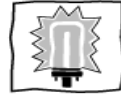


# Northeast Energy Efficiency Partnerships, Inc.



## Key Elements Of the Energy Efficiency Standards Provisions of Rhode Island Energy Efficiency Standards Legislation; H-5307

**Purpose of Standards.** The purpose of the bill is to enable Rhode Island business and residential consumers to save energy and reduce their utility bills, by speeding up the availability and use of energy efficient products. The mechanism for accomplishing this goal is the establishment of minimum energy efficiency standards for 19 categories of new products. The Consumer Protection Unit of the Attorney General (CPU) will administer the standards. **Note:** Standards apply to new products only; the bill *does not contain any requirements for the replacement of existing products already in use.*

**Products covered by the bill.** The bill covers 19 categories of products. Six of them – ceiling fan lights, torchiere lighting fixtures, television adapter boxes, external power supplies and residential furnaces/boilers and furnace fans -- are *residential* in nature. The other thirteen categories are *commercial equipment* – heating, cooling, electrical, signaling, and laundry equipment. These specific products were selected because --

- These products use significant amounts of energy;
- Technical criteria for defining efficiency levels have already been established for these products;
- Products are now commercially available that meet these standards.

**Setting the standards.** The minimum efficiency standards for each of the 19 categories of products are *contained in the bill*. The CPU is to adopt the standards by regulation, and may *clarify* the standards if need be, but has no authority to make the standards either stronger or weaker. Sources for the 19 standards are as follows:

- US EPA *Energy Star* (five product standards: torchiere light fixtures, exit signs, traffic signals, ceiling fan light kits, commercial refrigerators and freezers)
- California Energy Commission (seven product standards: commercial clothes washers, television adapter boxes, commercial ice makers, commercial pre-rinse spray valves, metal halide lamp fixtures, reflector lamps and external power supplies.)
- Consortium for Energy Efficiency (one product standard: large packaged air conditioners.)
- American Council for an Energy-Efficient Economy (five product standard: unit heaters, and mid-voltage dry-type transformers, residential furnaces and boilers, furnace fans.)
- National Electrical Manufacturers Association (one product standard: low-voltage dry-type transformer)

**Note:** These agencies and groups do *not* have the right to change Rhode Island's standards in the future. The standards in the bill will remain in effect unless and until revised by the state legislature or preempted by future Federal efficiency standards.

**Effective dates.** The standards will generally apply to *new* products sold in Rhode Island on or after January 1, 2007, and for *new* products installed in Rhode Island on or after January 1, 2008. For commercial ice makers and metal halide lamp fixtures, the effective date is pushed back 1 year and for commercial refrigerators and large packaged air conditioners the effective date is pushed back 3 years.

**Product testing and certification.** The CPU is to adopt regulations laying out the procedures for manufacturers to test their products for compliance with the standards and for certifying that compliance to the State. In both cases, CPU is directed to use existing nationally recognized procedures and to cooperate with other states and agencies that have similar programs. **Note:** A nationally recognized test procedure is already available for each product in the bill. Thus, CPU will *not* have to devise any new test procedures.

**Product labeling.** CPU is to adopt regulations laying out requirements for manufacturers to identify their products as complying with the standards by means of a mark, label, or tag. CPU is directed to coordinate such regulations "to the greatest practical extent" with the labeling programs and requirements of other states and federal agencies with equivalent efficiency standards. **Note:** It will not be necessary for products to be labeled with a Rhode Island-specific mark. Rather, a mark that ensures compliance with Rhode Island's standards is what is needed. For example, where Rhode Island standards are based upon US EPA's *Energy Star* program, the *Energy Star* label will be sufficient for identifying a product that complies with **Rhode Island's** standards.

**Inspection authority.** CPU is authorized, but not required, to make periodic inspections of distributors and retailers of new products covered by the bill. Any such inspections must be done with prior notice and at reasonable hours. **Note:** No additional inspections of new buildings will take place as a result of this bill.

**Penalties.** Any first violation is limited to a warning. Any subsequent violation is subject to a civil penalty of up to a maximum of \$250. There is no minimum penalty.

**Small Business Effect.** The effects on small business are positive. Energy bill savings will quickly repay any additional cost for new products to comply with the standards in the bill. These incremental costs will be repaid in 1 to 4 years, for products that have useful economic lives ranging from 8 to 30 years. The net present value to consumers is estimated to reach \$310 million. Since 13 out of 19 product categories are for commercial products, Rhode Island *businesses will reap the great majority of these savings.*

#### **Benefits of the Energy Efficiency Standards Bill:**

- Electric grid reliability will improve as electricity demand will drop by 60 MW by 2020 which is equivalent to the energy use of about 45,000 households.
- In addition, by 2020 carbon emissions will drop by 42,000 metric tons per year which is equivalent to removing 35,000 cars from the road.

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