

November 14, 2008

Richard H. Karney, P.E. ENERGY STAR Program Manager Department of Energy Washington, DC 20585

RE: Proposed Revisions to ENERGY STAR Program Requirements for Windows, Doors, and Skylights.

Dear Mr. Karney,

First of all, we would like to thank you for the opportunity to comment on the proposed changes to the ENERGY STAR specifications for windows and doors. The ENERGY STAR program has been a clear success in the window and door industry leading to the high market penetration of key cost effective and energy saving technologies such as low emittance glass. We at Milgard, as well as our parent Masco Corporation (through our Environments for Living TM program), continue to strive to bring energy efficient solutions to both the new construction and the renovation markets.

We support DoE's motivation to continue to raise the bar in order to encourage further development of improved energy efficient solutions for consumers and to increase the selectivity of products qualifying for the ENERGY STAR designation. We believe that both these conditions can be met without creating an onerous burden on the fenestration industry; however some changes and moderation of the original DOE proposal will be necessary.

As a founding member of AAMA and an active participant in the organization, Milgard supports the joint AAMA/WDMA response to DOE's proposed revisions to the ENERGY STAR performance standards. Our recommendations below are presented to highlight the key changes that we believe are in the best interests of all stakeholders in the primary geographic markets we serve, the Western US, and to pinpoint some key concerns of ours as a leading window and door manufacturer in the Western Region.

Our first recommendation is with respect to proposed zone recommendations for ENERGY STAR. From a cost/benefit and a climate point of view, we see a negative net value for the creation of Zone 5a. Much of the population living (see attached population map) in proposed Zone 5a is located in a Marine Climate as defined by the IECC and as such having overly stringent U factors for this region is counterproductive and inconsistent with the climate. Simple payback period without energy rebate incentives as shown in Table 11 of the D&R analysis is very long (>50 years - beyond typical life expectancy for most home owners) which would drive the educated consumer away from ENERGY STAR labeled fenestration products and may, in fact, serve to discourage the installation of highly energy efficient products that are well suited for the climate.

Additionally those economic incentives currently available in the proposed region are neither uniform, permanent nor uniformly available. As such, we do not believe it is prudent to

construct a program as important as ENERGY STAR around variable and uncontrolled incentive programs. The combination of proposed stringent values in Zone 5a with multiple variable external rebate schemes is too confusing for the consumer and will subject ENERGY STAR to potential brand deterioration in the region.

<u>Our recommendation with respect to the zone alignment is to align the Pacific Northwest similar to the IECC Climate map.</u> For example to better align with the IECC map, we recommend that the portion of Oregon and Washington that lies west of the summit of the Cascade Mountains be assigned to the proposed ES3 zone and the balance of the proposed Zone 5a become part of the proposed Zone 5. This aligns the ENERGY STAR zone to the actual climate zone and rightly aligns the ENERGY STAR criteria to the optimum energy/cost performance for many of the highly populated areas of the region (*e.g.* Seattle and Portland regions).

Our second recommendation addresses the proposed timing of the implementation of the ENERGY STAR changes. We understand that the modeling activities necessary to making the proper recommendations are complex and time consuming. We commend LBL in their activities to put together a unified approach based on sound scientific fundamentals. Additionally we recognize and appreciate the variation and sensitivity of the final results to the inherent assumptions in the model as pointed out by WDMA and AAMA. Consequently we recommend a 2010 implementation for Phase I to allow for the questions surrounding the model and modeling assumptions to be answered and time for DOE and industry to come to a consensus on the model that will be used to evaluate the next round of specifications.

Phase II timing, we believe, is highly uncertain due to several factors: 1) the proposed energy levels are too aggressive and as a result require currently cost prohibitive solutions that will be economically unviable for the near to midterm future; and 2) Many of these solutions will also involve fundamental redesign of current products and manufacturing infrastructure that will require significant investment that cannot be justified in the current economic environment – especially for products that will deliver a doubtful value proposition to the market.

Due to the aggressiveness and uncertainty in the proposed Phase II program, we recommend that DOE put off specific goals for Phase II at this time and reconvene a government/industry discussion, similar to the current discussion, in 2011 to set guidelines for a later 2013+ implementation. This will allow the effects of the Phase I change to be known and for the community to have more time and better data to determine which available energy efficient technologies will be cost effective during this period. Extrapolation of timing and cost/benefit analysis for Phase II at this time is just too uncertain to be definitive.

We thank you for the opportunity to provide input on keeping ENERGY STAR an important driver in the national effort to promote energy efficiency, and would be happy to further discuss or clarify our recommendations.

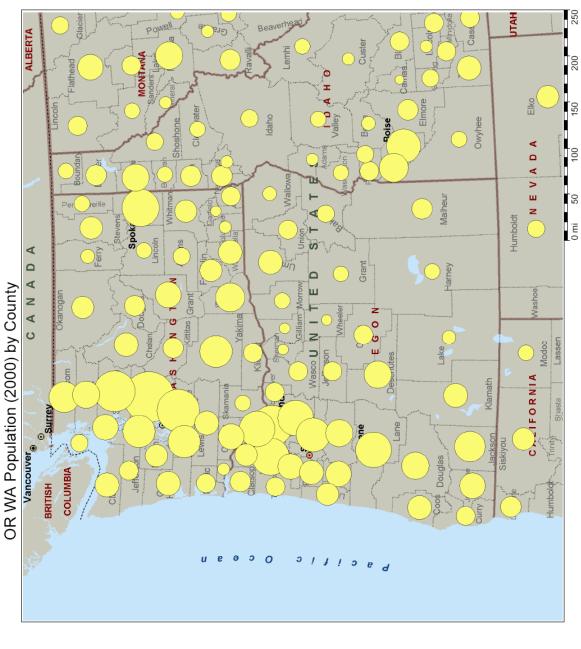
Sincerely yours,

Rick McCurdy

Senior Vice President

New Product Development & Commercialization

Milgard Manufacturing



Population (2000) by County

2,000,000

10,954 60

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