



February 27, 2006

David Shiller
ENERGY STAR Marketing Manager
Environmental Protection Agency
C/o Gwen Duff, ICF Consulting
1725 Eye Street NW, Suite 1000
Washington, DC 20006

Dear Mr. Shiller:

On behalf of CEE, I am submitting the following comments on EPA's proposal to sunset the ENERGY STAR Thermostat Specification (Specification). These comments were developed by the CEE Residential HVAC and Gas Committees (Committees), and the organizations listed at the end of the letter have chosen to indicate their support for them. Thank you for the opportunity to provide input on the proposal.

EPA Should Temporarily Suspend the ENERGY STAR Thermostat Label

We support EPA's efforts to ensure that all products currently eligible for the ENERGY STAR label deliver expected savings and enhance the overall mission of the ENERGY STAR Program. We also recognize the ENERGY STAR Program has limited resources that must be allocated in a manner that maximizes risk-adjusted energy savings. Some CEE members have implemented energy-saving programs that combine consumer education and requirements for ENERGY STAR thermostats; at least ten members currently offer incentives for ENERGY STAR thermostats. The experience and research of many other CEE members support the conclusion of the studies cited by EPA in the proposal: programmable thermostats are inconclusive in their ability to consistently reduce energy use across the country. While some CEE members (primarily the gas companies in the New England region) have evidence of Therm savings from their programs promoting ENERGY STAR thermostats and their proper use in a heating dominated climate, the uncertainty of savings in other climates is enough, we find, to justify suspending the labeling program. Further, the integrity of the ENERGY STAR program is in jeopardy if valid studies are unable to demonstrate that these thermostats consistently lead to changes that save energy in the absence of efficiency program support.

CEE agrees with EPA's proposal to sunset the Specification, with the understanding that "sunset" means to suspend the Specification temporarily rather than to terminate it. This recommendation hinges on a commitment from EPA to revisit and review the Specification and reinstate it if appropriate. We believe a review of the Specification should be triggered by increased certainty regarding energy savings attributable to programmable thermostats or improvements to thermostat features and performance, rather than scheduled at a specific time. The existence of any one of the following market conditions (or others deemed appropriate by EPA) should trigger a review of the suspension:

- Studies show that naïve users successfully use currently-available programmable thermostats to save energy without instruction.

- Empirical studies give evidence that a new generation of programmable thermostats possess features that consistently save energy.
- Manufacturers demonstrate that new technical features that enable peak demand management and energy savings, such as *adaptive response* and a "plug-and-play" interface for demand controllers, are effective and nationally available. Program administrators value programmable thermostats that will change consumer behavior in a manner that saves energy without negatively impacting peak demand.

EPA Should Dedicate Resources to Develop an Effective Consumer Education Campaign

CEE recognizes the importance of consumer education and commends EPA's efforts to initiate a campaign to this end. Ultimately, energy savings are likely to be achieved without negatively impacting peak demand only if consumers use their thermostats properly, which will require a coordinated campaign with key stakeholders conveying complementary messages. CEE and its members look forward to participating in the process of developing the ENERGY STAR consumer education materials on thermostats. We believe this process should go forward regardless of whether EPA sunsets the ENERGY STAR label for programmable thermostats.

EPA Must Ensure the Proposed "Educational Graphic" is not Perceived as a Product Endorsement

Regarding the educational graphic proposed by EPA, we want to emphasize that it must enhance the overall objective of the ENERGY STAR program and not dilute the significance or integrity of the brand. There is some concern that the graphic could be associated with poor-quality products and/or lead consumers to believe the product is ENERGY STAR labeled. CEE urges EPA to design the graphic and the rules for its use carefully so as to avoid any negative repercussions for the ENERGY STAR brand and the partners who have contributed so much to its equity.

Thank you again for the opportunity to comment on the EPA proposal. Please contact John Taylor, CEE Residential Program Manager, at 617-589-3949 ext. 228 with any questions.

Sincerely,



Marc Hoffman
Executive Director

Supporting Organizations

Connecticut Light and Power
Pacific Gas & Electric
PacifiCorp
Sacramento Municipal Utility District
Southern California Edison
TXU Electric Delivery
United Illuminating
Wisconsin Division of Energy