

April 8, 2005

Mrs. Rachel Schmeltz
Energy Star Program Manager
Environmental Protection Agency
Ariel Rios Building, SW, MS 6202J
1200 Pennsylvania Avenue, NW
Washington, DC 20460

Dear Mrs. Schmeltz:

The Air-Conditioning and Refrigeration Institute (ARI) appreciates the opportunity to provide comments on the Draft 1 revisions to the Environmental Protection Agency (EPA) Energy Star Central Air Conditioner and Air Source Heat Pumps specifications.

ARI is a North American trade association representing the manufacturers of over 90% of U.S. produced air conditioning and commercial refrigeration equipment. ARI represents a domestic industry of approximately 200 air conditioning and refrigeration companies, employing approximately 150,000 men and women in the United States. The total value of member shipments by these companies is over \$30 billion annually.

General Comments

ARI supports EPA's decision to continue to administer the Energy Star program for residential central air conditioners and heat pumps. The program has been valuable to consumers and has helped HVAC manufacturers promote the sale of high efficiency air conditioners and heat pumps. However, as previously noted, we caution EPA against making the program too complicated and too burdensome. The Energy Star program owes its success to its simplicity and added value to stakeholders. Consequently, we believe that EPA should make a concerted effort to keep the program simple.

Equipment Labeling

ARI urges EPA to allow HVAC manufacturers to continue the use of the Energy Star logo on the equipment and/or on the manufacturer's literature. The current EPA proposal to label the installed system only provides no incentives for manufacturers to continue the promotion of the program. EPA runs the risk of losing a critical ally if it moves forward with the proposed labeling scheme. As an alternative, ARI believes that a two-part labeling arrangement that conveys the importance to consumers of both high-efficiency equipment and the need for a quality installation would be more effective and would ultimately result in more energy savings. As envisioned, the label affixed to the equipment at the factory (and used in the manufacturer's literature and marketing materials) would convey that the equipment meet the performance requirements of the Energy Star specification. Possible language for this label includes: "Energy Star

Qualified” or “Energy Star Manufactured.” EPA should allow manufacturers to continue using the Energy Star logo in their literature and marketing materials when specific language stating the importance of a quality installation accompanies that logo. For consumers to benefit, this language must be consistent with the requirements of the Energy Star specification but remain simple, clear, and concise.

A second label with language such as “Energy Star Installed” would be affixed (or presented to consumers in the form of a certificate) only when the installation is verified to have met all the requirements of the Energy Star specification. This approach will encourage manufacturers to continue their strong involvement in the Energy Star program while providing a platform to educate consumers on the necessity to have the equipment installed according to EPA’s quality installation requirements.

Equipment Criteria

ARI would like to thank EPA for not pursuing the design-prescriptive options listed in the option document circulated last October. We strongly believe that design-prescriptive requirements have no place in the specification and that EPA should only be concerned about performance requirements. In that regard, we would like to reiterate our concerns with the proposed minimum efficiency levels. As we pointed out in our previous comments, we feel that some adjustments are necessary to ensure that products are available over a full range of cooling capacities. For split systems ARI would like to recommend the following efficiency levels:

Split Air Conditioners: 14 SEER, 11.5 EER
Split Heat Pumps: 14 SEER, 11.5 EER, 8.2 HSPF

These levels, which are slightly lower than the levels proposed by EPA but more stringent than the current levels, will increase product availability while ensuring greater energy savings. Similarly, the proposed levels for package air conditioners and heat pumps will significantly limit product availability and need to be adjusted. For example, there are no single-packaged heat pumps at the proposed levels and only 17 single-packaged air conditioners from one single manufacturer.

We believe it is inappropriate for EPA to adopt the CEE tier levels just because of the availability of the CEE/ARI directory. EPA has an obligation to set the specifications at levels that can demonstrate benefit and value to all parties involved (consumers, utilities, contractors, distributors and manufacturers). If EPA decides to adopt a level different from one of the CEE tiers, we believe that CEE will voluntarily reassess its specification and readjust its minimum tier level to be consistent with Energy Star. In the unlikely event that CEE opts not to, ARI will consider developing a directory just for Energy Star.

Equipment Manufactured Prior To January 23, 2006

Given that there will be products meeting the current Energy Star specification in inventory after January 23, 2006, ARI asks that EPA provide a 6-month transition period to allow the supply side a reasonable amount of time to sell remaining inventory that has been labeled as Energy Star. After July 23, 2006, equipment manufactured prior to

January 23, 2006 and not meeting the new specification would not be allowed to carry the Energy Star label. This approach is consistent with the way Energy Star transitioned to new specifications for clothes washers in 2004.

Installation and Verification Criteria

While ARI supports adding an installation and verification component to the specification, we continue to caution EPA against making the program too complex and too burdensome. Therefore, before moving forward with this initiative, we recommend that EPA carefully evaluate the cost-effectiveness of such program and its impact on consumers and contractors. In addition, we feel that the installation criteria as presently drafted need additional development. ARI is currently working with CEE, ACCA and other stakeholders to better define the attributes of a quality installation program. We strongly encourage EPA to adopt any consensus document resulting from this initiative.

We appreciate the opportunity to submit these comments. If you have any questions regarding this submission, please feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'K Amrane', with a stylized, cursive script.

Karim Amrane
Director, Regulatory Policy
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