

March 28, 2024

The Honorable Joe Manchin
Chairman
Committee on Energy & Natural Resources
United States Senate
Washington, DC 20510

The Honorable Cathy McMorris Rodgers
Chair
Energy and Commerce Committee
United States House of Representatives
Washington, DC 20515

The Honorable John Barrasso
Ranking Member
Committee on Energy & Natural Resources
United States Senate
Washington, DC 20510

The Honorable Frank Pallone Jr.
Ranking Member
Energy and Commerce Committee
United States House of Representatives
Washington, DC 20515

Dear Chairman Manchin, Chair Rodgers, Ranking Member Barrasso and Ranking Member Pallone,

We represent companies that manufacture, sell, service and specify commercial refrigeration equipment (CRE) in the United States. This equipment is subject to the DOE's proposed revised energy-efficiency standards, promulgated under the Energy Policy and Conservation Act (EPCA)¹. **We ask that you join us in strongly urging the DOE to issue a "no-new-standard" standard under EPCA.**

Proposed Standards Do Not Meet Federal Mandate and Impose Regulatory Burden

EPCA requires DOE to **evaluate** proposed energy-efficiency standards for several equipment categories, like CRE, every six years, but it **does not mandate** that DOE **impose** such standards. Rather, DOE is to impose new energy efficiency standards **only if** DOE finds that such standards are "**technologically feasible**" and "**economically justified**."

As several stakeholders have made clear in recent comments to DOE in its latest rulemaking for CRE,² DOE **failed** its statutory burden and, instead, has **elected to proceed with unprecedented standards that are technologically impossible to meet and economically unjustified**.

For example, DOE's proposed standards require energy reductions of 17% to 60% on top of those put in place just three years ago. Unfortunately, many of the technology options that DOE believes would reduce energy consumption are already in use, not readily available, or have not been tested to assess their efficiencies. DOE's proposed standards pile on to others from

¹ DOE Energy Conservation Program: Energy Conservation Standards for Commercial Refrigerators, Freezers, and Refrigerator Freezers, Notice of Proposed Rulemaking; [Dkt. EERE-2017-BT-STD-0007](#) (88 Fed. Reg. 70196; Oct. 10, 2023).

² See comments, e.g., [Air-Conditioning, Heating and Refrigeration Institute \(AHRI\)](#), [National Automatic Merchandising Association \(NAMA\)](#), [North American Association of Food Equipment Manufacturers \(NAFEM\)](#).

the U.S. Environmental Protection Agency (EPA) mandating that the industry use new lower global warming potential (GWP) refrigerants. Despite the industry's substantial investments to meet EPA's requirements, DOE has all but ignored these cumulative burdens.

These overlapping regulations from different regulatory agencies on the same products make for an incredibly challenging business environment. Attempting to meet DOE's standards will be financially prohibitive – if not impossible with current technologies – and will severely limit R&D that could result in real energy efficiencies down the road.

Proposed Standards Could Negatively Impact Jobs, Energy Efficiency and Food Safety

Manufacturers have strenuously told DOE, there is no “silver bullet” of one or even several technologies that will allow many products to stay on the market under these proposed regulations. Accordingly, manufacturers will need to shut down product lines, which may result in a loss of jobs and a reduction of customer options. Relatedly, DOE's standards are not “economically justified.” For the subset of current CRE that can be technologically improved to meet DOE's proposed standards, manufacturing costs will increase, in many cases substantially. Retooling and changes in insulation configuration can cost manufacturers millions.

These costs must be passed on to customers, many of which are small businesses, like restaurants, bars, retailers, hotels, grocers, and schools. As DOE acknowledges in its own analysis, the increased capital expense costs caused by these standards may take customers **more than 10, 75, and up to 93.9 years** in many instances to match cost reductions achieved through energy-efficiency gains. More expensive equipment translates into higher costs for consumers. This is simple economics. As the cost of inputs and doing business increases, a restaurant's or grocer's prices also must increase to make enough of a profit to stay in business.

Ironically, DOE's proposed energy efficiency standards may in fact increase energy consumption for several reasons. Customers may choose to keep their old equipment operating as long as possible rather than incur the substantial cost to shift to new equipment. To preserve capital, new businesses may look to purchase used, less-efficient equipment, which will continue to use more energy. And because manufacturers will likely achieve most efficiency gains by tacking on additional insulation, which reduces capacity, even those businesses that can afford the increased cost of equipment may need to purchase two units instead of one to have comparable storage space, doubling energy consumption.

Most concerning are the real food safety risks caused by unyielding adherence to DOE's proposed standards. It is well known that DOE uses test procedures that do not match real world conditions. For example, DOE's estimate of the number of CRE door openings in an hour often does not reflect a busy restaurant, which means, under the proposed standard, the appliance's interior temperature may rise above safe food-storage conditions. Or, DOE's test of a refrigerator in a stable ambient environment does not reflect CRE that may be placed in a high ambient heat area without air conditioning, such as a small grocer's back room exposed to extreme summer or regional heat. Widespread food safety concerns pose real risks that, in the aggregate, can have substantial economic harm to the foodservice industry and the public.

“No New Standard” Standard Is The Right Decision

Our industry is an ardent supporter of energy efficiency, and we value our participation in the ENERGY STAR® program because we recognize that environmental stewardship and energy

efficiency are positive attributes in the marketplace. But DOE's proposed standards are not "technologically feasible" nor are they "economically justified."

Our industry supports, and will continue to support, energy-efficiency regulations that are tethered to technological and economic reality. DOE's proposed standards are neither. We respectfully ask you to urge DOE to issue a "no new standard" for commercial refrigeration equipment.

Very truly yours,

Commercial Food Equipment Service Association (CFESA)
Foodservice Consultants Society International The Americas (FCSI)
Foodservice Equipment Distributors Association (FEDA)
Manufacturers' Agents Association for the Foodservice Industry (MAFSI)
National Automatic Merchandising Association (NAMA)
North American Association of Food Equipment Manufacturers (NAFEM)