

EISA 2020: Bringing Clarity to Uncertainty

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Public webinar Friday, September 14th, 1-2pm EST

Today's Agenda



- Introductions
- What is EISA?
 - Why do we care?
- Possible scenarios
- Q&A Prepared
- Q&A Open

Housekeeping



- This webinar is being recorded
- The slides and recording will be posted online shortly and sent to you via gotowebinar
- All lines will remain on mute—please type in your questions at any time and we will answer during Q&A
- Please complete the survey which launches at the end of the webinar
- Polls: who are you?

Northeast Energy Efficiency Partnerships



"Assist the Northeast and Mid-Atlantic region to reduce building sector energy consumption 3% per year and carbon emissions 40% by 2030 (relative to 2001)"

We seek to accelerate regional collaboration to promote advanced energy efficiency and related solutions in homes, buildings, industry, and communities.

Vision

We envision the region's homes, buildings, and communities transformed into efficient, affordable, low-carbon, resilient places to live, work, and play.

Approach

Drive market transformation regionally by fostering collaboration and innovation, developing tools, and disseminating knowledge

One of six REEOs funded in-part by U.S. DOE to support state and local efficiency policies and programs.

APPLIANCE STANDARDS

THE BEST ENERGY AND CLIMATE POLICY YOU'VE NEVER HEARD OF.

ne ep

ND BIGGEST ENERGY-SAVING INITIATIVE IN THE U.S.

7.3 CAFE vehicle fuel economy standards

5.3 Appliance and equipment standards

3.8 Energy Star

1.8 Utility sector energy efficiency programs

1.1 Building codes

1.0 Federal R&D

0.5 Energy Service Companies

0.3 Federal tax incentives

* Quadrillion BTUs













THAT WILL ADD UP TO A TOTAL OF \$1.9 TRILLION BY 2035.



11%

OF WHAT U.S. NEEDS
TO MEET 2025
PARIS CLIMATE
TREATY TARGET.

IN 2015 ALONE, APPLIANCE Standards Helped US avoid Carbon Emissions Equal to



MILLION AUTOMOBILES



ASAP

APPLIANCE STANDARDS AWARENESS PROJECT

LEARN MORE AT APPLIANCE-STANDARDS.ORG





- Project of ACE³, Alliance to Save Energy, and NRDC founded in 1999
- Four person, virtual office housed at ACE³
- Works to advance, win and defend new appliance, equipment and lighting energy efficiency standards
 - Federal standards and test procedures at DOE
 - California standards with CEC
 - Other state standards with state legislatures
 - ENERGY STAR
- https://appliance-standards.org/



The Energy Independence and Security Act (EISA) of 2007



- Omnibus federal energy legislation which, among other things, mandates the US Department of Energy (DOE) to regulate lighting energy efficiency
- Stated goals of legislation included :
 - protecting consumers
 - moving US towards energy independence
- Whitehouse statement when President Bush signed EISA:

"The bill...President [Bush] signed todayrepresents a major step forward in expanding the production of renewable fuels, reducing our dependence on oil, and confronting global climate change."

Structure of Standard



- Establishes a timeline for three phases of standards for General Service Lighting (GSLs)
- Phase 2 (2020) was written with a "backstop" provision
 - Set a 45 lumen per watt* standard to take effect 1/1/2020
- EISA was designed to establish a roadmap to LED/CFL by 2020
- Backstop was insurance policy to get there. Ensure the policy goals would be achieved regardless of present-day politics.
- Now we are "filing a claim" on that insurance policy
 - DOE failed to meet conditions of the law (namely issue final rule by 1/1/2017)

Lightbulbs covered by EISA?





In January 2017, DOE issued two final rules (<u>here</u> and <u>here</u>)
revising the definition of GSLs

- Reflector
- Decorative and Candelabra base
- 3-way

- Shatter Resistant
 - Vibration and Rough Service *
- Higher lumen limit included (3,300lm vs. 2,600lm before)

Why do we care?





Source: imgflip

Why do we care?



There are more than six billion light sockets in US homes. Complete conversion to LEDs by 2025 will generate annual savings of:



- 140 Billion kWh of electricity
- 60 mil tons of CO₂, equivalent to annual emissions from
 - 26 coal fired power plants
 - 13 million cars

Sources: ASAP Light Bulb Brief

So...What's going to happen with Halogen Bulbs??

Disclaimers



- The fate of the EISA GSL backstop will probably be resolved in courts.
- Analyses that do not include consideration of potential legal actions are incomplete.

We are not lawyers.

Scenario 1: DOE tries to roll back expanded definition and modify backstop



DOE files GSL definition Proposal 5/2018

Currently at Office of Management and Budget (OMB)



DOE rolls back 1/2017 definition

Legally vulnerable to "anti-backsliding" lawsuit



DOE moves to allow sales of halogens after 1/1/2020

Legally vulnerable on several points

State AGs have authority to enforce

Scenario 2: DOE tries to roll back expanded definition and then does nothing



DOE files GSL definition Proposal 5/2018

Currently at OMB



DOE rolls back 1/2017 definition

Legally vulnerable to "anti-backsliding" lawsuit



DOE takes no further action before 1/1/2020

Legally vulnerable after 1/1/2020

State AGs have authority to enforce

Scenario 3: DOE tries to roll back expanded definition and issues standard



DOE files GSL definition Proposal 5/2018

Currently at OMB



DOE rolls back 1/2017 definition

Legally vulnerable to "anti-backsliding" lawsuit



DOE issues 45 lpw GSL standard

Effective 1/1/2020

"Enforcement discretion" to allow sell-though?

All Scenarios are Legally Vulnerable



- Remember, EISA's drafters included the 45 lpw GSL backstop to protect the legislation's policy goals of lighting technology transition.
- The backstop's sales prohibition and the ability of state governments to enforce it, mean that <u>retailers</u> could be legally vulnerable if they continue to sell halogens after 1/1/2020, regardless of what DOE does.



Q: My understanding is that federal law allows parties other than DOE to enforce the backstop. Do you think states will step in?



- As noted in the presentation, EISA includes a <u>sales</u> prohibition which makes <u>retailers</u> also responsible for compliance with the law.
- EISA allows parties other than DOE, particularly state governments, to take legal action to enforce the standard.

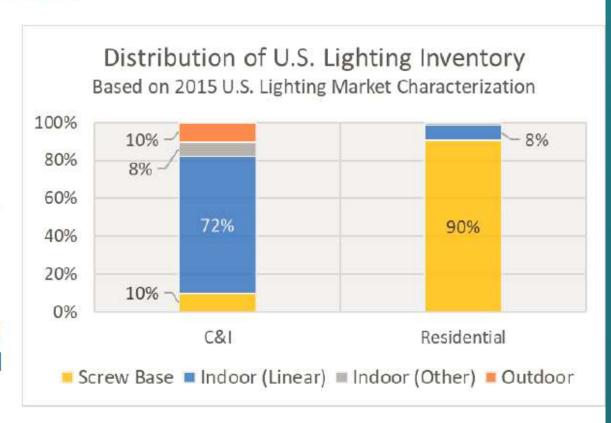
Q: How will EISA 2020 impact the commercial and industrial lighting sectors?



A: Not a lot...Source DLC Meeting Slides

Residential ≠ C&I

- EISA impact to C&I sector will be far less pronounced
- The vast majority of C&I installed inventory consists of linear lamps & fixtures
- C&I product categories generally have low LED market penetration and higher savings potential



Q: Can the Trump Administration modify the GSL Backstop Standards?



- The GSLs standards are described in EISA legislation and not subject to amendment by DOE. Would take another act of Congress to change (unlikely)
 - FYI Vermont has already adopted the 45 lpw standard using the new DOE definition, to be implemented 1/1/2020. Other states may be soon to follow.
- However, Congress gave DOE the authority to modify the GSL definition in recognition of rapidly changing technology.
- The relevant question is whether having changed the definition in 2017, DOE can now change it back.

Q: How long do we think halogen bulbs will be available after January 2020?



- No easy answer, may be dependent upon retailers.
- Important to note that the backstop is a <u>sales</u>, not manufacture, ban. The long sell-through that we saw in 2012-2014 with Phase 1 of EISA is not applicable here.
- If DOE is successful at rolling back definition, reflectors and decorative lamps may be around longer in states that haven't adopted standards that cover them.

Q: Is there a GSL standard in place in California now?



- Under EISA, California had the ability to implement the GSL standard two years before the national standard.
- Since January 2018 it has been illegal to manufacturer or import A-type lamps that are less efficient than 45 lpw into California.
- California also has an LED standard with stringent efficiency and CRI requirements.
- Sell-through of halogens is mostly complete and the CA Energy Commission (CEC) reports no problems with LED bulb availability.
- California is moving to adopt the expanded GSL definition now

Q: How will program administrators make savings targets given EISA?



- If we knew, you think we'd be working at these nonprofits?!
- Good to focus on robust, ENERGY STAR residential lighting programs in 2018 and 2019.
- New EPA research provides some guidance for programs to meeting goals and remain cost-effective:
 - Behavioral programs
 - Midstream programs
 - Heat pump water heater promotion

Q: How will program administrators make savings targets given EISA?



A: (continued)

- Regulators need to be engaged
- Movement to revise cost-effectiveness tests to ensure they are balanced and appropriately reflecting the policies of a state
 - Some of these changes make alter the math of existing programs/measures
 - National Standards Practice Manual
- ASAP analysis shows there's still a lot of savings to be had
- <u>Several states</u> are working to <u>support state</u> and federal appliance standards and claim attribution from this effort

Resources for more informantion



- LBNL Analysis on Impact of EISA Standards
- ASAP Lightbulb Issue Brief
- ASAP Report on opportunities from State-level standards
- NEEP Blog on status of state standards in 2018
- ASAP Analysis of remaining product efficiency savings potential
- New EPA research on program savings
- National Standards Practice Manual
- https://appliance-standards.org/
- http://www.NEEP.org
- Jobs Created by Appliance Standards

Upcoming NEEP Events



- Quantifying the EE Value Proposition: Recent work on Non-energy Impacts (public webinar), September 19 at 10am EDT
- What's Available and What's Needed for Strategic Electrification
 Planning and Forecasting in the Northeast (public webinar), September 20 at 2pm EDT
- 2018 NEEP Summit, Oct 1-3 in Middletown, RI
- Pay for Performance Primer (public webinar), October 12 at 1pm EDT
- Northeast Strategic Energy Management Collaborative Workshop Nov 6 in Burlington, VT
- M&V 2.0 Workshop Nov 7 in Burlington, VT
- HELIX Summit Dec 7 in Providence, RI

More information at http://www.neep.org/events

Audience Q&A

Thank you!



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Appendix/Reference Slides

Background: timeline of EISA and GSL rulemakings



• Timeline:

EISA = Energy Independence and Securities Act NOPR = Notice of Proposed Rulemaking

GSL = General Service Lamps

PTSD = Preliminary Technical Support Document

NOPDDA = Notice of Proposed Definition and **Data Availability**



Background on legal challenges in 2017



Federally:

- Spring: NEMA files lawsuit against DOE
- July: NEMA and DOE reach a settlement agreement
 - DOE agrees to a set of next steps for the rulemaking
- August: <u>DOE issues RFI/NODA</u> (Request for Information, Notice of Data Availability)
 - Comments were due 10/16

And in California...

- March: CA Energy Commission <u>issues advisory</u> stating their intention to enforce CA lighting standards as planned starting 1/1/2018
 - including 45lpw Backstop
- August: NEMA files lawsuit against CEC over plans for 2018
- In December 2017, <u>Judge allowed</u> 2018 standards to go into effect



CALIFORNIA

EISA GSL Language



- Phase 2 is topic du jour, 2020. Excerpts on phase 2:
 - Not later than January 1, 2014, the Secretary shall <u>initiate</u> a rulemaking procedure to determine whether
 - standards in effect for general service lamps should be amended to establish more stringent standards
 - the exemptions for certain incandescent lamps should be maintained or discontinued

SCOPE.

- The rulemaking shall not be limited to incandescent lamp technologies;
- shall include consideration of a minimum standard of 45 lumens per watt for general service lamps.

AMENDED STANDARDS.

 If the Secretary determines that the standards should be amended, the Secretary shall <u>publish a final rule</u> **not later than January 1, 2017**, with an effective date not earlier than 3 years after the final rule is published.

GSL Backstop



BACKSTOP REQUIREMENT

• If the Secretary fails to complete a rulemaking or if the final rule does not produce savings that are greater than or equal to the savings from a minimum efficacy standard of 45 lumens per watt, effective beginning January 1, 2020, the Secretary shall prohibit the sale of any general service lamp that does not meet a minimum efficacy standard of 45 lumens per watt.