



Regulation Review

February 2014 Energy Efficiency Rules

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The Department of Energy (DOE) is starting out February by releasing a pair of final rules on energy efficiency standards. One would [establish standards](#) for metal halide lamp fixtures;

[the other](#) handles external power sources and battery chargers. Although they both still impose substantial burdens, the cost estimates for both rules are significantly lower than their respective proposed versions. Together, the unofficial, pre-publication versions are 613 pages.

PROPOSED VERSIONS:

- Metal Halide Lamp Fixtures: \$1.3 billion
- External Power Sources: \$4.2 billion
- *Combined Total: \$5.5 billion*

FINAL VERSIONS:

- Metal Halide Lamp Fixtures: \$721 million
- External Power Sources: \$3.3 billion
- *Combined Total: \$4 billion*

Total Decrease in Costs: \$1.5 billion

ANALYSIS

This pair of final rules imposes the highest costs so far this year. However, they both represent decreases in costs from their proposed version. This is some small respite considering that the [external power source rule](#) was one of the most expensive proposed rules in recent years. Although the difference in costs is substantial, the decreased costs estimates appear to arise largely from updated data inputs, rather than substantive changes in the regulatory requirements. In terms of further analysis, both Regulatory Flexibility Act sections in the rules certify that neither will have a significant economic impact on a substantial number of small entities.

However, the costs of each are still high. High enough, in fact, that they both easily clear the threshold established by the Unfunded Mandates Reform Act (UMRA) for what constitutes an “unfunded mandate” on private sector entities. The current threshold for an unfunded private sector mandate is approximately \$150 million annually. This is notable because it appears to mark an early start to a trend over recent years.

According to the [2013 Report to Congress](#), there were two final DOE rules in 2012 that triggered UMRA. There were two final efficiency rules, for [transformers](#) and [microwaves](#), in 2013 that triggered UMRA, for a total of four in the last two years. In addition to the lamp fixtures and external power sources final rules, there are at least four other efficiency regulations scheduled for finalization this year that would likely trigger UMRA as well. This means DOE could easily eclipse its total of UMRA rules over the past two years in 2014 alone.

The timeframe for official publication of these rules is still unclear. However, it’s clear that energy efficiency standards are a priority for the White House. The President has called for a “Year of Action,” and the administration is not wasting time on this front.