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**Subject:** RE: (External):DOE Regulatory Reform RFI Summary Updated Comments  
**Date:** Monday, June 19, 2017 3:58:40 PM  
**Attachments:** [image001.png](#)  
[DOE Regulatory Reform RFI Summary 7June2017 mbh9 bk CK.docx](#)

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Dear Mary,

Here are my initial comments for our brainstorming session we had in this morning... Obviously, I need to think more about this. So, I will provide more comments along the way as new thoughts come up.

Regards,

**Charles J. Kim, P.E.**

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**From:** Anderson, Mary [mailto:M3AK@pge.com]  
**Sent:** Monday, June 19, 2017 11:33 AM  
**To:** John Barbor <JBarbour@semprautilities.com>; Reefe, Jeremy (JMReefe@semprautilities.com) <JMReefe@semprautilities.com>; Daniela Garcia <dgarcia3@semprautilities.com>; michelle sim <MSim@semprautilities.com>; Charles Kim <Charles.Kim@sce.com>; Randall Higa <Randall.Higa@sce.com>; Hunt, Marshall <MBH9@pge.com>; Bijit Kundu <BKundu@energy-solution.com>; Craig Tyler (craigtyler@comcast.net) <craigtyler@comcast.net>  
**Subject:** (External):DOE Regulatory Reform RFI Summary Updated Comments

Folks,

Here are the comments that I added during our meeting. I look forward to talking with the team next week!

Mary

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**Department of Energy (DOE)  
Request for Information (RFI)**

*Draft Summary  
June 19, 2017*

*Prepared for CA Investor Owned Utilities by Energy Solutions*

**Background**

- On May 30, DOE released an RFI “seeking comments and information from interested parties to assist DOE in identifying existing regulations, paperwork requirements and other regulatory obligations that can be modified or repealed, consistent with law, to achieve meaningful burden reduction while continuing to achieve the Department’s statutory obligations.”
- Part of implementation of Executive Order (EO) 13771 (*Reducing Regulation and Controlling Regulatory Costs*) which requires:
  - 2-for-1 – repeal 2 regs for any 1 proposed.
  - Total incremental costs for all new regulations of all new regs shall not be greater than zero (cost-benefit).
  - Any new incremental costs for a new reg shall be offset by costs with 2 current regs.

**Objective**

Docket a letter with DOE that includes the following comments regarding the appliance standards program:

- The positive impacts of energy efficiency regulations and test procedures with respect to jobs, necessity, and benefits.
- Statutory obligations in EPCA.
- Recommendations for improvements to rulemaking.

**Schedule of Rulemaking and Effective Date**

<i>Milestone</i>	<i>Date</i>
RFI Published	May 30
Review Form Distributed	June 28
Draft Comment Letter to IOUs	July 5
Comment Deadline	July 14

**Comment [BK1]:** Is a review form necessary for this letter? Does this timing work?

**Summary of Key Issues and Potential Comments**

Topic: DOE shall identify regulations that... (i) *Eliminate jobs, or inhibit job creation;* (ii) *Are outdated, unnecessary, or ineffective;* (iii) *Impose costs that exceed benefits...*

- **Jobs**
  - Lower utility bills for consumers means larger macroeconomic benefits to the US economy – including creation of jobs – Rethink, potentially reducing jobs in the G&E industries
  - Net Present Value of regulations for the nation is always positive
  - Costs are likely much smaller (cite ASAP paper)
  - [Research specific US manufacturers who have increased product lines/market share due to innovations in response to standards – Cree, others]
  - New bullet on customer impacts - Charles
- **Utility Sector**
  - ~~EE regulations provides~~ EE regulations provide the stick to complement the carrot of incentive programs. Without mandatory regulations, incentive programs can become outdated with limited savings opportunities
  - Advocacy on EE regulations are a significant component in the utilities EE portfolio and the most cost-effective program
  - EE regulations reduce utilities' ~~capital~~ costs by not having to build new power plants or contract for additional capacity to meet increasing demand which would increase costs for customers
  - Peak demand reduction: prevent use of expensive peaker plants
  - Regulations establish test procedures ~~regulations that provide the foundation~~ for incentive programs
  -
- **General Benefits**
  - All DOE efficiency regulations adopted have benefits that far exceed the costs
    - Cite statutory requirement in EPCA
  - Appliance manufacturers participate in a global market with standards from the European Union and others setting market regulations in the absence of USA
- **Consumer Benefits**
  - Appliance regulations bridge the split incentive problem for tenants who do not buy major energy consuming appliances
  - Lower utility bills means more consumer purchasing ~~spending~~ power
  - EE regulations ~~fosters~~ allows US manufacturers ~~to innovate~~ in products to make product which perform them better performing and feature-rich – increasing customer satisfaction
  - More efficiency appliances help meet state and local building code regulations which lowers costs for builders and owners
- **Statutory Requirements**
  - Cite EPCA and cost-benefit requirements, periodic review of rules
  - Anti-backsliding provision
- **Enhancements**
  - Support working with states to reduce duplicative reporting burdens

- Support ASRAC working group efforts as a way to streamline regulations



## References

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- RFI: <https://www.gpo.gov/fdsys/pkg/FR-2017-05-30/pdf/2017-10866.pdf>
- ASAP Jobs Paper: <http://appliance-standards.org/sites/default/files/Appliance-and-Equipment-Efficiency-Standards-Money-Maker-Job-Creator.pdf>
- ASAP Better Appliance Paper: [https://appliance-standards.org/sites/default/files/Better\\_Appliances\\_Report.pdf](https://appliance-standards.org/sites/default/files/Better_Appliances_Report.pdf)
- ASAP Comparing Predicted and Observed Prices: [https://appliance-standards.org/sites/default/files/Appliance\\_Standards\\_Comparing\\_Predicted\\_Expected\\_Prices.pdf](https://appliance-standards.org/sites/default/files/Appliance_Standards_Comparing_Predicted_Expected_Prices.pdf)
- Executive Order 13771: Reducing Regulation and Controlling Regulatory Costs
  - <https://www.gpo.gov/fdsys/pkg/FR-2017-02-03/pdf/2017-02451.pdf>
- Executive Order 13783: Promoting Energy Independence and Economic Growth
  - <https://www.gpo.gov/fdsys/pkg/FR-2017-03-31/pdf/2017-06576.pdf>
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## DOE Questions for Stakeholder Comment

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*The following list of questions represents a preliminary attempt by DOE to identify rules/obligations on which it should immediately focus. **This non-exhaustive list is meant to assist in the formulation of comments and is not intended to restrict the issues that may be addressed.** In addressing these questions or others, DOE requests that commenters identify with specificity the regulation or reporting requirement at issue, providing legal citation where available. The Department also requests that the submitter provide, in as much detail as possible, an explanation why a regulation or reporting requirement should be modified, streamlined, or repealed, as well as specific suggestions of ways the Department can do so while achieving its regulatory objectives.*

(1) How can DOE best promote meaningful regulatory cost reduction while achieving its regulatory objectives, and how can it best identify those rules that might be modified, streamlined, or repealed?

- [Uniform LED quality standards](#)

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- Making final EPA refrigerant regulations well in advance of DOE EE requirements
- Look at process of international regulatory bodies and identify ways to improve DOE's rulemaking process [CA IOUs consultant can work on this]
- ASRAC Process – DOE does not need to hire a consultant for gathering data, performing LLC, etc. ASRAC can provide specific regulatory requirements to the DOE.

(2) What factors should DOE consider in selecting and prioritizing rules and reporting requirements for reform?

- Nation energy use is required but regional impacts are also important
- The water/energy nexus is ignored but important in the dry southwestern USA, conserving potable water since that is becoming an issue
- Bullet on voluntary standards—Charles Factors for Prioritization
  - Are there successful voluntary standards in effect (and is effective)?
  - A "Product Cycle" is less than 5 years? [DOE can decide either five, 6, or 7 years as cut-off]. If the appliance has good energy saving potential, work with ENERGY STAR for creating voluntary standards.
  - Basic component vs. System? [e.g., regulating basic component, in many cases, is more sensible for regulation than the system when system changes rapidly]. Example, regulating battery chargers will have greater impacts on any products that relays on battery power]
  - Old vs. New Tech. – Collaborate with Federal Trade Commission to see if old technology has been replaced with new one, so eliminate regulations on old tech. when appropriate.
  - Etc. [I will add more as time goes]

(3) How can DOE best obtain and consider accurate, objective information and data about the costs, burdens, and benefits of existing regulations? Are there existing sources of data DOE can use to evaluate the post-promulgation effects of regulations over time? We invite interested parties to provide data that may be in their possession that

documents the costs, burdens, and benefits of existing requirements.

- ~~Field research and data collection is needed but it is expensive and takes years.~~
- Field research and data collection is needed but it is expensive and takes years.
- Support of voluntary alternatives to HVAC test standards such as HPWH and VCHP.

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(4) Are there regulations that simply make no sense or have become unnecessary, ineffective, or ill-advised and if so what are they? Are there rules that can simply be repealed without impairing DOE's statutory obligations and, if so, what are they?

- There are possible negative impacts, but can organizations like AHRI be engaged in a positive way on this issue. There would need to be a stakeholders Project Advisory Group (PAG), including EE advocates, to guide the effort. Funding would come from members.

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(5) Are there rules or reporting requirements that have become outdated and, if so, how can they be modernized to better accomplish their objective?

- Use current web based technology. [From the pricing perspective, this can be misleading. Besides MSRP, "sale" price can be driven by many factors, including one company's marketing plans, instead of reflecting market conditions.
- Have stakeholder accessible data.
- Leverage CEC database and EU appliance databases where possible

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(6) Are there rules that are still necessary, but have not operated as well as expected such that a modified, or slightly different approach at lower cost is justified?

- Comment on incentive program

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- o Highlight rulemakings where DOE chose the wrong inappropriate metrics (i.e., metrics that does not reflect the real-world situation well. An example is cloth washer) or test procedure.

(7) Are there rules of the Department that unnecessarily obstruct, delay, curtail, or otherwise impose significant costs on the siting, permitting, production, utilization, transmission, or delivery of energy resources?

- *SCE Charles (SCE) wants to be silent for responding to this question, unless we have very compelling reasons. This is because, the Executive Order 13783 states, "... particular attention to oil, natural gas, coal, and nuclear energy resources..." this is outside of "renewable generation" or DSM/DER objectives.*

(8) Does DOE currently collect information that it does not need or use effectively?

- ~~Wrong question~~ No, —DOE does not collect sufficient information. DOE needs to collect information in order to make regulations (fact driven) and for enforcement.

(9) Are there regulations, reporting requirements, or regulatory processes that are unnecessarily complicated or could be streamlined to achieve statutory obligations in more efficient ways?

- How about FTC's labeling requirements? I know that I am stepping outside of DOE territory; however, this item is one that DOE can collaborate with FTC. Basically, the label elements that are not under the statutory requirements (or Fair Packaging and Labeling Act) can be simplified (i.e., report a reference number to DOE/FTC without modifying actual labeling due to a new regulatory (EE) requirements. See: <https://www.ftc.gov/enforcement/rules/rulemaking-regulatory-reform-proceedings/fair-packaging-labeling-act>

(10) Are there rules or reporting requirements that have been overtaken by technological developments? Can

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new technologies be leveraged to modify, streamline, or do away with existing regulatory or reporting requirements?

- We can look at this question from a perspective of “Begin with the End in Mind.” Charles’s comment on computersA concept of “5W5S” introduced in 2012 by CalPlug of University of California at Irvine can be leveraged regardless of technology advancement in IoT products. This simple concept is let IoT devices consume 5 Watt or less while not in operating mode, but wake up within 5 seconds in order to response to the user’s need/calls.
- [I need to think a bit more on this... Charles]

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(11) Does the methodology and data used in analyses supporting DOE’s regulations meet the requirements of the Information Quality Act?

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- o In order to response to this question, if we choose to, we need an expert on Information Quality Act, in order to make statements with impact.

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