



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

OFFICE OF
AIR AND RADIATION

December 29, 2006

Dear ENERGY STAR[®] Programmable Thermostat Partner or Other Industry Stakeholder:

On January 11, 2006, EPA held an ENERGY STAR Programmable Thermostat Stakeholder meeting where it was proposed that the programmable thermostats category be transitioned from a performance specification to a consumer education partnership. EPA is pleased to share a second draft proposal on the product category below as well as a new Draft Partnership Agreement for manufacturer participation in the proposed partnership for your review.

EPA appreciates the feedback that stakeholders have provided in moving forward with this process. From the feedback received to the initial proposal, there are some key areas where stakeholders expressed concerns, including:

1. The transition away from an ENERGY STAR performance specification;
2. The inclusion of all thermostat types in the consumer education partnership; and,
3. The ENERGY STAR education graphic requirements and timelines.

Below please find how EPA intends to address each of the above-mentioned concerns:

1. The transition away from an ENERGY STAR performance specification.

Comments expressing concern over EPA's intent to suspend the ENERGY STAR performance specification for programmable thermostats focused on the need for some sort of quality standard for these products. Although ENERGY STAR specifications do sometimes incorporate quality standards, such standards are not by themselves sufficient basis to justify an ENERGY STAR specification. In lieu of ENERGY STAR performance specifications for programmable thermostats, EPA intends to support the National Electrical Manufacturers Association (NEMA) in setting a new industry-consensus quality standard for programmable thermostats. NEMA has indicated to EPA their desire to involve current ENERGY STAR partner manufacturers beyond NEMA members, to create a true industry consensus quality standard.

After reviewing all of the comments submitted, EPA retains its proposal that ENERGY STAR product performance requirements be suspended, until future studies can confirm meaningful savings from performance attributes or features that are specific for programmable thermostats. No data was submitted by any partners to refute the existing five studies which conclude there were no significant savings from programmable thermostat installation.

2. Partners and stakeholders were concerned about the inclusion of all thermostat types in the consumer education partnership.

Upon further consideration, EPA is proposing that the education partnership be limited to programmable thermostats, meaning that an ENERGY STAR education graphic for thermostats will be designed for use with a programmable thermostat. However, EPA's broader efforts to educate consumers about effective thermostat use will continue to be addressed to all potential operators of a residential thermostat, whether manual or programmable.

- Partners and stakeholders had varying concerns about the current ENERGY STAR mark and education graphic. Most were concerned about the timeline in transitioning to the graphic as well as the requirements of where and how the graphic should be used.

Because the education graphic is not intended to convey product certification, EPA would not require partners to label the product itself. However, partners would be required to use the graphic on their Web sites (as appropriate), on product packaging, and/or on marketing and product literature.

In addition, EPA has developed an updated proposed timeline for the transition to the new graphic and messaging:

Proposed Timeline

<u>Activity</u>	<u>Dates</u>
EPA releases draft education partnership proposal for stakeholder comment	January 2007
EPA collaborates with stakeholders to develop education partnership, including graphic, messaging, etc	February - May, 2007
Manufacturers decide on participation in the education partnership	February - May, 2007
EPA launches education partnership via press release and explains the transition from equipment performance to education	May 2007
Participating manufacturers begin using graphic and messaging and phasing out use of the ENERGY STAR certification mark	May 2007
All products and product literature stop using the certification mark	May 1, 2008

Please note that the enclosed Partnership Agreement (PA) is consistent with the standard ENERGY STAR Partnership Agreement for products. This may be the first time that programmable thermostat partners who joined ENERGY STAR under a Memorandum of Understanding have seen the PA documents. The ENERGY STAR Program has been transitioning to the PA format over the past several years, as product specifications are updated in order to standardize the documents that partners sign across product categories. As a result, manufacturers only have to sign the PA once, but can participate for any product area subject to the partner commitments and product eligibility criteria. In this case, EPA is proposing that the partner commitments for thermostats will center around an education effort and that eligibility criteria will be suspended.

All interested stakeholders will have until February 6, 2007 to provide feedback on the revised proposal, Partnership Agreement and timeline. All comments should be sent to Gwen Duff, ICF International, via e-mail at gduff@icfi.com. Additionally, on **February 13, 2007 from 9:00 a.m. to 1:00 p.m.**, EPA would like to hold a stakeholder meeting at EPA's offices in Washington, DC to discuss moving forward with the transitional plan and receive feedback from stakeholders on a possible educational graphic. Please RSVP to Gwen Duff, ICF International, via email at gduff@icfi.com if you plan to attend the stakeholder meeting.

The exchange of ideas and information among EPA, industry, and other interested parties is critical to the success of ENERGY STAR. As such, you are strongly encouraged to provide prompt feedback. **All comments will be posted to the ENERGY STAR Product Development Web site unless the**

submitter requests that their comments remain confidential. If you support the proposal, or do not wish to comment, please state this in writing or via email.

Thank you for taking the time to review this draft partnership agreement and revised proposal. Please feel free to contact me directly with any questions or concerns at (202) 343-9019 or via e-mail at fanara.andrew@epa.gov.

Thank you for your continued support of ENERGY STAR.

Respectfully,

A handwritten signature in black ink, appearing to read 'Andrew Fanara', with a long horizontal line extending to the right.

Andrew Fanara
Product Development Team Leader