

Resolution in Support of DOE's Efforts to Upgrade the Central Air Conditioning and Heat Pump Energy Efficiency Standards

WHEREAS, The National Association of Regulatory Utility Commissioners (NARUC) has a long history of supporting lighting and appliance energy efficiency standards, most recently through resolutions adopted in July 1996, July 1997 and July 1999, because of the long-term benefits energy efficiency standards provide to energy consumers, energy utility companies, and society as a whole; and

WHEREAS, Lighting and appliance energy efficiency standards are among the most cost effective means of achieving energy efficiency, leading to reduced energy bills for residential and business consumers, pollution reduction, job growth and improved reliability; and

WHEREAS, Since the enactment of the National Appliance Energy Conservation Act of 1987, the U.S. Department of Energy (DOE) has issued eight appliance energy efficiency standards final rules; and

WHEREAS, In 2000, these standards, including those set by law, are expected to save consumers \$4.7 billion in reduced energy costs, or an average annual savings of \$44 per U.S. household; and

WHEREAS, According to DOE, for the year 2000 alone, existing appliance standards will reduce emissions by 29 million tons of carbon, 286,000 tons of nitrous oxides and 385,000 tons of sulfur dioxide; and

WHEREAS, The DOE budget requests for FY2001 for lighting

and appliance standards will permit DOE to carry out the rulemakings for lighting and appliance standards, including finalizing those for clothes washers, water heaters, heat pumps, and residential central air conditioners, and advancing new standards for commercial heating and cooling equipment and distribution transformers; and

WHEREAS, 83% of new homes have central air conditioners; and

WHEREAS, Analysis of DOE data by the American Council for an Energy Efficiency Economy (ACEEE) using independent cost estimates of efficiency improvements finds that a 30% improvement in the residential central air conditioner standard combined with a minimum peak efficiency performance requirement would lead to the greatest level of cost-effective electricity savings and demand reductions; specifically, it would lead to net savings for consumers of \$12 billion by 2020 and reduce national peak demand by 20,000 megawatts by 2010 and 65,000 megawatts by 2020; and

WHEREAS, Analysis of DOE data by the ACEEE finds a 20% improvement in the commercial central air conditioning standard to yield the greatest level of cost-effective electricity savings; specifically, such an improved standard would save businesses \$4.2 billion by 2020 and cut peak demand by 4,500 megawatts in 2010, and more than 14,000 megawatts in 2020; and

WHEREAS, A broad coalition of utilities, state government agencies, environmental groups including Pacific Gas and Electric, California Energy Commission, Oregon Energy Office,

American Council for an Energy Efficient Economy, Alliance to Save Energy, and the Natural Resources Defense Council, support levels of 30% improvement in the residential air-conditioner standard and 20% improvement in the commercial standard; *now therefore be it*

RESOLVED, That the Board of Directors of the National Association of Regulatory Utility Commissioners ("NARUC"), convened in its 2000 Summer Meetings in Los Angeles, California, commends the DOE for proposing strong new standards for domestic water heaters and fluorescent lamp ballasts and advancing the proposal for a strong new clothes washer efficiency standard; *and be it further*

RESOLVED, That NARUC urges DOE to promulgate and implement an upgraded residential central air conditioner standard that achieves the greatest level of cost-effective energy savings based on independent cost estimates and assures peak demand reductions; that is, a 30% improvement in the standard with a minimum peak efficiency performance requirement; *and be it further*

RESOLVED, That NARUC urges the DOE to promulgate and implement an upgraded commercial air conditioner standard that achieves the greatest level of cost-effective energy savings; that is, a 20% improvement in the standard; *and be it further*

RESOLVED, That NARUC supports future year DOE budgets for national energy efficiency standards sufficient to complete rulemakings for major lighting and appliance standards such as standards for residential water heaters, residential clothes

washers, and residential central air-conditioners and heat pumps, and all other air conditioners.

Sponsored by the Committee on Energy Resources and the Environment

Adopted by the NARUC Board of Directors, July 26, 2000.