DOE meet a minimum 3-year payback period before proposing a minimum efficiency requirement for the covered product.
- Establish a minimum energy savings threshold for new or revised efficiency standards.
- In the draft *Hands Off Our Home Appliances Act* language, we have a proposed edit to further strengthen consumer protections:
 - We recommend the inclusion of the highlighted portion below to further strengthen consumer protection language and fuel neutrality (under ‘(G) OTHER CONSIDERATIONS)
 - *“(II) the savings in operating costs, **including changes in consumer fuel costs** throughout the estimated average life of the covered product in the type (or class) compared to any increase in the price of, or in the initial charges for, or maintenance expenses of, the covered products which are likely to result from the imposition of the standard*
 - Under ‘(D) CRITERIA RELATED TO PERFORMANCE “(i) the compatibility of the covered product with existing systems; should be strengthened to include the compatibility of the covered product with existing systems, such as building venting and condensate management systems

Require Fuel Neutrality

In recent rulemakings, DOE has used fuel-switching, an indicator of the previous Administration’s preference for electrification, to justify rulemakings. DOE should maintain fuel

neutrality and keep its analyses on the appliance(s) at hand and the savings related to said appliance. The proposal below would take important steps to clarify existing law so there are no questions as to what DOE can include fuel switching in its economic justification of appliance standards.

- When the Department of Energy evaluates whether a new or revised appliance standard is economically justified, it must not count any energy or cost savings that come solely from consumers switching from one fuel type to another as part of the benefits of that standard. In other words, a standard for gas appliances cannot be justified by the assumption that consumers will switch to electricity and realize savings.
- Any analysis of new or revised appliance standards must fully account for potential negative consumer impacts, including higher conversion or installation costs, reduced product availability, and other economic hardships if the standard forces or incentivizes fuel or product switching. While fuel-switching benefits cannot be used as a justification for a standard, the analysis must include both the cost of switching appliances and the full life-cycle fuel cost. This approach ensures that consumers receive a complete and accurate assessment of the economic trade-offs associated with appliance choices, maintaining fuel neutrality while preventing undue burdens.

Maintain Consumer Access to Appliances

- Clarify the “unavailability” provisions of EPCA to ensure DOE does not have the ability to eliminate appliances from the market through the rulemaking process.
- There should be a limit on any expansion of coverage to only those narrow circumstances that satisfy the statutory requirements and purpose of EPCA.
- We would request the inclusion of language to treat condensing and non-condensing products as two separate product classes because condensing/non-condensing technology and related venting constitute a performance-related feature under EPCA.
- Find here suggested legislative language:
 - The Secretary shall issue and maintain separate energy conservation standards for products based on product venting categories, pursuant to the Energy Policy and Conservation Act (42 USC § 6295; generally, 42 USC § 6200 et seq.). No later than March X, 2025, the Secretary shall publish final energy conservation standards pursuant to the Energy Policy and Conservation Act (42 USC § 6295) for vented appliance Category I, Category III, and Category IV non-weatherized furnaces and boilers, weatherized furnaces and boilers, mobile home furnaces, tankless water heaters, and storage water heaters, with the Categories determined and labeled in accordance with the requirements for venting category determination required by the applicable American National Standards (ANS) Institutes national consensus standards for these products. As part of these standards, each of these product types shall have a separate standard that reflects the unique requirements of Category I, Category III, and Category IV including technology, venting, installation, and performance.

- Any energy conservation standards or final rule that includes standards for non-weatherized furnaces and boilers, weatherized furnaces and boilers, mobile home furnaces, and water heaters published after January 1, 2023, that do not contain separate energy conservation standards for Category I, Category III, and Category IV products shall be amended by January 1, 2025 to conform with the requirements of this Act.
- Energy conservation standards issued pursuant to this Act are exempt from the requirements and restrictions of 42 USC § 6295(o)(1).

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