

## The Cost of Overdue Energy Efficiency Standards

Appliance Standards Awareness Project and American Council for an Energy-Efficient Economy

Updated, August 26, 2013

*Note: In the nine months since this fact sheet was posted, the Obama administration has completed new efficiency standards for each of the products listed below. (May 2014)*

Since June 2011, the Obama administration has missed deadlines for completing eight new appliance, lighting, and equipment energy efficiency standards. Because each month of delay also usually delays the effective date of new standards, millions of additional inefficient products will be sold and remain in use, wasting energy for many years. This energy waste will cost consumers billions of dollars and result in millions of tons of long-lasting carbon dioxide (CO<sub>2</sub>) emissions that should have been avoided.

The delays to date will cost consumers and businesses about \$4 billion in lost savings (net present value, 2011\$) and will result in about 35 million metric tons of additional CO<sub>2</sub> emissions. Table 1 below shows the lost consumer and business savings and additional emissions caused by the delays for each overdue standard.

**Table 1. The Cost of Delays as of August 1, 2013**

Product	Lost Consumer and Business Savings (Millions 2011\$)	Additional CO <sub>2</sub> Emissions (million metric tons)
Microwave ovens	\$337	2.5
External power supplies	\$493	5.6
ER, BR, and small diameter reflector lamps	\$1,370	9.9
Walk-in coolers and freezers	\$1,538	14.2
Metal halide lamp fixtures	\$0 <sup>i</sup>	0
Distribution transformers	\$0 <sup>i</sup>	0
Electric motors	\$0 <sup>i</sup>	0
Commercial refrigeration equipment	\$233	2.9
<b>TOTAL</b>	<b>\$3,971</b>	<b>35.0</b>

Recently, the administration has begun to address the backlog, completing the distribution transformer standard in April and the microwave oven standard in May. But, for four of the other six overdue standards, the delays and resulting costs are still mounting. (For the other two, the statute provides for a fixed effective date.) Each additional month of delay will cost consumers another \$150 million in lost savings and result in another 1.5 million metric tons of additional CO<sub>2</sub> emissions.

The Department of Energy (DOE) is the agency responsible for completing new efficiency standards. Once DOE completes a notice of proposed rulemaking (“NOPR”) or a final rule containing a new standard, it must be approved by the White House Office of Management and Budget (OMB). During the first two years of the Obama administration, DOE and OMB worked well to complete new standards on time. But over the past two years, OMB’s reviews have become lengthy—as long as two years in one case—and DOE has fallen behind.

The table below shows the products with overdue standards, including whether the next step is a proposed rule (“NOPR”) or a final rule; whether the rule has been received by OMB for review or remains under development at DOE; the final rule deadline; the number of months OMB has held the rule; and the total number of months it is overdue.

**Table 2. Status of Overdue Energy Efficiency Standards**

Product	Rule Stage	Rule Status	Final Rule Deadline <sup>ii</sup>	Months at OMB	Total Months Overdue	Deadline Status
Microwave ovens	Done	Final rule issued 5/31/13	June 2011	n.a.	24	<b>MISSED</b>
External power supplies	Final	NOPR issued 3/8/12; DOE working on final rule	July 2011	n.a.	25	<b>MISSED</b>
ER, BR, and small diameter reflector lamps	NOPR	OMB acknowledged receiving NOPR 2/17/12	Aug. 2011 <sup>iii</sup>	<b>17</b>	27	<b>MISSED</b>
Walk-in coolers and freezers	NOPR	OMB acknowledged receiving NOPR 9/23/11	Jan. 2012	<b>22</b>	22	<b>MISSED</b>
Metal halide lamp fixtures	Final	NOPR issued 8/13/13; DOE working on final rule	Jan. 2012	n.a.	22	<b>MISSED</b>
Distribution transformers	Done	Final Rule issued 4/9/13	Oct. 2012	n.a.	6	<b>MISSED</b>
Electric motors	NOPR	OMB acknowledged receiving NOPR 7/17/13	Dec. 2012	<b>0</b>	10	<b>MISSED</b>
Commercial refrigeration equipment	NOPR	OMB acknowledged receiving NOPR 2/17/12	Jan. 2013	<b>17</b>	10	<b>MISSED</b>

READ THE BLOG [here](#). The methodology used for calculating the cost of delays is available [here](#).

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<sup>i</sup> The delay for distribution transformers did not result in lost savings because DOE did not delay the effective date. Similarly, in the NOPR for metal halide lamp fixtures issued in August 2013, DOE proposed to not delay the effective date. We also assume that DOE will retain the effective date for electric motors specified in the statute. For the other overdue standards, DOE generally interprets the statute to require a fixed period (usually three years) between the publication and effective dates.

<sup>ii</sup> All shown final rule deadlines are statutory or judicial, except those for microwaves and reflector lamps. For those, the table includes self-imposed deadlines published by DOE in its fall 2010 regulatory agenda.

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<sup>iii</sup> DOE erroneously left certain types of reflector lamps out of a 2009 final rule. DOE has missed multiple self-imposed deadlines for correcting this mistake. Most recently, progress has been halted because the budget rider prohibiting DOE enforcement of the EISA light bulb standards also forbids DOE work to complete the reflector lamp standard.