



441 G St. N.W.
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B-335373

June 20, 2023

The Honorable Joe Manchin
Chairman
The Honorable John Barrasso
Ranking Member
Committee on Energy and Natural Resources
United States Senate

The Honorable Cathy McMorris Rodgers
Chair
The Honorable Frank Pallone, Jr.
Ranking Member
Committee on Energy and Commerce
House of Representatives

Subject: *Department of Energy: Energy Conservation Program: Energy Conservation Standards for Room Air Conditioners*

Pursuant to section 801(a)(2)(A) of title 5, United States Code, this is our report on a major rule promulgated by the Department of Energy (DOE) entitled "Energy Conservation Program: Energy Conservation Standards for Room Air Conditioners" (RIN: 1904-AD97). We received the rule on June 8, 2023. It was published in the *Federal Register* as a final rule on May 26, 2023. 88 Fed. Reg. 34298. The stated effective date is July 25, 2023.

DOE stated that this final rule adopts amended energy conservation standards for room air conditioners. DOE further stated that according to its determinations, the amended energy conservation standards for these products would result in significant conservation of energy and they are technologically feasible and economically justified.

The Congressional Review Act (CRA) requires a 60-day delay in the effective date of a major rule from the date of publication in the *Federal Register* or receipt of the rule by Congress, whichever is later. 5 U.S.C. § 801(a)(3)(A). The *Congressional Record* does not reflect the date of receipt by either House of Congress. However, DOE provided documentation showing that both Houses of Congress received the rule on June 14, 2023. E-mail from Attorney-Advisor, DOE, to Senior Attorney, GAO, Subject: *Question re: DOE Rule Submission RIN 1904-AD97* (June 14, 2023). The rule has a stated effective date of July 25, 2023. Therefore, the final rule does not have the required 60-day delay in its effective date.

Enclosed is our assessment of DOE's compliance with the procedural steps required by section 801(a)(1)(B)(i) through (iv) of title 5 with respect to the rule. If you have any questions about this report or wish to contact GAO officials responsible for the evaluation work relating to

the subject matter of the rule, please contact Shari Brewster, Assistant General Counsel, at (202) 512-6398.

A handwritten signature in black ink that reads "Shirley A. Jones". The signature is written in a cursive, flowing style.

Shirley A. Jones
Managing Associate General Counsel

Enclosure

cc: Ami Grace-Tardy
Assistant General Counsel
Legislation, Regulation & Energy Efficiency
Department of Energy

REPORT UNDER 5 U.S.C. § 801(a)(2)(A) ON A MAJOR RULE
ISSUED BY THE
DEPARTMENT OF ENERGY
ENTITLED
“ENERGY CONSERVATION PROGRAM:
ENERGY CONSERVATION STANDARDS FOR ROOM AIR CONDITIONERS”
(RIN: 1904-AD97)

(i) Cost-benefit analysis

The Department of Energy (DOE) in this final rule provided a table summarizing the annualized costs and benefits of the rule at a 3-percent discount rate as follows:

	Primary Estimate	Low-net-benefits estimate	High-net-benefits estimate
Consumer operating cost savings	815.8	784.9	851.9
Climate benefits	140.1	137.6	142.5
Health benefits	244.8	240.6	248.9
Total benefits	1200.6	1163.2	1243.3
Consumer incremental product costs	176.8	199.0	152.2
Net benefits	1023.9	964.1	1091.1

DOE further summarized the annualized costs and benefits of the rule at a 7-percent rate as follows:

	Primary Estimate	Low-net-benefits estimate	High-net-benefits estimate
Consumer operating cost savings	736.9	712.3	765.4
Climate benefits (3% discount rate)	140.1	137.6	142.5
Health benefits	199.9	196.8	203.0
Total benefits	1076.9	1046.7	1111.0
Consumer incremental product costs	205.2	227.0	181.0
Net benefits	871.7	819.7	930.0

DOE stated that these tables present costs and benefits associated with room air conditioners shipped in 2026–2055. DOE further stated that the estimate numbers are presented in million 2021 dollars per year.

(ii) Agency actions relevant to the Regulatory Flexibility Act (RFA), 5 U.S.C. §§ 603–605, 607, and 609

DOE certified that the final rule would not have a significant economic impact on a substantial number of small entities.

(iii) Agency actions relevant to sections 202–205 of the Unfunded Mandates Reform Act of 1995, 2 U.S.C. §§ 1532–1535

DOE stated that this final rule may require expenditures of \$100 million or more in any one year by the private sector. DOE further stated that such expenditures may include (1) investment in research and development and in capital expenditures by room air conditioner manufacturers in the years between the final rule and the compliance date for the new standards, and (2) incremental additional expenditures by consumers to purchase higher-efficiency room air conditioners, starting at the compliance date for the applicable standard. Consistent with the Act, DOE stated that it identified and considered a reasonable number of regulatory alternatives before promulgating this final rule.

(iv) Other relevant information or requirements under acts and executive orders

Administrative Procedure Act, 5 U.S.C. §§ 551 *et seq.*

On April 7, 2022, DOE published a proposed rule. 87 Fed. Reg. 20608. DOE subsequently held a public meeting on May 3, 2022, to discuss and receive comments on the proposed rule. DOE received 17 written comments in response to the proposed rule from individuals, government, manufacturers, efficiency organizations, a trade association, utilities, and efficiency advocates. DOE responded to comments in the final rule.

Paperwork Reduction Act (PRA), 44 U.S.C. §§ 3501–3520

DOE stated that this final rule implicates a collection-of-information requirement approved by the Office of Management and Budget (OMB) and assigned OMB Control Number 1910-1400. DOE further stated its estimate that the average public reporting burden associated with this rule is 35 hours per response.

Statutory authorization for the rule

DOE promulgated this final rule pursuant to sections 6291–6317 of title 42, and section 2461 note of title 28, United States Code.

Executive Order No. 12866 (Regulatory Planning and Review)

DOE stated that OMB determined that the final rule constitutes a significant regulatory action under the Order. Accordingly, DOE stated that it has provided OMB with an assessment of the benefits and costs of the rule, along with an analysis of the benefits and costs of potentially effective and reasonably feasible alternatives to the rule.

Executive Order No. 13132 (Federalism)

DOE determined that the final rule would not have a substantial direct effect on the states, on the relationship between the national government and the states, or on the distribution of power and responsibilities among the various levels of government. Therefore, DOE stated that no action is required under the Order.