

Benefits from Consensus Efficiency Standards in S.398

- National interests and benefits:** Consumers cannot be expected to consider national benefits of energy efficiency when purchasing products. These benefits include a more *efficient economy* (lower energy inputs to provide the same goods and services), national *energy security* (reduced reliance on unfriendly foreign suppliers and exposure to volatile international energy markets); a reduced strain on the *electrical grid*; and *job growth* (a forthcoming ACEEE study finds that energy bill savings from standards created more than 300,000 jobs in 2010).
- Regulatory advantages:** Since 1986, the federal standards program has had the authority to *preempt state standards*. Allowing manufacturers to negotiate standards improves their business environment because without this bill (INCAAA) manufacturers will be subject to the risk of: 1) more aggressive and uncertain regulation by DOE for most of the products in INCAAA, and 2) for the remaining products, a patchwork of state standards. This approach has been long accepted. INCAAA would be the *6th agreement law* to be enacted since 1987.
- The underlying standards law and the amendments in INCAAA would set standards that are *“economically justified”* — that is, they will reduce life-cycle costs and consumer and business net costs. They also address the market barrier that many appliances are purchased by landlords and builders who do not pay the operating costs of the products they purchase.
- Existing standards have a proven track record: DOE estimates that standards resulting from the five prior standards laws (signed by President Reagan and both Presidents Bush) will, by 2030, *save consumers a cumulative net amount of at least \$400 billion while saving enough energy to power the entire U.S. economy for close to a year*. The INCAAA standards will add to these considerable national benefits, saving consumers about \$49 billion (see below).

	2030 Annual Energy Savings		NPV Consumer Savings
	TWh	TBtu	(Billion \$)
Central Air Conditioners	12.9	130.1	4.1
Furnaces (Commercial)	-	2.3	0.1
Heat Pumps (Heating)	8.6	86.1	2.7
Outdoor Lighting	27.1	272.0	5.6
Drinking Water Dispensers	0.3	2.7	0.2
Hot Food Holding Cabinets	0.2	1.6	0.1
Portable Electric Spas	0.2	1.9	0.1
Building codes for AC & Furnaces	6.6	81.0	1.2
Refrigerators and Freezers	27.2	282.1	10.5
Clothes Washers	9.1	137.9	18.5
Clothes Dryers	4.8	50.9	2.4
Room AC	4.7	48.5	1.4
Dishwashers	1.9	23.4	1.9
Total	103.4	1,120.4	48.8

Savings are estimated by ACEEE. Energy savings are given as total annual savings. TWh are billions of kWh. TBtu are trillions of British Thermal Units. Consumer savings are benefits minus costs for purchases through 2030; in 2008 \$.