



## Consumer Federation of America

**Statement of  
Richard Eckman, Energy Advocate  
Consumer Federation of America  
on the  
Energy Conservation Standards for Refrigerators,  
Refrigerator-Freezers, and Freezers  
Notice of Proposed Rulemaking  
before the  
Department of Energy  
Public Hearing  
April 11, 2023**

Thank you for the opportunity to provide a statement.

My name is Richard Eckman. I am an Energy Advocate at the Consumer Federation of America. CFA is an association of more than 250 nonprofit consumer organizations that was established in 1968 to advance consumer interest through research, advocacy, and education. For over thirty-five years, CFA has advocated for cost-effective energy and water efficiency standards at the state and federal levels as they benefit consumers through lower utility bills.

CFA supports the proposed standard; however, I will note that DOE could do more, but we also think it is important to put the benefits in a broader perspective. Refrigerators are among the most important of household devices for saving consumers money, as almost every household has a refrigerator that is run 24/7 for 365 days a year.

CFA's analysis of the proposed rulemaking addresses specific concerns raised by DOE, broadly the associated technology, cost estimation, regulatory burdens, rebound effects, climate change, and other and non-monetizable effects. Moreover, there are a number of very important fundamental issues, like discount rates and market processes, that we also note influence the decision on where to set standards.

We are well aware of the many (often conflicting) considerations the DOE must take into account in setting standards. We are equally aware that the industry will cite

these considerations as justification for adopting less stringent standards. On the contrary, when we examine the various considerations that go into the DOE choice of a standard, we see strong evidence that each of the considerations suggest that DOE should adopt a more stringent standard.

In reviewing the standards for the many product classes of refrigerators, it is clear that the DOE has chosen to set the standard at the lowest life cycle cost. That may seem reasonable, but it is inconsistent with the statute and sound public policy.

A standard at one higher level of efficiency is superior; it is.

- technically feasible
- saves more energy
- takes account of the climate and public health value of higher standards, ensuring consumers get the benefit of capturing externalities
- economically justified
- increases LCC slightly
- yields a benefit-cost ratio of almost 2
- delivers more consumer pocket surplus
- has an acceptable payback period of half the life of the appliance or less while it negatively impacts only about half of consumers

Of course, this higher standard has some negative consequences; it

- lowers producer surplus slightly, (to decrease consumer surplus by a much larger amount)
- increases the payback period
- increases the % of consumers negatively affected

The DOE has chosen to let the latter three negative effects of higher standards outweigh the former three positive effects. Although CFA respectfully disagrees with this choice, we recognize that striking a balance is necessary. In demonstrating the superiority of setting the standards at a higher level of efficiency, we demonstrate that there certainly are no reasons to lower the standard; it should be higher, but it certainly should not be lower.