SESSION TITLE:

Government Leadership: How can programs and policies spearheaded by EE product manufacturers create new opportunities for appliances and products to contribute to energy savings throughout the world?

By: Leslie Velasquez

MODERATOR:

Joseph McGuire, President, Association of Home Appliance Manufacturers (AHAM)

SPEAKER SUMMARIES:

Paolo Falcioni, Director General, European Committee of Domestic Equipment Manufacturers (CECED)

- CECED achieved energy efficiency gains with voluntary standards year after year, but recently has entered a period of dimishing returns in energy efficiency and needs to find creative solutions. He mentioned the need for tough market surveillance and monitoring to guarantee that consumers are getting the products that they pay for and to ensure market fairness and competition.

Kyle Pitsor, Vice President of Government Relations, National Electrical Manufacturers Association (NEMA)

- NEMA has a premium standards program for motors that includes voluntary standards as well as an extended producer labeling, helping consumers to realize savings on energy costs and improve systems efficiency. By implementing energy-efficiency labels and standards across systems, organizations such as NEMA can take a more holistic and integrated approach to energy efficiency.

Nate Mouw, Director of Government Regulatory Affairs, Whirlpool

- Whirlpool has its own strategy for promoting energy efficiency, which includes optimizing energy efficiency for products, innovating or renovating energy efficiency technology, transforming markets by looking for unique opportunities, especially in consumer behavior and systems efficiency. Early replacement programs that work to replace out-dated appliances with energy-efficient technologies, are one example of a unique opportunity to realize greater gains in energy efficiency.

Andrew Delaski, Executive Director, Appliance Standards Awareness Project (ASAP)

- Improving metrics for appliance standards is necessary to ensure that data accurately describes energy consumption in building stock. Testing should also be revised and enhanced to more accurately gauge appliance performance and better demonstrate energy savings. In addition to upgrading data and testing metrics, systems efficiency also represents an important area for realizing gains in energy efficiency.

SESSION WRAP-UP

Energy efficiency standards for appliances have helped to significantly advance energy productivity worldwide; however, some fear that this recent progress is now being followed by a period of diminishing returns, leaving appliance manufacturers with the challenge increasing energy efficiency gains. Manufacturers and other leaders in the field must now find creative solutions to combat diminishing returns in appliance energy efficiency. In our executive dialogue on government leadership, speakers mentioned what types of policies or programs hold the potential to advance energy productivity in appliances, including, systems efficiency initiatives, consumer training programs, market monitoring, and improved testing and research metrics.

Systems efficiency is a relatively new concept within the field of energy efficiency, but initiatives related to systems efficiency have become more common in recent years. Systems efficiency initiatives represent a significant opportunity to enhance energy productivity, as they consider the productivity of an entire system, rather than a single component, for a more holistic and comprehensive approach to improving energy use. Pitsor mentioned a NEMA initiative related to systems efficiency, in which an appliance is given EE labels across systems. The initiative is working to promote consumer awareness and reward manufacturers for addressing efficiency from a systems approach.

Like systems efficiency initiatives, consumer training programs and policies are also increasingly gaining more attention. Rather than focusing on improving energy efficiency in appliances from a technological standpoint, consumer training programs seek to educate those who purchase energy efficient appliances on how to use these appliances to best achieve energy and cost savings, with the end goal of changing consumer behavior to promote energy productivity. For example, Mouw described an "early replacement" program provided by Whirlpool, which works to educate consumers on when to replace their old appliances, before they break, and get inefficient appliances off the grid, both of which have the benefit of not only saving energy, but saving consumers money.

Another way energy efficient appliance manufacturers can overcome diminishing returns in energy efficiency is through increased market monitoring. According to Falcioni diminishing returns in energy efficiency for appliances may be the result of inefficient appliances being falsely certified as energy efficient. In Europe, rather than the U.S. where standards are more stringently enforced, surveillance and testing are especially important to ensure that products actually achieve the energy savings they market, and to promote fair competition in the market for energy efficient appliances.

Just as increasing testing to prevent fraud in energy efficiency labeling can promote energy productivity for appliance manufacturers, simply improving testing and data assessment metrics can also contribute to increasing energy productivity by better defining appliance performance and energy consumption, helping manufacturers to more accurately demonstrate the energy savings of their products. DeLaski posits that many cases of diminishing returns in energy efficiency of appliances may be the result of improper testing metrics. He pointed out that changing metrics of energy consumption to more closely reflect actual consumer usage of appliances can be more helpful to increasing energy productivity, rather than hardening standards.

ACTION ITEMS & TAKEAWAYS

- After a period of expanding standards for energy efficient appliances that resulted in great strides in improving energy productivity, there is a possibility that we are entering into a period of diminishing returns in energy efficiency gains for appliances.
- To continue realizing gains in energy efficiency, appliance manufacturers must take advantage of unique opportunities and creative solutions in energy efficiency, such as: focusing more on systems efficiency and labeling for energy efficient systems, consumer training programs that emphasize education, monitoring the market for fraudulent products, and reviewing and updating testing and research metrics to more accurately demonstrate product performance and usage.