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**Freudenberg Filtration Comments - Improving Outcomes for Title
20 Rulemaking Amendments**

Additional submitted attachment is included below.

CALIFORNIA ENERGY COMMISSION

FREUDENBERG FILTRATION COMMENTS - IMPROVING OUTCOMES FOR TITLE 20 RULEMAKING AMENDMENTS

May 9, 2022

Dear California Energy Commission,

Providing consumers results of the initial resistance value on an air filter has its merits for providing a comparative value for energy efficiency. The real benefit to the state of California and its residents will come down to the execution of this requirement.

FREUDENBERG FILTRATION TECHNOLOGIES – NEW TO CONSUMER AIR FILTERS

With our recent acquisitions of Protect Plus Air and Best Air (RPS Products) we are new to residential air filtration and regret we have not been part of the proceedings prior to this. However, we are not new to producing air filters or filter media. You should also know we are participating in ASHRAE Technical Committees such as GPC 35 “Method of Determining the Energy Consumption Caused by Air-Cleaning and Filtration Devices. So, you can see we are involved with this idea. As mentioned earlier we believe the intent of this section of Title 20 is very worthy of pursuing.

We believe that some of the original assumptions made in the drafting of the Act require adjustment due to fundamental shifts in the economy because of COVID as well as other world and regional events. The changes the Act requires will create challenges in implementing the current proposed regulation. And the challenges could recreate the shortages experienced in the category during COVID and drive costs to produce filters higher. The implementation of the act could even exacerbate energy and water resources. Please consider the following . . .

1. We concur with 3M’s suggestion of only publishing the data online and not on the product. This will be more efficient and better tolerated by supply chains.
2. Many changes have taken place in the market in the last few years which we believe these have not been considered or so it seems with the proposed rules draft.
3. Changes in supply chains have taken place within the industry where uses of multiple media and sources for the same filter are used by filter producers. This appears to have been overlooked in the evaluation for fiscal impact and from implementation of the regs.

MITIGATING POTENTIAL IMPACTS TO COST, SUPPLY, AND PAPER DEMAND

We concur with 3M’s suggestion of publishing the data online in lieu of printing it on the filter. Publishing the data online instead of printing it on the filter could reduce the risk of higher product costs, increased shortages of filters, and greater demand for paper. It would also more easily allow producers to employ new sources of media if shortages of materials persist.

ORIGINAL ECONOMIC IMPACT REVIEW WAS ONE DIMENSIONAL

The original economic impacts looked strictly at one dimension of adding this requirement - print costs assuming unchanged media supplies from a sole source. It failed to consider inventory carrying costs of the printed frames if the Act creates separate inventories of printed frames for producers using multiple suppliers when there used to be only one inventory of filter frames.

INVENTORY CARRYING COST WILL DRIVE ULTIMATE COST MUCH HIGHER

The paper frame is one of the largest cost components of an air filter. If this component is suddenly required to be maintained in new smaller inventories the printing cost goes up. Overall inventory in frames goes up as well because data must be printed on the frame specific to the media. This increases the inventory carrying cost. Smaller print runs mean higher print costs, and separate inventories means multiple minimum order quantities are being maintained requiring added investment in inventory.

SUPPLY CHAIN CHANGES SINCE 2019

Printing data on the filter frame assumes all producers use only one media for a filter style and it remains so throughout the year. While component and material supplies are erratic, some producers have learned to substitute media to overcome material shortages. Indeed, some filter producers were more consistent providers of air filters during COVID because they could purchase media from several sources and substitute media as supplies from one source became scarce. Imagine how these quick changes in media would impact what the proposed printing on filter frames would require or worse yet what the proposed printing would prevent.

ENERGY IMPACTS ON THE PAPER INDUSTRY OVERLOOKED

It should be noted that paper production is a water and power intensive process. The intent of the Act is to positively impact both resources. However, any added demand for filter frames because of the creation of new unique part numbers created by the execution of this law could sharply reduce the overall benefits of the Act if it creates demand for increased paper production. Any additional demand that the publishing of data on filter frames could cause would further aggravate paper shortages, create more demand for water and energy.

CONSUMERS ARE WEARY OF SHORTAGES OF CONSUMMABLES

Consumers are growing weary of empty store shelves and delays of their online orders. Shortages of air filters is particularly problematic because this could mean consumers could delay replacing their air filters due to availability which could increase energy use because the system works harder when filters are near the end of their life.

ADDITIONAL MEASURES TO BLUNT SHORTAGES WITH THE IMPLEMENTATION OF ENERGY EFFICIENCY REPORTING

SECTION 1602 (c). DEFINITIONS

“Basic Model” definition would be amended to allow the Basic Model to contain one of several diverse types of filter media rated at the same MERV level but with differing performance

characteristics. The characteristic for things like particle size removal efficiency and pressure drop could vary between the differing media used in the Basic Model. However, the published performance for these characteristics would be based upon the media with the lowest performance test results. This would ensure consumers will have the “lowest performance” data reported to them for their decision making.

SUGGESTED CHANGES WILL HELP PREVENT PRODUCT SHORTAGES, INFORM CONSUMERS, AND HELP PREVENT INCREASES IN COST FROM THE REGULATION

By implementing changes of the nature, we have suggested above we feel the State of California will have a much greater chance of achieving its objectives with the proposed regulation. Please consider the following for amending the proposed regulation.

- Publishing the data online is simpler, faster, more cost conscious and there is precedent for this.
- Some of the recent Right to Know laws had the data published online instead of on the product label. Warranties in some instances are offered online now in lieu of printing them on the package.
- Online publication of this information would enable the state to go forward with published data without having it printed on the frame and the potential cost and supply chain complications this could cause.
- However, at the same time the proposed regulation must consider that several producers buy and use media from multiple sources for the same filter.
- The regulation must allow the filter producer to publish only one set of numbers representing the “basic model” even though it has multiple test results with different performance results from each of its media used in the “basic model.”
- The product registration process must be transparent and conducted as a time sensitive process with firm requirements for completion timelines by the registering agency.

Thank you,



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