

ENERGY STAR[®] Programmable Thermostat Industry Meeting
EPA Offices, Washington, DC
Wednesday, January 11, 2006
Meeting Notes

Since 2002, EPA has been working with industry stakeholders to determine the best way to revise and implement a programmable thermostat specification such that energy savings are maximized and realized. EPA released its most recent draft of the Version 2.0 specification on October 9, 2003 for stakeholder review and comment. However, based on additional field studies of consumer behavior, EPA is proposing the transition from a performance-based specification to a consumer education campaign.

On Wednesday, January 11, 2006, EPA held an industry meeting in Washington, DC to discuss this change in direction and present a proposal to industry for discussion. Provided below is a summary of these discussions. A final meeting attendee list and EPA's presentation will be available for download from the ENERGY STAR Web site at www.energystar.gov/productdevelopment.

Introduction

Andrew Fanara, US EPA, opened with an introduction and history of the specification revision process and a general overview of where the product category may be headed.

EPA Proposal

David Shiller, US EPA, reviewed the specification history and challenges of the category, field studies on programmable thermostats, and EPA's proposed new direction (e.g., consumer education campaign and ENERGY STAR graphic)

Stakeholder Feedback and Discussion

Transition to Consumer Education Campaign: Messaging

- Some manufacturers felt that moving forward with a consumer education campaign was the right path since programmable thermostats in and of themselves do not meet energy-efficiency requirements. Others continued to feel that a performance specification was necessary since the ENERGY STAR is instrumental in ensuring product quality.
- Manufacturers mentioned that energy-efficiency sponsors are the key in reaching the consumer.
- **EPA response:** EPA has already given the same proposal to utilities, all of which have expressed their support for the campaign.
- Manufacturers were interested in EPA's target group for the messaging.
- **EPA response:** EPA explained that they felt it was more effective to have a target group for this effort since many consumers, because of their lifestyle or schedule, may not consider setbacks.
- Manufacturers were interested in how easily the campaign could be coordinated.
- **EPA response:** The campaign could be coordinated and rolled out easily and quickly to both new homeowners, current homeowners, and contractors.

Transition to Consumer Education Campaign: Graphic

- There were many opinions with respect to requiring the graphic on the product. Manufacturers were concerned with graphic size and including anything in the precious real estate on the product. Many manufacturers did not agree to put the graphic on the thermostat itself and suggested placement in the user manual. Some felt that a mylar cling would be agreeable. One manufacturer mentioned that there should be grandfathering for the label for the next five years.
- **EPA response:** EPA stressed that a graphic was a key part of the plan and that consumer education was very important in moving forward with thermostats since the current label gives consumers the wrong impression that they are saving money. EPA suggested that a refrigerator magnet or package insert may be an acceptable way to provide education and the graphic.
- Manufacturers also mentioned that the contractor was a key in educating the consumer. However, they mentioned product packaging will not be effective with contractors (since they typically take the thermostat out of the packaging).
- **EPA response:** EPA mentioned that there hasn't been as much outreach to contractors in the past, but that this would be important with the new campaign. EPA will work with the Air Conditioning Contractors of America (ACCA) and other organizations to take the education message to contractors.

Inclusion of Mechanical Thermostats

- Most manufacturers felt that the inclusion of the ENERGY STAR label on products carries a perception that they are superior to other products. However, they felt that mechanical products are not always superior products (e.g., accuracy issues) and felt that it would damage the reputation of the brand.
- Many manufacturers felt that any thermostat could save the homeowner money; however, they stressed that programmable thermostats were better products since they take into account energy savings, as well as homeowner comfort. Additionally, homeowners have to do less to save energy with programmable thermostats.

Field Studies and Industry Data

- One manufacturer felt that the studies were dated and did not include the updated, more sophisticated products available in today's marketplace. The manufacturer felt that if EPA transitioned from the specification, it would turn the products back 10-15 years.
- **EPA response:** EPA mentioned that the ENERGY STAR label on programmable thermostats is not serving EPA's greater interests, so a new tact was needed. Additionally, EPA mentioned that even though some of the studies may be a little dated, there's now a perception that programmable thermostats are not truly saving money. EPA called the meeting to ask manufacturers and industry for data and field studies that refute the data presented.

Sunset of the Programmable Thermostat Specification

- Some manufacturers expressed complete support for the proposal.

- Some manufacturers were against the sunseting of the programmable thermostat specification. They felt it would allow all thermostats (e.g., programmable, mechanical, digital) to be on the same level. Many felt strongly that all thermostats are not created equal and manufacturers would need something besides education to ensure that the current ENERGY STAR qualified products would be chosen.
- **EPA response:** EPA had consumer interviews done and found that just including the ENERGY STAR label on products equated to savings in the mind of the consumer. EPA is concerned about providing misinformation to consumers if thermostats continued to be labeled.
- Manufacturers also mentioned that they felt vested in the new Version 2.0 specification with both time as well as the transition of some of the new features into their current product lines. They were very concerned about a drop in product quality.
- **EPA response:** EPA mentioned that maintaining the product specification and the educational campaign could be a possibility. However, EPA emphasized that continuing with the status quo was not a possibility. In addition, EPA felt that there was no industry consensus with the Version 2.0 specification. Implementing the Version 2.0 specification would force the re-opening of the specification process, which is contrary to EPA's goals.
- Manufacturers emphasized the importance of education and PR directed at the contractor market. In addition, they mentioned that getting homeowners to setback would be challenging. Programmable thermostats are an easier way to get to EPA's goals.
- Manufacturers felt that if there was no specification that there should continue to be a list of performance requirements for using the graphic. Suggestions were: non-volatile memory, programmability, filter monitor, temperature control, and adaptive recovery.
- **EPA response:** EPA mentioned that it has been some time since features were discussed. EPA encouraged manufacturers to send information on product packaging, user manuals, and product lines to Gwen Duff, ICF Consulting, at 1725 Eye Street NW, Suite 1000, Washington, DC 20006.

Industry Standards

- EPA asked the attendees if there were any industry standards for performance.
- **Manufacturer response:** The only available criteria is testing related (not quality related): NEMA DC-3. The test is a good indicator of the quality of the product; however, NEMA DC-3 does not require compliance.
- Manufacturers were interested in the ENERGY STAR New Homes Program.
- **EPA response:** EPA will research the program to determine if programmable thermostats are included and follow up with the industry to let them know what opportunities may exist.

Timeline

- EPA wanted to know if the proposed timeline would work with manufacturer product development cycles.
- **Manufacturer response:** Manufacturers said that if the specification was unchanged, then it would only involve a literature transition. Other manufacturers mentioned that there should

be a longer transition since it should be announced at ASHRAE's trade show first. In addition, EPA should partner with contractor organizations (e.g., ACCA).

- EPA asked attendees if retailers should have a say in this process. EPA works closely with Sears, Lowe's, Home Depot and Menards.
- **Manufacturer response:** Retailers will have a concern especially when utility programs and rebates are at stake. Retailers need to have a voice in the process.
- Industry representatives were interested to know if it was EPA's intention to roll this out by July 1 after listening to manufacturer feedback.
- **EPA response:** EPA felt that the determination of next steps for the performance-based specification (transition vs. maintain) could effect the timeline. However, EPA maintained that a campaign could be developed this summer. The media is very interested in this product category and EPA consistently receives media inquiries on programmable thermostats. In general, the product is also a great entry point into the home for communications.

Next Steps

- EPA would like to receive written feedback on the proposal by **Monday, February 27, 2006.**
- Once comments are received, EPA will take a 30-day period to review all comments and make a determination as to whether or not to move forward with this proposal. EPA/ICF will also follow up with manufacturers, as needed/appropriate, for clarification.