

ACT

Alliance for a Clean Texas

Energy Efficiency: Efficiency Standards for Appliances

Federal and state governments set appliance and equipment standards in order to establish minimum levels of energy efficiency for products. Appliance standards are one of the easiest, quickest, and most inexpensive ways to save energy and reduce costs. They save consumers money, improve electric reliability by reducing demand, reduce the need for building new power plants, reduce carbon emissions, and boost the economy by creating jobs to meet increased demand for energy-saving products.

Appliance standards have been an effective tool for reducing energy use for more than thirty years. The Federal government has established over 45 standards for different residential and commercial appliances and products, and is due to update or issue new standards for dozens more over the next few years. However, several products are not covered by national standards and thus states have adopted standards to cover those.

Federal and state standards already in place will save the equivalent of the annual energy use of 28 million U.S. households in 2020. The American Council for an Energy Efficient Economy (ACEEE) estimates that if Texas adopted standards for seven product categories not currently covered by federal standards (bottle-type water dispensers, commercial hot food holding cabinets, compact audio products, DVD players and recorders, portable electric spas, residential pool pumps, and state-regulated incandescent reflector lamps), consumers and businesses could save over one billion dollars on their energy bills by 2030 (see table).

Value of Savings for Texas in 2020 and 2030 from Recommended Standards

| Product | Value of savings in 2020 (\$Million) | Value of savings in 2030 (\$Million) | NPV for purchases through 2030* (\$Million) |
|--|--------------------------------------|--------------------------------------|---|
| Bottle-type water dispensers | 1.7 | 1.7 | 15 |
| Commercial hot food holding cabinets | 2.5 | 2.9 | 18 |
| Compact audio products | 13.1 | 13.1 | 129 |
| DVD players and recorders | 1.9 | 1.9 | 16 |
| Portable electric spas (hot tubs) | 2.1 | 2.1 | 10 |
| Residential pool pumps | 41.7 | 41.7 | 125 |
| State-regulated incandescent reflector lamps | 37.8 | 37.8 | 365 |
| Total | 100.8 | 101.2 | 678 |

*NPV stands for net present value and is a measure of the cumulative value of the standards policy (benefit minus costs) in 2006 dollars

Source: ACEEE, *Opportunities for Appliance and Equipment Efficiency Standards in Texas*, Report Number ASAP-7/ACEEE-A063. 2006

Recommendation: Adopt state energy efficiency standards for seven product categories

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For further information about ACT's energy efficiency recommendations, please see www.acttexas.org/issues/energy-efficiency