

## **DEPARTMENT OF ENERGY**

### **Statement of Regulatory and Deregulatory Priorities**

The Department of Energy (Department or DOE) makes vital contributions to the Nation's welfare through its activities focused on improving national security, energy supply, energy efficiency, environmental remediation, and energy research. The Department's mission is to:

- Promote dependable, affordable and environmentally sound production and distribution of energy;
- Advance energy efficiency and conservation;
- Provide responsible stewardship of the Nation's nuclear weapons;
- Provide a responsible resolution to the environmental legacy of nuclear weapons production; and
- Strengthen U.S. scientific discovery, economic competitiveness, and improve quality of life through innovations in science and technology.

The Department's regulatory activities are essential to achieving its critical mission and to implementing the President's clean energy and climate initiatives. Among other things, the Regulatory Plan and the Unified Agenda contain the rulemakings the Department will be engaged in during the coming year to fulfill the Department's commitment to meeting deadlines for issuance of energy conservation standards and related test procedures. The Regulatory Plan and Unified Agenda also reflect the Department's continuing commitment to cut costs, reduce regulatory burden, and increase responsiveness to the public. Additionally, DOE recognizes that public participation and community engagement are a crucial aspect of the Department's rulemaking process, as well as an important vehicle to assist the Department in streamlining its regulatory priorities. DOE's existing ex parte communication process provides an avenue for stakeholders and members of the public to meet with the Department to discuss regulatory practices, either during or not during a rulemaking. This process is intended to encourage the public to provide the Department with all information necessary to develop rules that advance public interest. The process serves to increase public participation in the Department's rulemaking activities and adds transparency to the development of any regulatory action.

### **Energy Efficiency Program for Consumer Products and Commercial Equipment**

The Energy Policy and Conservation Act (EPCA) requires DOE to set appliance efficiency standards at levels that achieve the maximum improvement in energy efficiency that is technologically feasible and economically justified. The Department continues to follow its schedule for setting new appliance efficiency standards by both tackling its backlog of rulemakings with missed statutory deadlines and advancing rulemakings with upcoming statutory deadlines. In 2024, DOE published 35 actions relating to energy conservation standards, including 15 final actions; and 6 actions relating to test procedures, including 3 final rules. DOE tentatively plans to publish 20 additional actions relating to energy conservation standards and test procedures by the end of the year. These rulemakings are expected to save American consumers billions of dollars in energy costs over a 30-year timeframe.

Additionally, EPCA directs DOE to provide interested persons an opportunity to present oral and written comments on matters related to any energy conservation standard or test procedure proposed rule. DOE fulfills this obligation by organizing public meetings, held as webinars, as part of the rulemaking process. The meetings take place during the comment period, which provides the public time to review the proposed action prior to attending. During the meeting, a DOE representative presents an overview of the proposed action that may include a general discussion of the rulemaking background, legal authority for the action being taken, and a robust discussion of the proposed action. Participants are offered an opportunity to ask the DOE representative questions about the proposal in real time and may present a prepared statement during the meeting if requested. After the meeting, DOE releases a meeting transcript and considers any question or information presented by the public during the meeting in the next stage of the rulemaking along with the written comments submitted during the comment period. Interested members of the public may participate in these meetings by registering online.

The Department is highlighting one important energy conservation standard rule titled "Energy Conservation Standards for Air-Cooled Commercial Unitary Air Conditioners and Heat Pumps". DOE proposed these standards after five meetings with relevant stakeholders in a DOE-led negotiated rulemaking process that began in 2022. The purpose of the ACUAC/HP Working Group was to discuss, and if possible, reach consensus on recommended amendments to the test procedures and energy conservation standards for ACUACs and ACUHPs. The ACUAC/HP Working Group consisted of 14 voting members, including DOE, manufacturers, electric utilities, States, and environmental and energy

efficiency advocates. There were also other observers including representatives from testing laboratories, industry trade associations, and other members of the interested public. These meetings, which were held in the Washington, DC area, took place on February 22–23, March 21–22, April 12–13, April 26–27, and May 1, 2023. The meetings were conducted in a collaborative manner, in which the government (and their consultants) and non-governmental participants shared and discussed available information; at the end of the deliberations, votes were held to determine whether there was consensus on various issues. This working group successfully reached consensus on recommended energy conservation standards. DOE estimates that the benefits to the Nation of the proposed energy conservation standards for the subject air-cooled commercial unitary air conditioners with a rated cooling capacity greater than or equal to 65,000 Btu/h (such as energy savings, consumer average life-cycle cost savings, an increase in net present value, and emissions reductions) outweigh the burdens (such as loss of industry net present value). For air-cooled commercial unitary air conditioners with a rated cooling capacity greater than or equal to 65,000 Btu/h, DOE estimates that energy savings (in terms of uniform energy factor) will be 5.5 quads over 30 years and that the cumulative net present value of total consumer benefits of the proposed standards for the subject equipment will be between \$4.39 billion at a 7-percent discount rate and \$15.30 billion at a 3-percent discount rate.

### **Federal Agency Leadership in Climate Change**

Beyond the energy efficiency program, DOE supports federal leadership in climate change in various ways, including its determination that recent revisions to the national model energy code for commercial buildings, ANSI/ASHRAE/IES Standard 90.1 (Standard 90.1), will increase energy efficiency in commercial buildings. Section 304(b) of the Energy Conservation and Production Act (ECPA), as amended, directs DOE to review updated editions of Standard 90.1 and for the Secretary to determine whether the revised code would improve energy efficiency in commercial buildings, and publish notice of such determination in the Federal Register. 42 U.S.C. 6833(b)(2)(A). If the Secretary determines that revision to the commercial code would improve energy efficiency in commercial buildings, ECPA then requires each state to certify, not later than two years after the date of the publication of the affirmative

determination in the Federal Register, that the state has reviewed and updated its commercial building code regarding energy efficiency in accordance with the revised standard. 42 U.S.C. 6833(b)(2)(B)(i).

ANSI/ASHRAE/IES published the updated edition of Standard 90.1 (Standard 90.1-2022) in January 2023, which triggered the statutorily required DOE review. DOE conducted a technical analysis to assess the impact associated with the updated code. DOE's technical analysis served as basis for DOE's determination and helps inform adopting states who seek to update their codes and comply with ECPA. DOE's full technical analysis, including assumptions and parameters applied in the analysis, is published as a separate technical support document and available for review.

DOE analysis demonstrated that the revised standard would result in more than nine percent site energy savings and source energy savings (9.8 percent and 9.4 percent, respectively) when compared with the current standard. Additionally, DOE concluded that the revised standard will result in 8.9 percent energy cost savings when compared with the current standard. As a result, DOE concluded that Standard 90.1-2022 will improve energy efficiency in commercial buildings and published its determination in the Federal Register in March 2024. DOE has chosen to highlight this significant activity in its Plan Statement even though this rulemaking concluded during the Spring 2024 Agenda cycle,

### **Advanced Technology Manufacturing Vehicle Loan Program**

This rulemaking proposes to revise the criteria and requirements, application requirements, and procedures for administering direct loans under the Advanced Technology Vehicles Manufacturing (ATVM) Loan Program, authorized by section 136 of the Energy Independence and Security Act of 2007 (ATVM statute), as amended (42 U.S.C. 17013). DOE is proposing to update the performance criteria requirements and to define the additional categories of advanced technology vehicles (ATV) added to the ATVM statute by the Infrastructure Investment and Jobs Act of 2021 (IIJA) and the Inflation Reduction Act (IRA). DOE is also proposing, based on experience gained through implementing the ATVM Loan Program, amendments to certain provisions currently in 10 CFR part 611 that would further improve the administration of the program.

DOE recently published a related direct final rule on May 29, 2024, that incorporated, without substantive change, the statutory amendments in the IIJA and IRA to the ATVM statute and associated

appropriations provisions and authorities (89 FR 33196). DOE also discussed in the direct final rule its intention to undergo a future rulemaking to propose more expansive changes to 10 CFR part 611. This rulemaking effort proposes those changes.

Since the passage of the IIJA and IRA, DOE has engaged in significant stakeholder outreach, including consulting with other federal agencies, industry groups, original equipment manufacturers, operators, non-governmental organizations, and standards bodies, to understand how to implement the additional categories of ATVs. DOE also issued a request for information in May 2024 seeking public feedback on issues related to the eligibility criteria for the additional ATV categories permitted to receive ATVM direct loans, as provided by the IIJA and IRA (89 FR 46378). In the proposed rule, DOE will consider the input received during the consultations and address the comments submitted in response to the request for information.