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Via E-mail

Mr. Daniel Simmons
Department of Energy
Assistant Secretary for Energy Efficiency and Renewable Energy
Energy Efficiency and Renewable Energy
1000 Independence Avenue, SW
Washington, DC 20585-0121

Dishwashers2018STD0005@ee.doe.gov

Re: AHAM Comments on DOE's Proposal to Grant Petition for Rulemaking on Dishwasher Product Classes; Docket No. EERE-2018-BT-STD-0005; RIN 1904-AE35

Dear Assistant Secretary Simmons:

The Association of Home Appliance Manufacturers (AHAM) respectfully submits the following comments in opposition to the Department of Energy's (DOE) proposed rule issued in response to its granting the petition regarding dishwashers from the Competitive Enterprise Institute (CEI) (Dishwasher Petition) filed on March 21, 2018; Docket No. EERE-2018-BT-STD-0005; RIN 1904-AE35; 84 Fed. Reg. 33869 (July 16, 2019) (Proposed Rule).

AHAM represents manufacturers of major, portable and floor care home appliances, and suppliers to the industry. AHAM's more than 150 members employ tens of thousands of people in the U.S. and produce more than 95% of the household appliances shipped for sale within the U.S. The factory shipment value of these products is more than \$30 billion annually. The home appliance industry, through its products and innovation, is essential to U.S. consumer lifestyle, health, safety and convenience. Through its technology, employees and productivity, the industry contributes significantly to U.S. jobs and economic security. Home appliances also are a success story in terms of energy efficiency and environmental protection. New appliances often represent the most effective choice a consumer can make to reduce home energy use and costs.

AHAM supports DOE in its efforts to ensure a national marketplace through the Appliance Standards Program, which, when done correctly, prevents a patchwork of state standards and reduces manufacturing and consumer costs. We appreciate the sentiment behind the dishwasher Petition and DOE's Proposed Rule. However, at this time we do not support changing the product classes for residential dishwashers to include a product class for dishwashers with cycle times of one hour or less. In addition, we do not believe it is justified under 42 U.S.C. § 6295(1) or other provisions of the Energy Policy and Conservation Act or other law. Consumers already

have access to shorter cycles when they need them. A new product class and less stringent standards, at this time, will cause stranded investments and additional costs for manufacturers and, ultimately, consumers.

Importantly, the critical consumer welfare and policy issue CEI raised in its petition and DOE raises in its proposed rule is of enormous significance for future, possible DOE dishwasher energy conservation standards rulemakings. In fact, AHAM raised the problems caused by lengthening cycle times for the normal cycle as a concern in our comments on the previous dishwasher rulemaking.¹ But, at present, and thankfully for consumers, manufacturers are still able to provide the desired utility of a shorter cycle option under existing product classes and standards. New regulation is not necessary.

I. Consumers Have Access to Shorter Dishwasher Cycles.

For AHAM's members, the consumer is always top of mind. Home appliance manufacturers innovate to make appliances that save time, effort, water and energy, as well as enhance style, convenience, and ease of use. Manufacturers know how much consumers rely on their home appliances to make their lives easier and more comfortable, so they push themselves to make appliances that last longer, perform better, and respond to consumer needs and preferences. Thus, manufacturers pay careful attention to consumer needs and desires for particular features and utilities. AHAM's members know that consumers want to have the option to clean dishes quickly when needed. That is why most dishwashers today, consistent with the existing energy conservation standard, already offer consumers cycles that clean in significantly less time than the normal cycle. (Albeit, that normal cycle, as AHAM commented in 2015 and is the basis for CEI's Dishwasher Petition, has grown longer in order to maintain performance as efficiency has increased and water use has decreased.) In fact, 86.7 percent of reported 2017 dishwasher shipments in a recent AHAM survey provided consumers with a cycle that can wash and dry the load in just over one hour—a shipment weighted average of 59 minutes, 42 seconds. According to CEI's data, dishwasher cycle times were over an hour—70 minutes—even in 1983 before any energy conservation standards for dishwashers were imposed.

In CEI's supplement to its Dishwasher Petition, CEI indicated that, based on a review of only two dishwasher models, “according to manufacturers these quick cycles are for lightly soiled dishes rather than normally soiled loads.” Based on AHAM's survey, however, which reviewed almost 400 models, only 52 percent of the reported shipments indicated that the recommended soil level for the quick cycle was “light.” Notably, the data the petitioners relied upon for

¹ See AHAM Comments on DOE's NOPR for Energy Conservation Standards for Residential Dishwashers; Docket No. EERE-2014-BT-STD-0021; RIN 1904-AD24 (March 25, 2015) (“The dishwasher is a holistic system—changes in one area impact other areas. The washing process, and ultimately, was performance, is a function of washing temperatures, length of washing cycles, types and amounts of detergent applied, and mechanics. As each of these factors changes, the other elements must compensate for the change or wash performance will suffer. For example, if washing temperatures and mechanics are decreased to meet stringent energy conservation standards, the length of the washing cycle will have to increase in order for performance to be maintained. And, as DOE's levels become more and more stringent, cycle length will reach a level unacceptable to consumers. It is likely that DOE's proposed levels will have that effect.”).

“typical” consumer comments also include comments demonstrating consumer satisfaction with currently available shorter cycles.² Thus, when consumers are using these shorter cycles, they appear to be satisfied with them:

- “The short wash cycle cleans just as well as the long – saves time and energy.”
- “It’s reliable and has many cycle options; the fast wash is thorough and saves time and water.”

AHAM’s members also know that consumers value efficiency and water savings, particularly for dishwashers, as long as those criteria are not pushed to extremes. Consumers value energy and water efficiency in dishwashers, more than other products. In fact, according to a 2010 study done by Bellomy Research for AHAM, energy and water efficiency ranked as the third most important purchase decision criteria with performance and cost coming in the top two spots. (For other products in this survey, energy efficiency typically ranked lower). Survey data our members provided to AHAM supports this finding—performance and energy efficiency were top reasons for consumers in selecting a dishwasher. We expect our members will provide specific data on these points to DOE in confidential comments. Notably, performance and cost are the top two concerns for consumers, and, as addressed with DOE extensively in 2015, increased efficiency at the cost of decreased performance is not appropriate under the EPCA criteria without substantial new technology.

Figure 1A: Dishwashers

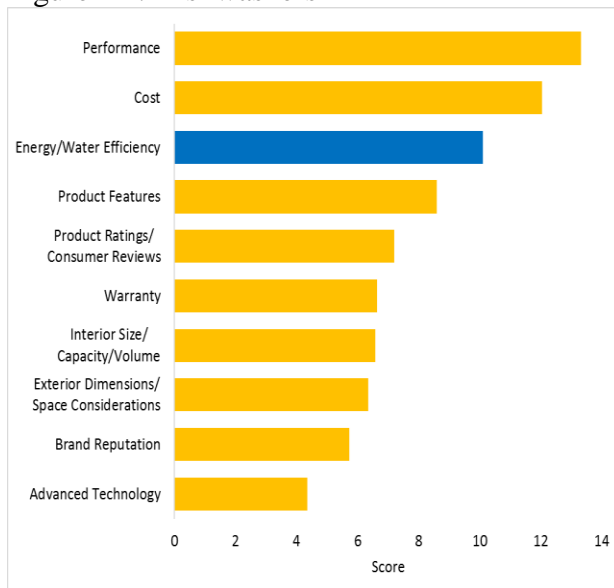
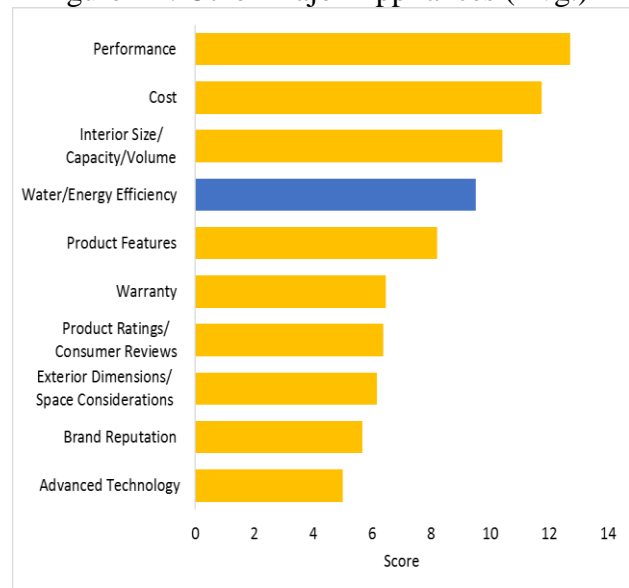


Figure 1B: Other Major Appliances (Avg.)



As these data show, consumers want both the benefits of efficiency as well as access to a faster product cycle when needed—manufacturers presently are accommodate both of those consumer desires under existing energy conservation standards.

² See Dishwasher Petition.

Many of the dishwashers that provide shorter cycle options to consumers also offer the highest levels of efficiency—according to AHAM’s survey, 96.5 percent of the reported shipments offering shorter cycles are ENERGY STAR qualified, offering consumers energy and water efficiency on the normal cycle and the option to use a shorter cycle when needed. Thus, consumers are already getting the best of both worlds. And, when consumers are asked if they would be willing to trade a shorter cycle for more energy and water use, most consumers were indifferent or leaning against it.³ This demonstrates that energy conservation standards and ENERGY STAR levels have not yet eliminated or threatened the consumer utility associated with optional shorter cycles—those cycles are available as alternatives to the normal cycle. Accordingly, a new product class is not justified under 42 U.S.C. § 6295(q) at this time to protect this utility feature.

We note that, according to the U.S. Energy Information Administration’s (EIA) Residential Energy Conservation Survey (RECS) 2015 data, over 80 percent of U.S. households use the normal cycle. The Dishwasher Petition’s concerns are unquestionably relevant to any future rulemakings that would propose to make the normal cycle unacceptably long or prevent manufacturers from being able to offer shorter cycles, as options, to consumers.

We recognize that there are comments on this docket from consumers who believe their dishwasher cycle is too long. Our members’ survey data indicate that many consumers may not even realize all of the choices they have because they become so accustomed to selecting a particular cycle. Based on field and survey data our members provided to AHAM, it appears that consumers tend to use the same cycle (most often the normal cycle, as also supported by RECS) most or all of the time. Even for people who use the dishwasher a lot—maybe twice per day—most still choose the normal cycle or, when needed, something longer. We hope that consumers will familiarize themselves with their choices—DOE need not step in with a new regulation at this time. We expect our members will provide specific data on these points to DOE in confidential comments.

In response to comments “that the available data on when dishwashers are run (i.e., typically after breakfast or in the evening) suggest that cycle time is of little utility,” DOE indicated that “a different interpretation could be that consumers already know that their dishwasher will take a long time to run, and therefore decide to wait and run it before bed and empty it in the morning, regardless of whether they would prefer to run it at a different time.” But field data members provided to AHAM indicates that consumers do not appear to be selecting cycles based on how long they take, but rather to address the soil level of the dishes. In addition, the survey and field data our members provided demonstrate that people start the dishwasher after an event—i.e., a meal rather than because they are accounting for a long cycle time. AHAM expects our members will provide specific data on these points to DOE in confidential comments.

According to CEI, AHAM “found the shipment weighted average cycle time is 1.76 hours. As this is below the average-per-model cycle time, this demonstrates that consumers tend to prefer models with lower cycle times.” But the fact that the shipment weighted average cycle time is

³ According to survey data AHAM members provided to AHAM and that, we expect they will provide to DOE in confidential comments.

lower than the per-model average cycle time says nothing other than that more consumers have dishwashers with shorter average cycle lengths. There is not sufficient data to demonstrate that consumers are making purchase decisions based on cycle time or to demonstrate that consumers would be willing to sacrifice existing levels of efficiency for shorter cycle times. In fact, field and survey data our members have provided to AHAM and that we expect they will provide to DOE individually in confidential comments indicates that, when selecting a dishwasher, cycle time is ranked lowest in importance among other features available to consumers. Cleaning performance, loading, and dish rack features were much more important to consumers. The data AHAM presents above indicate that it is not as simple as prioritizing one feature—other factors are also driving purchase decisions. There are multiple utilities, including time that must be achieved.

The point of these data is not to argue that short cycle times are not significant utilities and features that must be protected—they are. Consumers do care if their dishwashers run for a long time according to the consumer comments on this docket and our members' survey data. The point is that, at this time, energy efficiency need not be sacrificed to achieve maximum consumer satisfaction. As mentioned above, cycle time in the normal cycle is still a key consideration for future rulemakings that could, if pushed too far, make the normal cycle unacceptably long.

Based on available data and information, and the fact that most dishwashers already provide consumers with short cycle time options, it is hard to identify a true consumer benefit associated with CEI's proposal to create a new product class for dishwashers with cycle times of less than one hour including wash and dry time.

Under 42 U.S.C. §6295(q), a standard or product class which would be the basis for a different, presumably less stringent, standard—as is the petitioner's and DOE's intent—can be set to protect a “performance related feature which other products within such type (or class) do not have and such feature justifies a higher or lower standard . . .” And in making such a determination, DOE shall “consider such factors as the utility to the consumer of such feature ...” The time may come when AHAM would support the petitioner's approach to protect short cycle times under this provision, but thankfully, it has not yet arrived.

II. Reversing Innovation Will Strand Investments and Require New Ones.

AHAM members are committed to providing energy efficient dishwashers that have a direct, positive impact on the lives of consumers. The energy and water efficiency gains for dishwashers have been dramatic and undeniable. A 2016 dishwasher uses 40 percent less energy than one did in 2000. In fact, replacing a 12-year old dishwasher with one of average efficiency will save the American consumer \$13 per year in utility costs.

Dishwashers have become so efficient that DOE recently decided not to amend standards for dishwashers.⁴ These savings have not come without cost to the industry and losses in industry

⁴ See Energy Conservation Program: Energy Conservation Standards for Residential Dishwashers, Final Rule; Docket No. EERE-2014-BT-STD-0021; RIN 1904-AD24; 81 Fed. Reg. 90072 (Dec. 13, 2016). DOE determined that more stringent residential dishwasher standards would not be economically justified

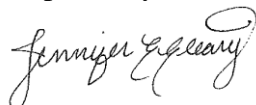
net present value as DOE has acknowledged in its rulemakings amending standards for dishwashers. Manufacturers have invested heavily in innovating to meet energy conservation standards for dishwashers and to be responsive to consumers' desire for energy and water efficient dishwashers. Were DOE to develop a new product class for dishwashers with cycle times less than one hour, the result will likely be stranded investments, as manufacturers would essentially be required to abandon these innovations in efficiency.

The Dishwasher Petition and DOE's Proposed Rule seem to inherently assume that a new product class for dishwashers with cycle times under one hour would represent a deregulatory action. That is far from accurate—in fact, it would be a new, additional regulation. Not only would investments in efficiency innovation be stranded, but also new investments would be required in order to design dishwashers that could fall into the new product class and meet the new product class's standards. At this stage, without proposed standards levels, it is difficult to predict the exact costs that would be associated with meeting standards for a new product class. But what we do know is that meeting new standards for a product class that would require complete washing and drying in less than one hour would require new platforms. And it is well understood by DOE and AHAM that the most significant investments in efficiency standards come when new platforms are required because that involves redesign, retooling, assembly line layout changes, and plant design changes. These would all be required.

It would not be as simple as picking up an old dishwasher design and putting it back into production. Even if old designs could be used, old tooling would no longer be useable. Thus, new investments for manufacturers would be significant. And, as demonstrated above, these new investments (and stranded investments) would not be offset by any benefit to consumers or the environment. Thus, it is difficult to see how this product class and any associated standards could be justified under EPCA. Moreover, as a new regulation that would add cost, it is not consistent with Executive Order 13771, Reducing Regulation and Controlling Regulatory Costs (Jan. 30, 2017).

AHAM appreciates the opportunity to submit these comments on DOE's Proposed Rule to amend the dishwasher product classes and would be glad to discuss these matters in more detail should you so request.

Respectfully Submitted,



Jennifer Cleary
Vice President, Regulatory Affairs

because the benefits of energy savings, positive net present value of consumer benefits, and emission reductions of more stringent standards “would not be outweighed by the economic burden on over half of dishwasher consumers. Furthermore, the impacts on manufacturers, including the conversion costs and profit margin impacts, could result in a large reduction in industry net present value.”