

Statement by Senator Jeff Bingaman on introduction of the
“Implementation of National Consensus Appliance Agreements Act of 2011”

Mr. President, today I am pleased to join with Senator Murkowski, the Ranking Member of the Committee on Energy and Natural Resources, in introducing the “Implementation of National Consensus Appliance Agreements Act of 2011”(INCAAA). This bill is an updated version of the appliance energy efficiency standards legislation, S. 3925, that apparently came within a single Senate vote of passage by unanimous consent last December, as the 111th Congress drew to a close.

As with the six appliance energy efficiency laws that have been enacted since 1986, this bill enjoys consensus support among appliance manufacturers, energy efficiency advocates, and consumer groups. Such broad support is to be expected, given the bill’s many benefits. It would:

- reduce the regulatory burden on appliance manufacturers, increasing their profitability and their ability to protect and create jobs;
- reduce national energy and water demand, slowing the need for new energy and water supplies, freeing capital for other investments and making our economy more competitive overall;
- save consumers money on their monthly energy and water bills, freeing household income for spending in other areas; and
- reduce power plant emissions and other environmental costs of energy production.

At the core of this bill are the appliance efficiency provisions that were reported with bipartisan support from the Committee on Energy and Natural Resources in 2009 as a part of the comprehensive energy legislation, the American Clean Energy Leadership Act (ACELA), S. 1462. INCAAA also includes the amendments reported from the Committee in May 2010 to enhance ACELA. Finally, INCAAA includes several more-recent agreements and revisions on appliance efficiency that have been reached by industry, energy advocacy, and consumer stake holders.

I note that there are continuing discussions among stakeholders on Section 2(a) regarding the definition of “energy conservation standard” and whether this term should allow an efficiency standard to have more than one metric. For example, that a standard could require a specified energy efficiency and also, say, specific water efficiency or smart grid capability, or some other additional performance measures. Stakeholders have agreed to allow inclusion of this provision in the bill for the purposes of introduction while discussions continue. Also under continuing discussion are provisions regarding reflector lamps. The Department of Energy is scheduled to complete its current rulemaking for these products this August and stakeholders continue to negotiate what guidance could be given

the Department for future rulemakings. I am committed to working with all stakeholders to resolve these issues as the legislative process moves forward.

Mr. President, from a business point-of-view, INCAAA's greatest value is as a regulatory-reform bill. 25 years ago, the national appliance market was in danger of become unmanageably Balkanized because certain states were beginning to enact appliance efficiency standards in response their power supply problems. Faced with a growing patchwork of state standards, industry joined with energy efficiency and consumer groups to support Federal authority to pre-empt state standards and thereby assure a single national market for appliances.

INCAAA, as with the five appliance standards laws enacted since 1986, would go a step further than simple Federal pre-emption of state standards by enacting consensus standards that are negotiated among the stakeholders as the Federal standards. By directly enacting consensus standards as Federal standards, these laws have the added benefit of saving the time, cost, and uncertainty associated with a formal Federal rulemaking.

INCAAA would enact standards agreed to by the manufacturers of the covered products and by the nation's leading energy efficiency groups, the Alliance to Save Energy, the American Council for an Energy Efficient Economy, and the Natural Resources Defense Council. These include:

- New efficiency standards for certain outdoor lighting, as supported by the National Electrical Manufacturers Association and major lighting manufacturers such as General Electric, Osram Sylvania, and Philips;
- Increased efficiency standards for furnaces, heat pumps and central air conditioners, as supported by the Air-Conditioning, Heating and Refrigeration Institute and its dozens of member companies including Carrier, Johnson Controls, Rheem, Lennox, Nordyne, Goodman and Trane. The furnace provisions are also supported by the American Gas Association; and
- Increased energy and water efficiency standards for refrigerators and freezers, clothes washers and dryers, dishwashers, and room air-conditioners, as supported by the Association of Home Appliance Manufacturers and its many member companies including Electrolux, General Electric, Sub-Zero, and Whirlpool.

INCAAA also includes consensus standards that were earlier reported by the Energy Committee on smaller classes of products such as drinking water dispensers, hot food holding cabinets, electric spas, pool heaters, and consensus standards that were negotiated more recently for service-over-the-counter refrigerators.

The American Council for an Energy-Efficient Economy estimates that INCAAA would:

- Save the Nation nearly 850 Trillion Btus of energy each year by 2030 – enough energy to meet the needs of 4.6 million typical American households. For

comparison, the states of Utah and Connecticut each used just over 800 Trillion Btus of energy in 2008.

- Result in net economic savings (benefits minus costs) to consumers of more than \$43 billion annually by 2030.
- Save nearly 5 trillion gallons of water annually by 2030, roughly the amount needed to meet the current needs of every customer in Los Angeles for 25 years.
- Improve the environment by reducing annual carbon dioxide emissions by about 47 million metric tons in 2030.

The Department of Energy's appliance standards program has been one of the nation's most powerful and successful tools for promoting energy and economic efficiency. ACEEE estimates that by 2010 appliance efficiency standards had reduced national non-transportation energy use to 7 percent below what it would otherwise be. For comparison, 7 percent of energy consumption in the U.S. is more than the annual energy consumption of Florida or New York. Standards not only defer the construction of power plants, but also all of their associated costs for planning, siting, operating, fueling, maintaining, and the environmental costs of their emissions, and the costs associated with the distribution of that energy.

Finally, INCAAA contains no authorizations. Based on the CBO analysis conducted last year on ACELA, it is clear that this bill would not incur any no new spending.

Mr. President, this legislation represents government at its best, as a catalyst, bringing together stakeholders on consensus solutions to complex problems. I urge my colleagues to join us in supporting enactment of INCAAA and reaching the goal that was so narrowly missed last December.

I ask unanimous consent that the text of this legislation and a summary of its provisions be printed in the Record at the conclusion of my remarks.

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