



Consumer Federation of America

Statement of Dr. Mark Cooper Senior Fellow, Consumer Federation of America

Department of Energy Public Hearing on Notice of Proposed Rulemaking to Withdraw the Revised General Service Lamp and General Service Incandescent Lamp Definitions

Docket ID: EERE-2018-BT-STD-0010

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I am Dr. Mark Cooper, Senior Fellow, at the Consumer Federation of America (CFA). CFA is an association of more than 250 non-profit consumer groups that, since 1968, has sought to advance the consumer interest through research, education, and advocacy. For more than 20 years, we have been a vigorous and continuous participant in the process of setting standards to improve the efficiency of energy-using consumer durables and lower the cost of energy borne by consumers.¹

In my brief statement today, I will make five points on which we will elaborate extensively in our formal comments on the proposal to withdraw the revised definition of general service and incandescent lamps. The message is that the attack on efficiency standards is simply wrong, imposing billions of dollars of unnecessary cost on consumers and the economy. In fact, our analysis shows that this is the single most important consumer pocketbook issue that policymakers confront.

1. Consumers have benefited enormously from appliance efficiency standards. We estimate that past standards have saved consumers \$750 billion dollars, net of technology costs and environmental benefits. Current standards will save them an equal amount, raising the benefit to consumers of standards already on the books and implemented to \$1.5 trillion.

2. Consumers are well aware and understand that, even though standards increase the cost of energy consuming durables goods (like light bulbs, refrigerators, air conditioners and computers), the value of energy savings vastly exceeds the cost. As a result, our public opinion polling shows that they overwhelmingly support standards.²

3. To the extent that standards affect energy consuming durable goods that are used in the commercial and industrial sectors, standards are a consumer issue, too. Who do you think bears the burden of the energy costs of those goods, the tooth fairy? No, consumers ultimately pay for the energy wasted in production through the prices they pay for goods and services.

4. Because these standards are good for consumers, the economy, and the environment, statutes have been adopted to require beneficial standards to be adopted for a wide range of energy consuming goods and services, some under the authority of the Department of Energy, others under authority granted to the Department of Transportation and the Environmental Protection Agency. In many cases the, attack on efficiency standards launched by the current administration violates those statutes. In some cases, the

¹ The CFA website (<http://consumerfed.org/issues/energy/>) provides links to 140 pieces of testimony and reports published in the past ten years dealing with the efficiency of energy-using consumer durables divided roughly equally between appliances and vehicles.

² https://consumerfed.org/press_release/consumers-support-appliance-efficiency-but-trump-administration-delays-and-seeks-to-weaken-standards/

attack on efficiency also violates the Administrative Procedure Act. In all cases, the effort to roll back energy efficiency standards is immoral, wrong. The efforts should be rejected by policymakers, as they will be rejected by the public.

5. We describe the approach to standards being implemented across all agencies in light of the passage of the Energy Independence and Security Act, as “command-but-not-control.” The standards set a goal, but allow the industry to achieve that goal in the least cost manner possible. Our analysis of standards has identified key characteristics that ensure the least cost, most beneficial approach to meeting standards. They should be (1) technology and (2) product neutral, setting moderately (3) aggressive and progressive targets that are responsive to the needs of (4) consumers and (5) producers. This ensures that they (6) unleash market forces of competition and innovation around the standard.³

As indicated above, we have analyzed the full range of energy efficiency standards subject to all federal jurisdictions in great detail, including light bulbs. Indeed, we have shown that each of the observations applies to light bulbs. Lighting products are not only covered by our analysis, but they provide a perfect example. They are a part of the overall picture, but like each and every other product, they are an important part of that picture. Lighting represents about 10% of a typical household’s electric bill—we believe the standards that are currently in place will help to lower that part of the bill and help mitigate increases in electricity consumption due to the use of more electronics or larger homes. We believe the current definition for general service lamps should be maintained.

The light bulb standard that went into effect in 2012 has spurred tremendous progress in lighting efficiency for A-type (common household) light bulbs and acceptance by consumers of light emitting diodes (LEDs). By 2025, it is estimated that consumers will have saved close to \$8 billion dollars⁴. We believe the experience with the A-type LEDs bodes well for the acceptance of the products that will be affected on January 1, 2020, and that the costs will come down as they did in the case of the A-type LEDs. These additional categories of lighting products will save consumers even more, on the order of \$12 billion dollars in direct savings. And, there are additional economic benefits when the commercial and industrial sectors save on lighting costs. These energy savings are passed on to consumers in the lower cost of goods and services.

The General Service Lamp definition final rules issued on January 17, 2017 were correct; no further changes are needed. The Department should withdraw its Notice of Proposed Rule Concerning the Definition of General Service Lamps. It’s in the best interest of consumers and the economic interests of our country.

³ This explains why compliance costs have repeatedly, almost invariably, been well below the estimates made by regulators and far below the bloated cost estimates of industry Mark Cooper, Director of Research, “Comments of the Consumer Federation of America,” In the matter of Request for Information on Reducing Regulation and Controlling Regulatory Costs, Before the U.S. Department of Energy, E.O. 13771, 13777, 13783, July 14, 2017, p. 3. We have identified these characteristics in the study of standards in a broad range of goods not limited to energy consuming durables (see Mark Cooper, “Command but not Control: Progressive Capitalism and Regulatory Institutions for the Third Industrial Revolution: The Paris Agreement on Climate Change,” Session on Regulation and Industry Structure the Digital Broadband Migration: The Evolving Industry Structure of the Digital Broadband Landscape, 2016). Mark Cooper, 2014, Energy Efficiency Performance Standards: Driving Consumer and Energy Savings in California. Presentation at the California Energy Commission’s Energy Academy, February 20, 2014; 2013; Energy Efficiency Performance Standards: The Cornerstone of Consumer-Friendly Energy Policy, Consumer Federation of America, October 2013)

⁴ https://appliance-standards.org/sites/default/files/light_bulb_brief_appendices.pdf, p. 6. These products were included in the larger category of future potential savings in our earlier analysis.