

November 14, 2008

Richard Karney ENERGY STAR Program Manager US Department of Energy 1000 Independence Avenue SW EE2J Washington, DC 20585

Dear Rich:

On behalf of the Consortium for Energy Efficiency (CEE), I am submitting the following comments on the ENERGY STAR Draft Criteria and Analysis for Windows, Doors and Skylights released by the Department of Energy on August 6. These comments were developed by CEE's Whole House Committee and are largely a reiteration of the verbal comments provided by Margie Lynch at the stakeholders meeting on August 13. Thank you for the chance to provide input on this document. The organizations listed at the end of this letter have chosen to indicate their individual support for these comments.

These CEE comments are intended to address the issues in the criteria revision of national import that affect all voluntary program administrators. Individual CEE members may elect to submit separate comments on matters such as the climate zone map, performance levels for the various climate zones, and specific details regarding their own program activity.

Savings Relative to Code

DOE has indicated that one of the primary reasons for this criteria revision is to stay ahead of increasingly stringent building codes. CEE applauds DOE's efforts to ensure that ENERGY STAR labeled products deliver significant energy savings to the end consumer above and standard-efficiency products. We encourage DOE to set performance requirements for ENERGY STAR that meet this, and the other, key brand tenets.

CEE members are particularly interested in the energy savings that will be delivered by ENERGY STAR labeled windows because many of them currently conduct programs that provide incentives to builders and/or consumers for purchasing energy efficient windows. The decision to conduct a windows program is based on each program administrator's assessment of several factors, including the energy savings and price differential for an efficient product over a baseline product. In some cases windows are part of comprehensive renovation program or bundled with other improvements when cost-effectiveness is determined. Determining the cost effectiveness of a measure typically involves comparing an efficient product with a typical, or baseline product. Baseline product performance is almost always assumed to be what is required by local code. Therefore, efficiency program incentives generally can only be offered if the

energy savings and peak demand reduction associated with ENERGY STAR is significantly greater than products specified in building codes.

Differentiation of Superior Products

We note that the criteria revision is also being prompted in large part by the high market penetration rate of ENERGY STAR windows (as much as 90 percent) in many areas of the country. Yet the proposed criteria revision would still result in a market penetration of approximately 52 percent at Tier 1. A high market penetration of ENERGY STAR labeled products can be problematic for several reasons:

- ➤ It can diminish the effectiveness of ENERGY STAR as a differentiator of superior energy efficiency performance;
- ➤ It may limit CEE members' ability to leverage the ENERGY STAR brand in programs, which is a key value proposition of the Program; and
- ➤ It may lessen the incentive for manufacturers to continue technical innovation if they already have a large percentage of qualifying products.

CEE understands that the differences in the markets for various ENERGY STAR products must allow for flexibility in approaches to market penetration. We ask DOE to articulate its rationale for the 52 percent market penetration rate at Tier 1, rather than a lower rate closer or equal to the traditional target of 25 percent.

Criteria Approaches

The proposed specification includes both a prescriptive approach for Climate Zones ES5A, ES3, ES2 and ES1 and a minimum aggregate annual energy performance approach for Climate Zones ES5 and ES4. CEE recommends that DOE carefully evaluate the practical implications of these two approaches on the wide variety of stakeholders with an interest in ENERGY STAR windows: the supply chain (manufacturer, distributor, retailer), energy efficiency programs, contractors, the design community, and consumers. We are concerned that the complexity of the two approaches, including in part the matrices shown in Figures 5 and 6, could pose problems for energy efficiency programs as they develop program approaches for promoting ENERGY STAR qualified windows that may involve all of the above stakeholders. We see potential for the proposed approach to pose difficulty for national manufacturers and consumers in markets that straddle two climate zones. We ask that DOE elaborate on how the proposed approach will play out in the marketplace and on the implications of the proposed approach on efficiency programs seeking to capture energy savings.

Peak Load

We were pleased to note mention of peak load impacts in the criteria analysis, as CEE members are very interested in this matter. DOE states on page 43 of the criteria analysis that it "does not anticipate any measurable impact on peak load" from the criteria permitting use of moderate- and high-solar-gain products. CEE asks that DOE provide its analysis and rationale on peak load, including any quantifiable effects on peak load that have been evaluated.

Thank you again for the opportunity to comment. If you have questions regarding these comments, please contact Margie Lynch, CEE Program Manager, at MLynch@cee1.org or 617-589-3949 x231. We look forward to continuing to work with you.

Best regards,
Mare J. Hoffman

Marc Hoffman
Executive Director

Supporting Organizations

New York State Research & Development Authority PacifiCorp Progress Energy Florida Xcel Energy