

Appliance Standards Awareness Project  
Alliance for Water Efficiency  
American Council for an Energy-Efficient Economy  
Ceres  
Consumer Federation of America  
Earthjustice  
Natural Resources Defense Council

July 15, 2025

Mr. David Taggart  
U.S. Department of Energy  
Office of the General Counsel, GC-1  
1000 Independence Avenue SW, Washington, DC 20585

**RE: Docket Number EERE-2025-BT-STD-0015: Proposed recission/amendment of water conservation standards for automatic commercial ice makers**

Dear Mr. Taggart,

This letter constitutes the comments of the Appliance Standards Awareness Project (ASAP), Alliance for Water Efficiency (AWE), American Council for an Energy-Efficient (Economy), Ceres, Consumer Federation of America (CFA), Earthjustice, and Natural Resources Defense Council (NRDC) on the notice of proposed recission/amendment of water conservation standards for automatic commercial ice makers (ACIMs). 90 Fed. Reg. 20919 (May 16, 2025).<sup>1</sup> We appreciate the opportunity to provide input to the Department.

**1. About the signatories**

ASAP advocates for appliance, equipment, and lighting standards that cut planet-warming emissions and other air pollution, save water, and reduce economic and environmental burdens for low- and moderate-income households. ASAP's steering committee includes representatives from environmental and efficiency nonprofits, consumer groups, the utility sector, and state government.

AWE is a nonprofit dedicated to advancing the efficient and sustainable use of water across North America. AWE advocates for water-efficient products and programs, develops cutting-edge research, and provides technical assistance to its diverse membership base. AWE partners with over 550 member organizations, providing benefits to local water utilities, businesses and industries, government agencies, universities, and professional associations.

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<sup>1</sup> Relevant excerpts of documents cited below, except for statutes, regulations, published judicial decisions, and Federal Register notices, are provided in an appendix to these comments.

ACEEE, a nonprofit research organization, develops policies to reduce energy waste and combat climate change. Its independent analysis advances investments, programs, and behaviors that use energy more effectively and help build an equitable clean energy future.

Ceres builds a cleaner and more resilient economy by working alongside over 80 major businesses to support clean energy policies at the state and national level.

CFA is an association of more than 250 non-profit consumer and cooperative groups that was founded in 1968 to advance the consumer interest through research, advocacy, and education.

Earthjustice is the premier nonprofit public interest environmental law organization, wielding the power of law and the strength of partnership to protect people's health, to preserve magnificent places and wildlife, to advance clean energy, and to combat climate change.

NRDC is an international, non-profit environmental organization with more than three million members and online activists. NRDC advocates to reduce greenhouse gas emissions that cause climate change, increase the resilience of communities to the unavoidable impacts of climate change, and safeguard human health for all. NRDC advocates for clean energy policies that will build the U.S. economy, reduce air pollution, help keep electricity prices affordable and strengthen the electricity grid.

## **2. Introduction**

Energy and water conservation standards save consumers significant amounts of money by reducing utility bills. According to DOE, efficiency standards reduced Americans' utility bills by \$105 billion in 2024 alone, with a typical household saving \$576.<sup>2</sup> Efficiency standards also saved 6.0 quadrillion Btus ("quads") of primary energy in 2024, which is equivalent to 6.5% of total U.S. annual energy consumption, and 1.7 trillion gallons of water, which is equivalent to approximately 12% of the annual water withdrawals for public supply in the United States in 2015.<sup>3</sup> These tremendous savings can help avoid costly buildout of new infrastructure like power plants, power lines, and water treatment facilities, which would further increase energy and water prices.

In the notice, DOE has proposed to rescind the amended water conservation standards for ACIMs. DOE's proposal would return the condenser water use standards to those defined in statute, which apply to cube type ACIMs with capacities between 50 and 2,500 pounds per 24-hour period.<sup>4</sup> For the equipment classes outside the scope of the original statutory

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<sup>2</sup> U.S. Department of Energy, Office of Energy Efficiency & Renewable Energy, Appliance Standards Fact Sheet (March 2025). [www.energy.gov/sites/default/files/2025-03/Appliance%20Standards%20Fact%20Sheet-02.pdf](http://www.energy.gov/sites/default/files/2025-03/Appliance%20Standards%20Fact%20Sheet-02.pdf).

<sup>3</sup> Lawrence Berkeley National Laboratory, Energy and economic impacts of U.S. federal energy and water conservation standards adopted from 1987 through 2024 Report (January 2025). [eta-publications.lbl.gov/sites/default/files/2025-01/standards\\_1987-2024\\_impacts\\_overview3.pdf](http://eta-publications.lbl.gov/sites/default/files/2025-01/standards_1987-2024_impacts_overview3.pdf). p. 4.

<sup>4</sup> 42 U.S. Code § 6313(d)(1).

standards—batch-type ACIMs with capacities greater than 2,500 lbs/24 hours and up to 4,000 lbs/24 hours and all continuous type ACIMs—DOE proposes to eliminate the maximum condenser water use standards established in the January 2015 final rule.<sup>5</sup>

Below we describe how DOE’s proposal could allow significantly more water use, increasing costs for businesses. We also outline the numerous reasons why DOE’s proposal is unlawful. DOE should therefore withdraw the proposed rule.

**3. DOE’s proposal could allow significantly more water use, increasing costs for businesses.** The current standards ensure that all water-cooled ACIMs—including continuous-type and the largest capacity batch-type—meet a minimum level of water efficiency. Eliminating the water use standards could increase water waste and lead to higher water and wastewater bills for businesses that purchase water-cooled ACIMs.

These higher costs for businesses would come at a time when water rates are rising. Between 2008 and 2021, water utility rates throughout the U.S. grew 3.0% faster than inflation for water utilities and 3.2% faster than inflation for wastewater utilities.<sup>6</sup> Water utility rates are projected to continue to increase across the country due to aging infrastructure, increases in capital and operating costs, increased water quality compliance challenges, and decreased federal funding for local utilities.<sup>7</sup> EPA estimates that the cost to fund clean water and drinking water projects nationwide over the next 20 years will be approximately \$1.25 trillion.<sup>8</sup> This increased spending on water infrastructure will only drive rates higher.

Water is increasingly scarce in many regions throughout the United States. As of a 2024 survey of water utilities across the United States, “only 45% of utilities feel very or fully prepared to meet long-term water supply needs, a decrease from the previous year, when 55.3% of utility personnel reported that their utilities were very or fully prepared to meet long-term water supply needs.”<sup>9</sup> Drought is affecting an increasing number of Americans. For example, in October 2024, the United States Drought Monitor found that “Abnormal dryness and drought are currently affecting over 242 million people across the United States including Puerto Rico—about 77.8% of the population. This is the highest

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<sup>5</sup> 80 Fed. Reg. 4,646 (January 28, 2015).

<sup>6</sup> Pacific Northwest National Laboratory, Water and Wastewater Annual Price Escalation Rates for Selected Cities Across the United States: 2023 Edition (March 2023). [www.osti.gov/servlets/purl/1975260](http://www.osti.gov/servlets/purl/1975260). p. ii.

<sup>7</sup> National Association of Clean Water Agencies (NACWA), The Growing U.S. Water Affordability Challenge and the Need for Federal Low-Income Water Customer Assistance Funding (December 2022). [www.nacwa.org/docs/default-source/resources---public/nacwa-affordability-report\\_dec22.pdf?sfvrsn=1ab5c761\\_2](http://www.nacwa.org/docs/default-source/resources---public/nacwa-affordability-report_dec22.pdf?sfvrsn=1ab5c761_2). p. 1.

<sup>8</sup> U.S. Environmental Protection Agency (EPA), Water Affordability Needs Assessment: Report to Congress (December 2024). [www.epa.gov/system/files/documents/2024-12/water-affordability-needs-assessment.pdf](http://www.epa.gov/system/files/documents/2024-12/water-affordability-needs-assessment.pdf). p. 5.

<sup>9</sup> American Water Works Association, State of the Water Industry 2025: Executive Summary (2025). [www.awwa.org/wp-content/uploads/2025-SOTWI-Executive-Summary.pdf](http://www.awwa.org/wp-content/uploads/2025-SOTWI-Executive-Summary.pdf). p. 7.

percentage in the entire 25-year-long USDM record.”<sup>10</sup> At present, 26.08% of the land area of the United States (and 31.05% of the area of the lower 48 states) is experiencing drought, across 32 states, affecting 80.7 million people.<sup>11</sup> Rescinding the amended water standards for ACIMs would exacerbate water scarcity.

Independent of the harm caused by weakening the standards, for the product categories for which the Department proposes to remove the condenser water use standards entirely, the proposed rule would also harm businesses by depriving them of information to make purchasing decisions. Manufacturers must test and certify all covered products, and the efficiency metrics they report for each model are made public through DOE’s Compliance Certification Management System. This data can be used by businesses to inform purchasing decisions across the full range of efficiency levels for a given product. The proposed rule, by proposing to eliminate the condenser water use standards for some ACIMs, would deprive businesses of this valuable information.

**4. DOE lacks the authority to rescind standards.** The proposed rule states that DOE is proposing to “rescind” the water conservation standards for ACIMs. EPCA authorizes DOE to promulgate new standards and to prescribe amended standards.<sup>12</sup> But no provision in EPCA authorizes DOE to rescind or repeal existing standards.<sup>13</sup> That is true even if DOE frets the existing standard might have been unlawful, or holds a general preference for reducing regulatory burdens. DOE cannot “construe [a] statute in a way that completely nullifies textually applicable provisions meant to limit its discretion.”<sup>14</sup> Congress specified what analysis DOE must complete, and what determinations it must make, to change a standard. DOE must comply with those limitations even if its motivation is a belief that the current standard was mistaken.

**5. The proposed rule fails to identify the statutory authority under which the Department is acting.** To the extent DOE believes it is exercising some lawful authority to rescind a standard, the proposed rule must notify the public of that legal authority.<sup>15</sup> DOE has ignored this obligation. Nowhere in the proposed rule does the Department identify the source of statutory authority it is relying on to rescind the water conservation standards for ACIMs. Instead, the proposed rule merely introduces EPCA and its Part C, which “established the Energy Conservation Program for Certain Industrial Equipment,” and then

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<sup>10</sup> National Centers for Environmental Information, National Oceanic and Atmospheric Administration, U.S. Drought: Weekly Report for October 29, 2024 (Oct. 29, 2024), [www.ncei.noaa.gov/news/us-drought-weekly-report-october-29-2024](https://www.ncei.noaa.gov/news/us-drought-weekly-report-october-29-2024).

<sup>11</sup> National Integrated Drought Information System, National Current Conditions: May 21, 2025 - May 27, 2025 (May 27, 2025), [www.drought.gov/current-conditions#:~:text=As%20of%20May%2027%2C%202025,to%20the%20U.S.%20Drought%20Monitor.&text=of%20the%20U.S.%20and%2031.05,are%20in%20drought%20this%20week](https://www.drought.gov/current-conditions#:~:text=As%20of%20May%2027%2C%202025,to%20the%20U.S.%20Drought%20Monitor.&text=of%20the%20U.S.%20and%2031.05,are%20in%20drought%20this%20week).

<sup>12</sup> See 42 U.S.C. § 6316(a) (incorporating 42 U.S.C. § 6295(l), (m), (n), (o), & (p)).

<sup>13</sup> See also *Nat. Res. Def. Council v. Abraham*, 355 F.3d 179, 202 (2d Cir. 2004) (holding that under EPCA DOE lacks any “inherent power to reconsider a final rule following its announcement in the Federal Register.”).

<sup>14</sup> *New Jersey v. EPA*, 517 F.3d 574, 583 (D.C. Cir. 2008). In *New Jersey*, EPA purported to revoke a listing because it was inconsistent with the statutory limits on listing.

<sup>15</sup> 5 U.S.C. § 553(b)(2).

claims that rescission of the ACIM standards is being proposed “[p]ursuant to this authority.” Pointing to the entire statute as the authority for an action does not provide the public with notice of and a meaningful opportunity to comment on, the legal authority for the proposed action. The proposed rule’s failure to “include ... [a] reference to the legal authority under which the rule is proposed” denies the public a meaningful opportunity to comment on the proposed action.<sup>16</sup>

If DOE is instead prescribing an amended standard for ACIMs at the level contained in 42 U.S.C. § 6313(d)(1), it still must identify the section of EPCA that it is relying on and explain how it has complied with the requirements of that provision.

**6. The Department has authority to prescribe amended water conservation standards for ACIMs.** The proposed rule says DOE has tentatively determined that it lacks authority to regulate the water use of ACIMs. This tentative determination is incorrect. DOE’s authority for these water regulations is clear in EPCA.

Congress set two initial standards for certain ACIMs in paragraph (1) of section 6313(d): an energy standard and a water standard. Congress then authorized DOE to issue “standard levels for types of [ACIMs] that are not covered by paragraph (1)” and required DOE to publish a pair of final rules to determine whether the “standards” for ACIMs should be amended.<sup>17</sup> The use of the plural “standard levels” and “standards” in defining DOE’s obligations indicates that Congress intended to authorize DOE to amend both the energy standard and the water standard established for certain ACIMs under paragraph (1).

ACIMs also fall under EPCA’s requirement that DOE consider, on a prescribed schedule, whether further amendments are warranted. This “regular review” mandate appears in two places in EPCA. Section 6295(m) applies the regular review obligation to consumer products, and that subsection is also incorporated by reference for certain types of covered commercial equipment, including ACIMs.<sup>18</sup> However, Section 6313(a)(6)(C) establishes a nearly identical regular review requirement for covered commercial equipment. Faced with dueling provisions imposing a regular review requirement on ACIMs, DOE has taken the position that section 6295(m) establishes the requirements the Department must meet.<sup>19</sup> Importantly, section 6295(m) requires updates to “standards,” without regard to whether the standard regulates energy or water.

**7. DOE fails to explain the legal relevance of its “policy to reduce regulatory burden wherever possible.”** The considerations governing DOE’s amendments to standards are set out in EPCA. DOE is not free to ignore the statutory criteria to pursue the

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<sup>16</sup> 5 U.S.C. § 553(b)(2); see also U.S. Dep’t of Justice, *Attorney General’s Manual on the Administrative Procedure Act* 29 (1947) (explaining that “[t]he reference [to legal authority] must be sufficiently precise to apprise interested persons of the agency’s legal authority to issue the proposed rule”); *Glob. Van Lines, Inc. v. I.C.C.*, 714 F.2d 1290, 1297–98 (5th Cir. 1983) (explaining that the agency’s “failure to articulate the legal basis” for its rule “effectively deprived the petitioners of any opportunity to present comments”).

<sup>17</sup> See 42 U.S.C. § 6313(d)(2)-(3).

<sup>18</sup> *Id.* § 6316(a).

<sup>19</sup> See 85 Fed. Reg. 71,840, 71,841 (Dec. 20, 2021) (citing section 6295(m) as establishing DOE’s obligation to review the commercial clothes washer standards).

administration’s policy of maximally reducing regulatory burdens. Even if the policy were a permissible “other factor” under section 6295(o)(2)(B)(i)(VII), the NOPR fails to explain how the new policy fits into EPCA’s criteria for the amendment of standards.

**8. The proposed rule fails to determine “max-tech” as required by 42 U.S.C. § 6295(p)(1).** Subsection 6295(p)(1) provides, in a proposed rule, “*the Secretary shall determine the maximum improvement in energy efficiency or maximum reduction in energy use that is technologically feasible for each type (or class) of covered products*. If such standard is not designed to achieve such efficiency or use, the Secretary shall state in the proposed rule the reasons therefor.”

This provision requires the Secretary, at the proposed rule stage, to determine the maximum improvement in energy efficiency that is technologically feasible.<sup>20</sup> DOE colloquially refers to this maximum threshold as “max tech.”<sup>21</sup> Of course, DOE is not obligated to select the max-tech efficiency level for every standard, and very frequently does not. The last sentence of section (p)(1) requires DOE to provide its reasons if it declines to set a standard based on max-tech.

As the D.C. Circuit has explained, EPCA “establishes a clear decisionmaking procedure,”<sup>22</sup> pursuant to which “DOE must first identify, for all product types or classes, the maximum improvement in energy efficiency that is technologically feasible.”<sup>23</sup> In the proposed rule, DOE has ignored that obligation entirely. Indeed, the proposed rule contains no discussion of ACIM technology at all. This omission is not one that DOE can remedy at the final rule stage. Congress specified that the determination of max-tech must be in the “proposed rule.”<sup>24</sup> DOE may not “ignore the decisionmaking procedure Congress specifically mandated because the agency thinks it can design a better procedure.”<sup>25</sup>

**9. The proposed rule is not based on the criteria in subsection 6295(o)(1).** Section 6313(d)(4) requires the Department to adopt standards for ice-makers “at the maximum level that is technically feasible and economically justified, as provided in [section 6295(o) and (p)].” By referencing all of section 6295(o), the statute pulls in each of the distinct provisions of that subsection, including, among other things, the anti-backsliding provision, the statutory factors governing economic justification, and the prohibition on adopting a standard that eliminates certain performance characteristics. Had Congress meant to exempt the condenser water use of ice-makers from the anti-backsliding provision, it could easily have tailored the reference in section 6313(d)(4) to do so.

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<sup>20</sup> See 10 C.F.R. § Pt. 430, Subpt. C, App. A (“As required by 42 U.S.C. 6295(p)(1) of EPCA, the NOPR also will describe the maximum improvement in energy efficiency or maximum reduction in energy use that is technologically feasible and, if the proposed standards would not achieve these levels, the reasons for proposing different standards.”).

<sup>21</sup> See, e.g., Energy Conservation Program: Energy Conservation Standards for Dedicated Purpose Pool Pump Motors, 88 Fed. Reg. 66,966, 66,978 (Sept. 28, 2023).

<sup>22</sup> NRDC v. Herrington, 768 F.2d 1355, 1391 (D.C. Cir. 1985).

<sup>23</sup> *Id.* at 1391 – 92.

<sup>24</sup> 42 U.S.C. § 6295(p)(1).

<sup>25</sup> NRDC, 768 F.2d at 1396.

Similarly, section 6295(m)(1)(B), incorporated for commercial products by section 6316(a), requires that, when DOE proposes an amended standard, its proposal must be “based on the criteria established under subsection (o).” It is significant that the statute requires DOE to base its proposal on the “criteria” of subsection (o). Because even if DOE took the view that section 6295(o) did not apply to this action by its own terms, DOE still must apply the *criteria* of subsection (o). A contrary reading – i.e. that ‘the criteria of subsection (o) shall apply when the terms of subsection (o) so require’ – would render the quoted language in section 6295(m)(1)(B) superfluous if not tautological.<sup>26</sup>

The Merriam Webster dictionary defines criteria as “a standard on which a judgment or decision may be based.”<sup>27</sup> Subsection (o) provides two criteria for evaluating proposed amended standards that are of relevance here: subsection (o)(1) supplies the “anti-backsliding provision” whereby DOE may not prescribe an amended standard that increases water use; and subsection (o)(2)(A), discussed below, provides that any new or amended standard must be designed to achieve the maximum improvement in water efficiency that the Secretary determines is technologically feasible and economically justified.

The U.S. Court of Appeals for the Second Circuit has explained that “subsection (o)(1), read in the greater context of [42 U.S.C. § 6295] and in light of the statutory history of that section of the EPCA, admits to only one interpretation: that Congress, in passing the provision, intended to prevent DOE from amending efficiency standards downward once they have been published by DOE as final rules as required by the other provisions of [42 U.S.C. § 6295].”<sup>28</sup> The proposed rule plainly is not based on this criterion. The proposed rule seeks to revert to less stringent water use standards and would thus certainly *increase* water use, in direct conflict with the criterion in subsection (o)(1).

**10. The proposed rule is not based on the criteria in subsection (o)(2)(A).** Section 6295(o)(2)(A) provides that “Any new or amended energy conservation standard prescribed by the Secretary under this section for any type (or class) of covered product shall be designed to achieve the maximum improvement in . . . water efficiency . . . which the Secretary determines is technologically feasible and economically justified.”<sup>29</sup>

The proposed rule is certainly not based on this criterion. Whether or not the water standards in section 6313(d) represented the “maximum improvement” in water efficiency that was “technologically feasible and economically justified” in 2005, they certainly do not now. Over the past two decades DOE has revised those standards and manufacturers have updated their designs and manufacturing facilities accordingly. Indeed, it would

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<sup>26</sup> TRW Inc. v. Andrews, 534 U.S. 19, 31 (2001) (“It is a cardinal principle of statutory construction that a statute ought, upon the whole, to be so construed that, if it can be prevented, no clause, sentence, or word shall be superfluous, void, or insignificant.”)(internal quotations omitted)(quoting “Duncan v. Walker, 533 U.S. 167, 174 (2001)).

<sup>27</sup> Available at [www.merriam-webster.com/dictionary/criterion](http://www.merriam-webster.com/dictionary/criterion).

<sup>28</sup> Nat. Res. Def. Council v. Abraham, 355 F.3d 179, 199 (2d Cir. 2004).

<sup>29</sup> FDA v. R.J. Reynolds Vapor Co., 606 U.S. \_\_\_, 2025 WL 1716135 (June 20, 2025) (“Read naturally, the word ‘any’ has an expansive meaning, that is, ‘one or some indiscriminately of whatever kind.’”).

strain credulity to suggest that an amended standard that brings water efficiency levels back over a decade into the past represents the “maximum improvement” in water efficiency that is “technologically feasible and economically justified.” But that is the standard DOE must apply to this proposed rule and DOE has failed to meet this obligation.

**11. DOE has failed to present any evidence to support its proposed rule.** Even if it were otherwise permissible for DOE to pursue the proposed action, the NOPR does not provide a rational basis for doing so. For an agency action to withstand judicial review, the agency “must examine the relevant data and articulate a satisfactory explanation for its action including a ‘rational connection between the facts found and the choice made.’”<sup>30</sup> This requirement applies in equal force when an agency, like DOE here, is proposing to rescind earlier rules that were themselves supported by substantial evidence. When an agency reverses itself, it must provide a “reasoned explanation . . . for disregarding facts and circumstances that underlay or were engendered by the prior policy,”<sup>31</sup> a category that includes the technical and economic data that was presented to justify the existing standards.

In the NOPR, DOE has failed to provide any data or analysis to support its proposal. Again, per section 6295(o)(2)(A), DOE must establish that its proposed standard represents the “maximum improvement” in water efficiency that is “technologically feasible and economically justified.” The NOPR provides no information at all regarding ACIM technology or the alternative efficiency levels that might have been considered, either at the max-tech level or below. Nor does the NOPR provide any information to support a conclusion that its proposed standard is “economically justified.” Section 6295(o)(2)(B) provides that, when evaluating “whether a standard is economically justified” DOE must to the maximum extent practicable consider:

- (I) the economic impact of the standard on the manufacturers and on the consumers of the products subject to such standard;
- (II) the savings in operating costs throughout the estimated average life of the covered product in the type (or class) compared to any increase in the price of, or in the initial charges for, or maintenance expenses of, the covered products which are likely to result from the imposition of the standard;
- (III) the total projected amount of energy, or as applicable, water, savings likely to result directly from the imposition of the standard;
- (IV) any lessening of the utility or the performance of the covered products likely to result from the imposition of the standard;

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<sup>30</sup> *Motor Vehicle Mfrs. Ass’n of U.S., Inc. v. State Farm Mut. Auto. Ins. Co.*, 463 U.S. 29, 43 (1983) (quoting *Burlington Truck Lines v. United States*, 371 U.S. 156, 168 (1962)); see also *id.* (a rule is arbitrary and capricious if the agency “entirely failed to consider an important aspect of the problem [or] offered an explanation for its decision that runs counter to the evidence before the agency”).

<sup>31</sup> See *FCC v. Fox Television Stations, Inc.*, 556 U.S. 502, 516 (2009).



- (V) the impact of any lessening of competition, as determined in writing by the Attorney General, that is likely to result from the imposition of the standard;
- (VI) the need for national energy and water conservation; and
- (VII) other factors the Secretary considers relevant.

The NOPR does not consider any of these factors, even on a preliminary basis.

Nor has DOE provided any explanation for disregarding the analysis and data it presented in its past rules. Those rules demonstrated that increasing efficiency requirements above prior requirements was warranted. The data and analysis they presented, which DOE ignores here, certainly do not support the conclusion that prescribing an amended standard at the 2005 level represents the “maximum improvement” in water efficiency that is “technologically feasible and economically justified.”

**12. DOE’s complete failure to substantiate its factual claims means that it must issue a new proposal for public comment if it wishes to proceed.** Agencies must present critical factual material at the proposed rule stage in order to ensure a meaningful opportunity for public comment.<sup>32</sup> When it has new or revised data that it wants to rely on that arises after the publication of a NOPR, DOE will often issue a Notification of Data Availability and Request for Comment in order to fulfill this requirement.<sup>33</sup>

In the NOPR, DOE has provided no evidence. Thus, any evidence relied upon at the final rule stage will necessarily be both new and critical to the ultimate decision. Any such critical factual material must be made available for public comment before DOE issues a final rule. This obligation to accept further comment applies as well to any analysis conducted under the National Environmental Policy Act (NEPA), as described below.

**13. DOE has failed to comply with the National Environmental Policy Act.** The proposed rule fails to comply with the requirements of NEPA, which requires agencies to prepare detailed environmental analyses of major actions significantly affecting the quality of the environment.<sup>34</sup> Agencies may adopt categorical exclusions (CXs) to this requirement, but only for actions that do not “individually or cumulatively have a significant effect on the human environment.”<sup>35</sup> Not only would the proposed rule itself have a significant effect on the human environment by rolling back water savings, but this

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<sup>32</sup> See *Ass’n of Data Processing Serv. Organizations, Inc. v. Bd. of Governors of Fed. Rsrv. Sys.*, 745 F.2d 677, 684 (D.C. Cir. 1984)(Scalia, J.) (“the most critical factual material that is used to support the agency’s position on review must have been made public in the proceeding and exposed to refutation.”); *Am. Med. Ass’n v. Reno*, 57 F.3d 1129, 1132 (D.C. Cir. 1995) (“Notice of a proposed rule must include sufficient detail on its content and basis in law and evidence to allow for meaningful and informed comment[.]”).

<sup>33</sup> See, e.g., *Energy Conservation Program: Energy Conservation Standards for Consumer Water Heaters*, 89 Fed. Reg. 59,692 (July 23, 2024).

<sup>34</sup> 42 U.S.C § 4332(C); *NRDC v. Herrington*, 768 F.2d 1355, 1429 – 33 (D.C. Cir. 1985) (holding a DOE rule promulgated under EPCA violated NEPA).

<sup>35</sup> *Solar Energy Indus. Ass’n v. FERC*, 80 F.4th 956, 991 (9th Cir. 2023).

action must be considered cumulatively with the many other proposed rollbacks that have also been issued by DOE.<sup>36</sup>

Nor does the proposed rule meet DOE's own regulatory conditions for the applicability of CXs. It is DOE's burden to demonstrate why it believes a CX applies, and it must consider whether a nominally excluded action would nevertheless significantly affect the environment.<sup>37</sup> Indeed, as a predicate matter, DOE has an affirmative obligation, before applying a CX, to determine whether the unique circumstances of an action would lead to significant environmental effects.<sup>38</sup> DOE has offered no explanation of its reasoning on this point, despite that, as described below, the proposed rule would undo significant benefits to the environment. Instead, in the NOPR, DOE invites comment on the use of CX B5.1, which applies to "actions to conserve energy or water."

But the plain language of CX B5.1 demonstrates its inapplicability. This CX applies specifically for "*improvements* in appliance efficiency ratings" and "*water conservation*." It makes sense that this CX would ordinarily apply to EPCA rules, because EPCA requires that new or amended standards must improve energy and/or water efficiency. When DOE adopted this CX to complement its EPCA rulemaking activities, it emphasized the purpose of energy conservation, and it further specified that the CX does not apply for appliance efficiency standards that would "have the potential to cause a significant increase in energy consumption in a state or region."

The proposed rule fails to meet the CX B5.1 requirements on numerous fronts. First, it is not "an action[s] to conserve energy or water" because it does the opposite: it would increase water use. Second, it does not propose an improvement in efficiency ratings because it would result in a *diminishment* of efficiency ratings.

**14. The proposed rule does not acknowledge the statutory compliance period for industrial equipment.** The proposed rule does not indicate a compliance date. But section 6313(a)(6)(C)(iv) requires that amended standards for industrial equipment apply to products manufactured at least 3 years after publication of the final rule establishing an applicable standard. Thus, should DOE seek to finalize this rule, it must clarify that the amended standard it is proposing will take effect three years after the date of publication of the final rule.

Thank you for considering these comments.

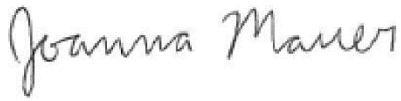
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<sup>36</sup> See *Kleppe v. Sierra Club*, 427 U.S. 390, 410 (1976) ("when several proposals . . . will have cumulative or synergistic environmental impact . . . their environmental consequences must be considered together").

<sup>37</sup> *Pub. Employees for Env't. Responsibility v. Nat'l Park Serv.*, 605 F. Supp. 3d 28, 56 (D.D.C. 2022); see also *California v. Norton*, 311 F.3d 1162, 1176 (9th Cir. 2002) ("concern for adequate justification of the categorical exclusion is heightened because there is substantial evidence in the record that exceptions to the categorical exclusion are applicable").

<sup>38</sup> 10 C.F.R. § 1021.102(b)(2); see *Oak Ridge Env't. Peace Alliance v. Perry*, 412 F. Supp. 3d 786, 846-47 (E.D. Tenn. 2019).

Sincerely,



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