



April 4, 2005

Rachel Schmeltz  
ENERGY STAR Product Manager  
Environmental Protection Agency  
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Dear Rachel,

The following information is in response to your request for comments to the ENERGY STAR® 2006 Draft Specification dated January 28, 2005. As a major supporter, Lennox Industries appreciates the opportunity to provide input on the direction of the program.

### **PRODUCT LABELING**

*Lennox Industries strongly supports maintaining the ENERGY STAR label at the manufacturer level. As the minimum standard is raised to 13 SEER, we recommend that labeling remain as a critical component to energy-efficiency awareness. As mentioned in previous comments to the straw man proposal in October 2004, the program's past success hinged on providing worth to the customer and valued brand recognition. It is the opinion of Lennox Industries, in support of the comments also submitted by CEE, ACCA, and ARI, that to sever brand relations would not be beneficial to the ENERGY STAR program or its delivery. Delivery of an extensive consumer message requires not only the PSA usage that ENERGY STAR submits, but the cooperative effort of the advertising and marketing dollars of manufacturers collectively to maintain and increase awareness. HVAC manufacturers as a whole will continue to spend millions of dollars in the marketplace to promote high efficiency ASHPs and CACs. If the ENERGY STAR logo is no longer acceptable on product, media and literature, there will be billions of consumer impressions lost.*

In addition, utility programs, which we feel are an asset to the promotion of market transformation, would exclude manufacturers from participation -- this furthers a disconnect from the end user. Many of the media applications, which are used to promote utility programs, include both furnace and condensing units as a system or bundle. It is not in the best interest of any party to sell only one-half of a system (the furnace only) as ENERGY STAR.

It is Lennox' position to maintain product labeling with an appropriate disclaimer such as "ENERGY STAR Manufactured", or "ENERGY STAR Qualified,"

indicating to the consumer that they have purchased a product that meets the ENERGY STAR criteria. The consumer can further be made aware through the advertising and marketing efforts of verification companies and the EPA that to qualify as a fully-installed ENERGY STAR application there must be additional steps taken.

### **THIRD-PARTY VERIFICATION**

*Lennox does not feel that the contractor community, in general, will fully support the administrative steps necessary to comply with verification within the timeframe of January 1, 2007.* While it is true that there are a good number of dealers who have taken the initiative to upsell to energy efficient ENERGY STAR-rated equipment, there is still a larger number who do not at this time. With the advent of 13 SEER becoming the standard, there are many contractors who need extensive training in the marketplace to effectively differentiate themselves as energy leaders. It is our experience that it typically takes 2-4 years to transform a mindset and gradually introduce change to the contracting community. This effort has been exponentially shortened with the impending change in standards.

The ENERGY STAR proposal is recommending that dealers become an integral part of the delivery of an ENERGY STAR Quality Installation. We concur and actively promote that it will assist the contractor in differentiating himself in the marketplace; but the procedure also requires an investment outlay that will be costly to his business – new measurement equipment/tools, administrative assistance, technical training, new advertising and marketing strategies, and more. The return on investment for the dealer is potentially greater profitability, but just as a homeowner needs to see a payback for upgrading to a higher efficiency product, so does a contractor. This may not be as clear to the community overall during the summer and winter months when every minute on a job is critical.

EPA should recognize that in the peak summer season, contractors strive to minimize their time on each job in order to satisfy the peak demand for their services. As such, contractors and verifiers will need maximum flexibility in complying with the program to prevent a decrease in Energy Star sales during this period.

Lennox has been a leader in introducing sales and marketing techniques to its dealer base, and has taken a leading role in promoting Quality Installations using the NATE program, Lennox Premier Dealer Program, and the integration and development of a new training business, HVAC Learning Solutions. While we have intensified this effort in 2005, we feel that the true implementation time to prepare contractors to be effective in the consumer marketplace is January 1, 2008. If a contractor is being asked to execute an entire strategy such as QI with only intangible benefits, the training and education period necessary to encourage this initiative will logically take a longer period of time.

## **QUALITY INSTALLATION CRITERIA**

*Lennox does support the Quality Installation criteria with caveats.*

- ◆ Sizing. A Manual J or equivalent load calculation is acceptable when asking for verification of proper equipment sizing as long as an appropriate method of audit is introduced. While past experience has indicated resistance to the completion of the Manual J among contractors, it is not an unreasonable request to comply with this component of an ENERGY STAR installation.
- ◆ Split system matched assembly. Lennox is in favor of implementing this requirement as soon as possible.
- ◆ Air flow and refrigerant charge. If the dealer is not burdened financially or administratively on the implementation of this guideline (for reasons discussed previously), this initiative is supported by Lennox.

## **EQUIPMENT SPECIFICATIONS**

*Lennox would like to propose the following amended efficiency levels in order to insure adequate equipment selections are available for a viable ENERGY STAR program:*

<b>System Type</b>	<b>SEER</b>	<b>EER</b>	<b>HSPF</b>
Split	14	11.5	8.2
Package	14	11	7.9

After careful analysis by the Product Development and Research group, we believe the levels proposed by EPA will significantly limit, and in some tonnages and configurations possibly eliminate, available equipment. While we understand the desire for higher ratings, we ask that EPA carefully reconsider the targets on the basis that the program is only viable if an adequate selection of units is available for competitive purchasing decisions by consumers. The minimums we're proposing will provide a satisfactory balance of availability, purchasing options, and energy savings, while maintaining the overall SEER and EER ratings at a level beneficial to all stakeholders.

## **NEW SPECIFICATIONS IMPLEMENTATION DATE**

*Lennox requests that EPA delay the January 23, 2006 implementation date. We do not believe the industry will be ready to implement the change in January, and would suggest that all ENERGY STAR products manufactured prior to January 23, 2006 be eligible until July 2006.*

The change to 13 SEER as the standard product is the most comprehensive this industry has ever been faced with. All facets, including manufacturing,

distribution, sales and incentive programs must dramatically transition their business practices. Manufacturers have to redesign their entire product lines and procure additional equipment plus modify their manufacturing operations. The distribution pipeline must be cleared of existing inventory of less than 13 SEER combinations from manufacturer, through distributors and installing contractors. Distributors and contractors must retrain sales personnel to convert 80+% of 10 SEER sales to considerably more expensive, and physically larger 13 SEER units. Utilities must redesign and re-propose and PUCs must re-approve the majority of incentive programs that provide the major support to consumers for purchase of ENERGY STAR equipment. Through this conversion process by the industry, the ENERGY STAR programs, while very important, will necessarily lag the bread and butter product conversion activities. Providing a timeframe that allows for a prompt, but orderly conversion of the ENERGY STAR program will assure its continued success

Respectfully submitted by:



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