



July 21, 2005

Rachel Schmeltz
ENERGY STAR Product Manager
Environmental Protection Agency
Ariel Rios Building, SW, MS 6202J
1200 Pennsylvania Avenue, NW
Washington DC 20460

Dear Rachel,

Lennox commends the EPA ENERGY STAR® program staff for their willingness to work with the industry in this transition for the ENERGY STAR program on Central Air Conditioners and Heat Pumps, and offers the following with regard to your request for comments on the Final Draft Specifications dated July 1, 2005.

We respectfully request that EPA re-review the proposed change in requirement from 11.5 to 12 Energy Efficiency Ratio (EER) for split systems, and specify an 11.5 EER minimum.

The fact that 15% of the CEE listings meet Tier 2 (12 EER) does not ensure that the ENERGY STAR program will continue to be an economically viable option for equipment purchasers, nor an effective method of promoting energy efficiency and associated power plant peak emission reductions.

If the tons of air conditioning installed at the ENERGY STAR requirement decreases by only 5% due to the cost premium or limited availability of 12 EER vs. 11.5 EER, total peak demand and associated power plant emissions will be increased as a result of the 12 EER minimum. We believe it is reasonably foreseeable that a 12 EER will reduce installations by much more than 5% based on the following:

- The number of available equipment combinations for 14 SEER/12 EER will be considerably less than the current 13 SEER/11 EER, which will limit sales in the marketplace next year. Based on existing data, the 3-ton Lennox split system offerings decrease from 258 available combinations in 2005 to 78 at the new standard, a substantial decrease in the choices available. Setting the standard at 11.5 EER significantly increases the availability of qualifying combinations.
- The cost of many ENERGY STAR combinations will substantially increase because more combinations will require an ECM motor in the blower coil or furnace to meet 12 EER. In the case of blower coils, the motor and controls will substantially increase the system cost, and in the replacement of air conditioners with furnaces, the cost of a new furnace plus an ECM motor and associated controls are required. For comparison, our current ENERGY STAR market offering has 126 3-ton combinations without ECM motors versus 20 at the proposed standard. Again, setting the standard at 11.5 EER significantly increases the availability of non-ECM qualifying combinations.
- The availability issue will be more problematic at smaller and larger tonnages. For example, at 1.5 and 5 ton, we currently have no offerings at the 14 SEER/ 12 EER

- level. While we will have offerings in the future, they will be more limited than the 3 ton example above.
- The consumer receives no operating cost benefit from a more expensive 12 EER unit vs. an 11.5 EER with the same SEER rating. Unless a third party refunds the difference, the cost premium for 12 EER is a burden to the consumer, further decreasing their incentive to purchase ENERGY STAR products.

As stated in our previous comments, we're pleased with the intent to have a label available for the equipment and product literature, and look forward to working out the details of it with EPA and the industry.

If you have any comments or questions, please do not hesitate to contact us.



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