



# HOUSE OF REPRESENTATIVES

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AUGUSTA, MAINE 04333-0002  
(207) 287-1315

## **William D. Pluecker**

State Representative  
1133 Finntown Road  
Warren, ME 04864  
(207) 273-3044

[Bill.Pluecker@legislature.maine.gov](mailto:Bill.Pluecker@legislature.maine.gov)

### **Testimony Presenting LD 940 “An Act to Establish Appliance Energy and Water Standards”**

Presented by Representative Bill Pluecker, House District 95. Presented to the Environment & Natural Resources Committee, Monday, March 29<sup>th</sup>, 2021.

Senator Brenner, Representative Tucker, and other distinguished members of the Environment & Natural Resources Committee. I am Representative Bill Pluecker from Warren and I represent House District 95 which is Appleton, Hope, the eastern half of Union, and Warren. Thank you for allowing me to present LD 940 “An Act to Establish Appliance Energy and Water Standards”. This bill is a close copy of the bill that was passed by this committee in 2020, then subsequently passed the House but was left in the Senate as we left the State House due to the health pandemic.

This bill is about efficiency: efficient use of dollars spent on electricity, gas, and water; and efficient use of the natural resources which produce that energy and bring the water to our homes. This bill will save Maine ratepayers approximately \$9,000,000 annually in 2025 and up to \$36,000,000 annually in 2035. Savings only increase over time. As new appliances are installed, the rate of savings increases. These numbers do not include potential savings from computers and computer monitors because we do not have current data for products on the market; nevertheless, we expect these numbers would dramatically add to the overall savings from this bill. These are dollars which will stay in the Maine economy with the senior citizens, rural families, and small businesses that need them most. This bill is taking money out of the hands of utility companies and putting it back in the hands of our citizens.

We do this by taking advantage of the fact that there are already many models of products on the shelves which are more efficient than others. By steering

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buyers towards the most efficient products, they will see long term savings that quickly pay back their upfront costs and multiply as the years go by.

There are sixteen other states that have passed efficiency regulations on various products and appliances. These programs and bills have been written and instituted in discussion with the manufacturers of the products. As these products are already being produced and sold in our state and across the nation, the implementation of these statutes does not pose a real difficulty for either manufacturers or consumers.

In order to avoid administrative cost and having to reinvent the wheel in terms of regulation, this bill allows us to follow the fundamental structure of the California system of appliance regulation. They have a list of products that are easily accessible on their online database. The office in charge of the program can then submit a report to the legislative committee of jurisdiction to update our statute as is deemed appropriate when the California regulations are changed. I believe that there will be a representative of the tech industry presenting a potential amendment to the bill to make it clear the ways that the regulations will mirror the California regulations. I look forward to working with him and the committee to make sure all parties are satisfied with the bill, as we did in 2020.

I also believe that there may be a relatively large change presented today from the Executive Branch to move the action of this bill from the Governor's Energy office to the DEP. I have heard that the DEP, and Energy Office, are in agreement on this move, and the Commissioner is here today to speak to it. The original version of this bill, before committee amendment in 2020, placed the work of this bill with the DEP, and I would be happy to work with the Commissioner to make this change happen.

Along with my testimony, we have provided a two-page summary of the advantages of this bill, including a detailed chart of the savings to be achieved from each individual product. We have laid out the average savings from each product both cumulatively and through the years, and the expected pay back on each appliance.

I want to highlight a key detail of this bill, as there were many concerns presented last year: **no used products or their sales are affected by this bill.** All products may be repaired and updated as the owners like. This is not affected by this bill in any way. **We only address the sale and installation of new appliances.**

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To reiterate, this is a bill about efficiency: efficient use of dollars, and efficient use of resources. We have the chance to be a part of a growing movement of states implementing efficiency standards. While some set their sights on large scale green energy generation, there is a quieter, cheaper way to move us forward as a state. We must take action on this in a coordinated way in order to fully realize the savings for the state as a whole. If we continue to wait for the market to address this issue, consumers will be throwing away their money on high utility bills while waiting for a solution. As we all know, the cheapest energy is the energy we don't use. We have the products on the market. These products will save us money. It is time we take advantage of this opportunity as a state.



## Appliance Efficiency Standards in Maine

Maine businesses and residents are spending more money than necessary on running appliances and lighting in homes and places of work. Setting efficiency standards ensures that the products we purchase use energy more efficiently while preserving quality and affordability.



Energy savings



Utility Bill Savings



Emissions Reductions

### The basics of efficiency standards

- Set a minimum level of energy efficiency for certain household and commercial products
- Create utility bill savings for consumers and businesses
- Reduce carbon emissions and other air pollutants

### Efficiency standards can bring huge benefits to Maine

- **Affordability:** Consumers and businesses save money on utility bills, protecting customers from energy waste
- **Jobs:** Local economies get a boost when consumers have more spending money
- **Clean energy:** Public health and air quality improve when emissions and pollutants are cut

### States are acting on efficiency standards

- Colorado, DC, Hawaii, New York, Oregon, Vermont, and Washington have all recently enacted appliance standards
- In the northeast, Maryland, Massachusetts, New Jersey, Pennsylvania, and Rhode Island have filed appliance standards bills in 2021
- Maine should not be left behind

### Residents and businesses save money

If new efficiency standards are enacted in 2021, Maine consumers would see **\$9 million in utility bill savings per year** by 2025. These savings would grow to **\$36 million annually by 2035**.

### Energy Reductions



By 2025, appliance standards would save 24 gigawatt hours of electricity (equivalent to the electricity consumption of 3,000 Maine homes) and 87 billion Btu (equivalent to the gas consumption of 15,000 Maine homes).

*The best energy-saving policy  
you've never heard of*

# ENERGY, WATER, AND POLLUTION SAVINGS

	Potential annual savings in 2025						Potential annual savings in 2035					
	Electricity (GWh)	Natural gas (BBtu)	Water (million gallons)	NO <sub>x</sub> (tons)	SO <sub>2</sub> (tons)	CO <sub>2</sub> (thous. MT)	Electricity (GWh)	Natural gas (BBtu)	Water (million gallons)	NO <sub>x</sub> (tons)	SO <sub>2</sub> (tons)	CO <sub>2</sub> (thous. MT)
Commercial hot-food holding cabinets	1.2	-	-	0.2	0.1	0.2	5.6	-	-	0.9	0.4	0.4
Faucets	3.6	46	152	2.7	0.2	2.8	14.3	182	601	10.5	1.0	10.7
General service lamps (state-regulated)	7.9	-	-	1.3	0.6	0.7	14.4	-	-	2.2	1.0	1.1
Portable electric spas	7.1	-	-	1.2	0.5	0.7	23.0	-	-	3.5	1.6	1.7
Showerheads	3.3	41	93	2.4	0.2	2.5	13.1	165	373	9.5	0.9	9.7
Spray sprinkler bodies	-	-	-	-	-	-	-	-	-	-	-	-
Toilets (water closets)	-	-	43	-	-	-	-	-	211	-	-	-
Urinals	-	-	8	-	-	-	-	-	39	-	-	-
Water coolers	1.3	-	-	0.2	0.1	0.2	5.0	-	-	0.8	0.3	0.4
<b>Total</b>	<b>24</b>	<b>87</b>	<b>296</b>	<b>8</b>	<b>2</b>	<b>7</b>	<b>75</b>	<b>346</b>	<b>1,225</b>	<b>27</b>	<b>5</b>	<b>24</b>

Assuming a compliance date of 2023 for all the recommended standards. Totals may not sum due to rounding. While we continue to recommend the adoption of state-level standards for computers and computer monitors, we have not estimated savings for these products due to a lack of data on the current market.

# UTILITY BILL SAVINGS AND PAYBACK PERIODS

	Potential annual utility bill savings (million 2019\$)		Net present value savings (million 2019\$)	Benefit-cost ratio	Payback period (years)
	In 2025	In 2035			
Commercial hot-food holding cabinets	0.2	0.8	2.9	2.3	4.2
Faucets	3.2	14.0	92.5	no cost	0.0
General service lamps (state-regulated)	1.4	2.7	28.0	no cost**	0.4
Portable electric spas	1.3	4.3	26.7	13.2	0.5
Showerheads	2.4	10.3	68.2	no cost	0.0
Spray sprinkler bodies	-	-	-	-	-
Toilets (water closets)	0.5	2.9	26.6	no cost	0.0
Urinals	0.1	0.5	3.5	no cost	0.0
Water coolers	0.2	0.7	4.8	no cost	0.0
<b>Total</b>	<b>9</b>	<b>36</b>	<b>253</b>	<b>68.7</b>	<b>-</b>

Assuming a compliance date of 2023 for all the recommended standards. Net present value savings take into account both utility bill savings and estimated impacts on product costs for items sold between 2023 and 2035. Totals may not sum due to rounding. The total benefit-cost ratio is calculated as the present value of the total utility bill savings from products sold through 2035 for the package of recommended standards divided by the present value of the total additional costs. While we continue to recommend the adoption of state-level standards for computers and computer monitors, we have not estimated savings for these products due to a lack of data on the current market.

\*\*While LEDs are generally more expensive to purchase than incandescent light bulbs, the significantly longer lifetime of LEDs means that over time, consumers actually save money on bulbs in addition to saving money on electricity bills.



Photo courtesy of FWE

## Why state standards?

States have historically led the nation in the development of new efficiency standards for residential and commercial products. Over time efficiency standards develop into national standards. By setting state efficiency standards, Maine can help accelerate the adoption of energy saving products across the region and country.

## Do I have to replace my current products?

No. Efficiency standards merely raise the floor for products available for new purchases and do not require changing out of products currently in use. The recommended standards are set to ensure consumers and businesses will have numerous choices of qualifying products to purchase.