



N A R U C
National Association of Regulatory Utility Commissioners

January 20, 2010

Honorable Cathy Zoi
Assistant Secretary for Energy Efficiency and Renewable Energy
U.S. Department of Energy
1000 Independence Ave, SW
Washington, DC 20585-0121

Re: Residential Water Heaters Docket #: EE-2006-BT-STD-0129 and RIN 1904-AA90

Dear Assistant Secretary Zoi:

Energy efficiency standards for appliances and equipment are essential to addressing the economic concerns, energy needs, and climate change issues that are at the forefront of national and State agendas. The residential water heaters rulemaking provides the Department of Energy (DOE) an optimum chance to further demonstrate the Administration's commitment to energy efficiency. We encourage DOE to set standards that achieve the greatest level of cost-effective energy savings.

The National Association of Regulatory Utility Commissioners (NARUC) is an association representing the State public service commissioners who regulate essential utility services throughout the country. As regulators, our members are charged with protecting the public and ensuring that rates charged by regulated utilities are fair, just, and reasonable. Energy efficiency is an essential component of State and Federal energy policy, and State Commissioners strongly support the development of stronger energy efficiency standards for appliances and equipment.

NARUC is pleased with DOE's proposed new efficiency standards for most storage type water heaters. Water heaters are among the most energy intensive consumer product categories. Increasing the efficiency standard will help save significant quantities of energy. These savings will reduce consumer energy costs and result in a net reduction of greenhouse gas emissions.

NARUC's Board of Directors passed, in February 2009, a resolution urging DOE to expeditiously promulgate and implement new national standards for water heaters and other consumer products. We are pleased to see DOE making strides in this direction. For more details, please see the attached resolution.

If you have any questions, please contact me at 202-898-1350.

Sincerely,

Robin J. Lunt
Assistant General Counsel

Resolution Supporting U.S. Department of Energy's Energy Efficiency Standards

WHEREAS, The National Association of Regulatory Utility Commissioners (NARUC) has a long history of supporting appliance and equipment energy efficiency standards, including resolutions adopted in 1996, 1997, 1999, 2000, and 2004, because of the benefits energy efficiency standards provide to energy consumers, energy utility companies, and society as a whole; *and*

WHEREAS, The General Accounting Office issued a report in January 2007 (GAO-07-42) that the U.S. Department of Energy (DOE) has missed all 34 congressional deadlines for setting energy efficiency standards for 20 product categories. The report stated that “Lawrence Berkeley National Laboratory estimates that delays in setting standards for the four consumer product categories that consume the most energy—refrigerators and freezers, central air conditioners and heat pumps, water heaters, and clothes washers—will cost at least \$28 billion in forgone energy savings by 2030;” *and*

WHEREAS, Appliance and equipment efficiency standards are among the most cost effective means of achieving energy efficiency, leading to reduced energy bills for residential and business consumers, pollution reduction, job growth, improved reliability and reduced demand pressure on energy prices; *and*

WHEREAS, Analysis of DOE estimates by the American Council for an Energy Efficient Economy (ACEEE) indicates that already enacted and adopted national appliance and equipment and efficiency standards will by 2020 result in a cumulative net savings of \$416 billion for U.S. businesses and consumers and reduce annual electricity use by 672 terawatt hours per year (15% of projected annual electricity use in 2020), reduce peak electricity demand by 211 gigawatts (15% of projected 2020 demand levels) and cut national carbon dioxide emissions by 536 million metric tons (7.7% of total U.S. projected emissions in 2020); *and*

WHEREAS, Analysis of DOE and independent data by the ACEEE shows that cost effective upgrades to the 25 standards due through 2011 have the potential to generate an additional net savings for U.S. consumers and businesses of \$60 billion through 2030, reduce annual electricity consumption by 165 terawatt hours, reduce annual natural gas consumption by about 240 billion cubic feet, reduce peak electricity demand by 60,000 megawatts and cut annual carbon dioxide emissions by 150 million metric tons; *and*

WHEREAS, Standards for seven products: linear fluorescent lamps, incandescent reflector lamps, residential water heaters, refrigerators and freezers, residential central air conditioners and heat pumps, residential clothes washers, and residential furnace fans make up about 70% of the estimated total savings; *and*

WHEREAS, The linear fluorescent and incandescent reflector lamps standard has the potential to save more energy than any other standard ever set by the DOE (58 terawatt hours and \$800 million in annual savings in the year 2020); *and*

WHEREAS, Economic concerns and climate change issues are at the forefront of national and State agendas, the importance of standards as a contributing solution should be recognized; *now, therefore be it*

RESOLVED, That the Board of Directors of the National Association of Regulatory Utility Commissioners (NARUC), convened at its 2009 Winter Committee Meetings in Washington, D.C., urges the U.S. Department of Energy to expeditiously promulgate and implement new national standards for linear fluorescent lamps, incandescent reflector lamps, residential water heaters, refrigerators and freezers, residential central air conditioners and heat pumps, residential clothes washers, and residential furnace fans that achieve the greatest level of cost-effective energy savings, which will result in a net reduction of greenhouse gas emissions; *and be it further*

RESOLVED, That NARUC urges DOE to establish the greatest level of cost effective energy savings for the remaining 18 products on DOE's rulemaking schedule through 2011.

*Sponsored by the Committees on Energy Resources and the Environment,
Electricity, and Water*

Adopted by the NARUC Board of Directors February 18, 2009