

NEWS RELEASE

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Industry-Advocate Agreement Means Major Motor Electricity Savings

Washington, D.C. (March 27, 2007): The American Council for an Energy-Efficient Economy (ACEEE) and the National Electrical Manufacturers Association (NEMA) have agreed to a new set of proposed energy efficiency standards for industrial electric motors. Because motors use more electricity than any other end-use technology, it is estimated that the new standards will achieve major electricity savings. ACEEE and NEMA have submitted letters containing these recommendations to the House Energy and Commerce Committee and the Senate Energy and Natural Resources Committee for their consideration in energy legislation now under development.

"These standards will provide major energy and cost savings to industrial and commercial motor users while helping to moderate the growth in electricity demand in this country," said ACEEE's motor expert Dr. Neal Elliott, Industrial Program director. "In the industrial sector, motors account for over two-thirds of the electricity consumed. These standards will save over 8 trillion kilowatt-hours by 2030, with a net cost savings to electric consumers of almost \$500 million."

In brief, the agreement recommends that by a date that is 36 months from the date of enactment, minimum energy efficiency standards be established or increased for three broad categories of electric motors:

1. The minimum efficiency standards of general purpose, integral-horsepower induction motors currently covered by federal efficiency standards should be increased to the "NEMA Premium" efficiency level specified in NEMA Standards Publication MG-1 (2006), Table 12-12, with the exception of "fire pumps" that will remain at the current Table 12-11 level as specified in EAct 1992. This level of efficiency is already required for new motors acquired for federal facilities by the purchasing guidelines of the Federal Energy Management Program.
2. Efficiency standards should be enacted for seven types of low voltage poly-phase, integral-horsepower induction motors not currently covered under federal law. Specifically, seven motor modifications excluded from EAct 1992 standards of electric motors sized from 1 to 200 horsepower should meet the efficiency standards currently applicable to general purpose motors of the same size (i.e., efficiency levels specified in NEMA Standards Publication MG-1 [2006], Table 12-11).
3. In addition, general purpose motors of NEMA design "B" 201 to 500 horsepower should meet energy-efficient levels specified in NEMA Standards Publication MG-1 (2006), Table 12-11.

"This agreement demonstrates the mutual benefits that industry and the energy efficiency community can accomplish by working together," said Susan Coakley, Executive Director of Northeast Energy Efficiency Partnerships (NEEP), a Lexington, Mass.-based organization that worked

with ACEEE and NEMA on developing the proposed standard. "We encouraged ACEEE and NEMA to negotiate this historic agreement on motor efficiency standards as it offers to Northeast states much needed cost-effective energy and capacity savings as well as reduced carbon emissions. We applaud ACEEE and NEMA for their leadership and partnership to advance energy efficiency."

In addition to the standards, NEMA and ACEEE have recommended federal tax incentives for motor manufacturers and end-use purchasers to accelerate the production and installation of premium efficiency electric motors prior to the standards' effective date. Most of these motors have a useful life of over 20 years, so that any efficient motors purchased in advance of the standards' effective date will yield benefits for many years to come. ACEEE estimated that these tax credits would result in an addition 0.7 billion kilowatt-hours and \$40 million in savings.

About ACEEE: The American Council for an Energy-Efficient Economy is an independent, nonprofit organization dedicated to advancing energy efficiency as a means of promoting both economic prosperity and environmental protection. For information about ACEEE and its programs, publications, and conferences, contact ACEEE, 1001 Connecticut Avenue, N.W., Suite 801, Washington, D.C. 20036-5525 or visit <http://aceee.org>.

About NEEP: The Northeast Energy Efficiency Partnerships is a regional nonprofit organization founded in 1996. Its mission is to promote energy efficiency in homes, buildings and industry in the Northeast U.S. through regionally coordinated programs and policies that increase the use of energy efficient products, services and practices, and that help achieve a cleaner environment and a more reliable and affordable energy system. For more information, visit <http://neep.org>.

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