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Submitted online

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Attorney, Division of Enforcement
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Federal Trade Commission
Room M-8102B
600 Pennsylvania Ave., NW
Washington, DC 20580

<https://ftcpublish.commentworks.com/ftc/energylabellranges>

Re: AHAM Comments; Energy Label Ranges; Matter No. R611004

Dear Mr. Newsome:

The Association of Home Appliance Manufacturers (AHAM) respectfully submits the following comments to the Federal Trade Commission (FTC or Commission) on its Proposed Rule and Proposed Conditional Exemption (Energy Label Ranges), Matter No. R611004, 78 Fed. Reg. 1779 (January 9, 2013). These comments are supplemental to the comments we filed on March 1, 2013, and address the EnergyGuide label for room air conditioners.

AHAM represents manufacturers of major, portable and floor care home appliances, and suppliers to the industry. AHAM's more than 150 members employ tens of thousands of people in the U.S. and produce more than 95% of the household appliances shipped for sale within the U.S. The factory shipment value of these products is more than \$30 billion annually. The home appliance industry, through its products and innovation, is essential to U.S. consumer lifestyle, health, safety and convenience. Through its technology, employees and productivity, the industry contributes significantly to U.S. jobs and economic security. Home appliances also are a success story in terms of energy efficiency and environmental protection. New appliances often represent the most effective choice a consumer can make to reduce home energy use and costs.

The Commission proposed to include a new disclosure on room air conditioners explaining that the cost estimate is based on an assumed 750 hours of operation per year. In our March 1 comments, AHAM stated that it does not oppose this proposal. That continues to be the case. We note, however, that there are other changes to the label that need to be made for room air conditioners.

In particular, the Department of Energy (DOE) has changed the energy efficiency metric from an energy efficiency ratio (EER) to a combined energy efficiency ratio (CEER). The CEER accounts for the product's energy use in standby and off mode in addition to the active mode, whereas the EER accounts only for the product's energy use in active mode. According to DOE's revised regulations, 10 C.F.R. 430.23(f)(5):

The combined energy efficiency ratio for room air conditioners, expressed in Btu's per watt-hour, shall be the quotient of:

- (i) The cooling capacity in Btus per hour as determined in accordance with 5.1 of appendix F to this subpart multiplied by the representative average-use cycle of 750 hours of compressor operation per year, divided by
- (ii) The combined annual energy consumption as determined in accordance with paragraph (f)(4) of this section multiplied by a conversion factor of 1,000 to convert kilowatt-hours to watt-hours, the resulting quotient then being rounded off to the nearest 0.1 Btu per watt-hour.

When the revised test procedure becomes mandatory for compliance with the revised room air conditioner standards, on June 1, 2014, CEER will be the new metric upon which the standard is based and that manufacturers report to DOE and FTC.

Because the current EnergyGuide label for room air conditioners contains a disclosure for the EER, AHAM respectfully requests that the Commission revise its regulations to require disclosure of CEER instead of EER as of June 1, 2014, in order to harmonize with DOE's requirements.

In addition, we note for FTC's information that DOE has revised the room air conditioner test procedure to include the cost of energy consumed in standby and off modes. In particular, DOE amended the annual energy cost calculation to integrate standby and off mode energy use and to require that the annual energy cost be obtained by multiplying the combined annual energy consumption by the representative average unit cost of electrical energy in dollars per kWh, as provided by DOE. Because the Commission's regulations refer to DOE's regulations for energy cost calculations, we do not anticipate that any changes to FTC's regulations are required regarding the annual energy cost calculation.

Although these changes will represent a change in annual energy cost and the efficiency disclosure from the existing test procedure, the change is of such a small magnitude that AHAM does not believe a transitional label like the one the Commission proposed for clothes washers and refrigerator/freezers is necessary. For room air conditioners, such a label would likely increase confusion for consumers. This is particularly true because room air conditioners are a seasonal product, and so, it may be that there will be few "old" products on the showroom floor next to "new" products.

AHAM appreciates the opportunity to submit these supplemental comments on the FTC's Proposed Rule and Proposed Conditional Exemption, and we would be glad to further discuss this matter should you so request.

Respectfully Submitted,

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Jennifer Cleary
Director, Regulatory Affairs