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<td><strong>Docket Number:</strong></td>
<td>22-AAER-01</td>
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<td><strong>Project Title:</strong></td>
<td>Commercial and Industrial Fans and Blowers</td>
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<td><strong>TN #:</strong></td>
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<td><strong>Document Title:</strong></td>
<td>Notice of Proposed Action (NOPA)</td>
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<td><strong>Description:</strong></td>
<td>Notice of Proposed Action for Commercial and Industrial Fans and Blowers</td>
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<td><strong>Filer:</strong></td>
<td>Alex Galdamez</td>
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<td><strong>Organization:</strong></td>
<td>California Energy Alliance</td>
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<td><strong>Submitter Role:</strong></td>
<td>Commission Staff</td>
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NOTICE OF PROPOSED ACTION

2022 Appliance Efficiency Rulemaking for Commercial and Industrial Fans and Blowers
Docket No. 22-AAER-01
Notice Published on February 25, 2022

INTRODUCTION

Notice is hereby given that the California Energy Commission (CEC) proposes to adopt regulations for commercial and industrial fans and blowers into the California Code of Regulations (CCR) Title 20 (“the Proposed Action”), after considering all comments, objections, and recommendations, regarding the Proposed Action.

PUBLIC HEARING

The CEC staff will hold a public hearing for the proposed regulations at the date and time listed below. Interested persons, or their authorized representative, may present statements, arguments, or contentions relevant to the proposed regulations at the public hearing. The record for this hearing will be kept open until every person has had an opportunity to provide comment.

Tuesday April 12, 2022
10:00 a.m. (Pacific Time)

BUSINESS MEETING

PLEASE TAKE NOTICE that the CEC will consider and possibly adopt the proposed regulations at a CEC Business Meeting at the date and time listed below. Interested persons, or their authorized representative, may present statements, arguments, or contentions relevant to the proposed regulations at the Business Meeting. If the date, time, place, or nature of the proposed adoption changes, the CEC will provide updated information in the rulemaking docket.

Wednesday, June 8, 2022
10:00 a.m. (Pacific Time)

The public hearing will be held remotely, consistent with AB 361 (Rivas, Stats. 2021, ch. 165, §2) and Executive Order N-1-22 to improve and enhance public access to state and local agency meetings during the COVID-19 pandemic by allowing broader
access through teleconferencing options. Instructions for remote participation for the public hearing are below.

REMOTE ATTENDANCE

The public hearing may be accessed by clicking the Zoom link below or visiting Zoom at https://join.zoom.us and entering the ID and password below. If you experience difficulties joining, you may contact Zoom at (888) 799-9666 ext. 2, or the Office of the Public Advisor, Energy Equity and Tribal Affairs at publicadvisor@energy.ca.gov or by phone at (916) 654-4489 or toll free at (800) 822-6228.

Link: https://energy.zoom.us/j/92683364288?pwd=cGprWHZiMnpnMkhJVFZyMk1Ua09QQT09
Webinar ID: 926 8336 4288
Passcode: 290779

To participate by telephone dial (213) 338-8477 or (888) 475-4499 (toll free). When prompted, enter the Webinar ID and password listed above. To comment or ask a question over the telephone, dial *9 to “raise your hand” and *6 to mute/unmute your phone line.

PUBLIC ADVISOR

The CEC’s Office of the Public Advisor, Energy Equity and Tribal Affairs provides the public assistance in participating in CEC proceedings. For information on participation or to request interpreting services or reasonable accommodations, reach out via email at publicadvisor@energy.ca.gov, by phone at (916) 654-4489, or toll free at (800) 822-6228. Requests for interpreting services and reasonable accommodations should be made at least five days in advance. The CEC will work diligently to accommodate all requests.

Zoom: If you experience difficulties with the Zoom platform, please contact the Office of the Public Advisor, Energy Equity and Tribal Affairs via email or phone.

NEWS MEDIA INQUIRIES

Direct media inquiries to the Media and Public Communications Office to (916) 654-4989 or mediaoffice@energy.ca.gov.

PUBLIC COMMENT PERIOD

The written public comment period for the commercial and industrial fans and blowers proposed regulations will be held from February 25, 2022, through April 11, 2022. Any interested person, or their authorized representative, may submit written comments to the CEC for consideration on or prior to April 11, 2022. The CEC appreciates receiving written comments at the earliest possible date. Comments submitted outside this comment period are considered untimely. CEC may, but is not required to, respond to untimely comments, including those raising significant environmental issues.
Written and oral comments, attachments, and associated contact information (including address, phone number, and email address) will become part of the public record of this proceeding with access available via any internet search engine.

The CEC encourages use of its electronic commenting system. Visit the e-commenting page at https://www.energy.ca.gov/rules-and-regulations/appliance-efficiency-regulations-title-20/appliance-efficiency-proceedings-11 which links to the comment page for this docket. Enter your contact information and a comment title describing the subject of your comment(s). Comments may be included in the “Comment Text” box or attached as a downloadable, searchable document consistent with Title 20, California Code of Regulations, Section 1208.1. The maximum files size allowed is 10 MB.

Written comments may also be submitted by email. Include docket number 22-AAER-01 in the subject line and email to docket@energy.ca.gov.

A paper copy may be sent to:

California Energy Commission
Docket Unit
Docket No. 22-AAER-01
715 P Street, MS-4
Sacramento, CA 95814

Pursuant to California Code of Regulations Title 20, Section 1104(e), any person may make oral comment on any agenda item at the June 8, 2022, Business Meeting. Please consult the public agenda, which will be posted ten days before the June 8, 2022, Business Meeting, for important details.

To ensure you receive notice of any changes to the proposed regulations in this proceeding, please follow the instructions provided at the end of this notice to join the proceeding list serve or provide a valid email or mailing address with your comments.

STATUTORY AUTHORITY AND REFERENCE

Public Resources Code Sections 25213, 25218(e), and 25402(a) - (c) authorize the CEC to adopt rules or regulations, as necessary, to implement Public Resources Code Section 25402(c).

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

The Warren-Alquist Act establishes the CEC as California’s primary energy policy and planning agency. Sections 25213, 25218(e), and 25402(c) of the Public Resources Code mandate and/or authorize that the CEC adopt rules and regulations, as necessary, to reduce the inefficient consumption of energy and water by prescribing efficiency standards and other cost-effective measures for appliances whose use requires a significant amount of energy or water statewide.
One of the ways the CEC satisfies this requirement is through the Appliance Efficiency Regulations, Title 20, Sections 1601-1609, which contain definitions, test procedures, efficiency standards, and marking and certification requirements for state and federally regulated appliances. Further, the regulations require that appliance manufacturers certify to the CEC that their products meet all applicable state and federal appliance efficiency regulations before their products can be included in the CEC’s Modernized Appliance Efficiency Database System (MAEDbS) of appliances approved to be sold or offered for sale within California.

The CEC is proposing regulations for new commercial and industrial fans and blowers. There are an estimated 2 million commercial and industrial fans and blowers in California used in a wide variety of applications including commercial building ventilation, commercial kitchen exhaust systems, industrial processes, and agricultural ventilation. The CEC analyzed available market data and concluded that the regulations for commercial and industrial fans and blowers would significantly reduce energy consumption.

Therefore, the CEC has prepared the proposed regulations to provide definitions, test procedures, and reporting requirements, for commercial and industrial fans and blowers used in building applications. The regulations would apply to all commercial and industrial fans and blowers greater than or equal to 1 horsepower, or for fans without a rated shaft input power, an electrical input power greater than or equal to 1kW, but no more than 150 air horsepower.

The CEC proposes to explicitly exclude the following types of fans from these regulations:

- safety fans as defined in Section 1602(d) of this Article.
- ceiling fans as defined in 10 CFR § 430.2.
- circulating fans.
- induced-flow fans.
- jet fans.
- crossflow fans.
- embedded fans as defined in ANSI/AMCA 214-21.
- fans mounted in or on motor vehicles or other mobile equipment.
- fans that create a vacuum of 30 in. water gauge or greater; and
- air curtain unit as defined in Section 1602(d) of this Article.

**Difference from existing comparable federal regulation or statute**

The CEC has determined that there are no existing comparable federal regulations or statutes.

The U.S. Department of Energy (DOE) issued a notice of proposed determination June 28, 2011, proposing that commercial and industrial fans, blowers, and fume hoods meet the criteria for covered equipment under the Energy Policy and
Conservation Act (EPCA). On December 10, 2014, DOE issued a Notice of Data Availability (NODA), followed by a second NODA on May 1, 2015. The Appliance Standards and Rulemaking Federal Advisory Committee (ASRAC) formed a working group to negotiate potential efficiency standards and test procedures for fans. The negotiations resulted in a term sheet that included scope, test procedures, and standards for fans. The DOE released a third NODA to support the recommendations in the term sheet on November 1, 2016. However, DOE suspended its rulemaking for commercial and industrial fans and blowers in January 2017.

On August 19, 2021, DOE published a final coverage determination for specified fans and blowers. In February 2022, DOE issued a Request for Information, soliciting information from stakeholders regarding standards for fans and blowers. However, As of the publication of this document, DOE has not proposed test procedures, labeling requirements, or energy conservation standards for commercial and industrial fans and blowers.

**Broad objectives of the regulations and the specific benefits anticipated by the proposed amendments**

The broad objective of the regulations is to carry out the CEC’s statutory mandate to reduce the wasteful, uneconomic, inefficient, or unnecessary consumption of energy by providing definitions, test procedures, and reporting requirements for commercial and industrial fans and blowers used in building applications in the appliance efficiency regulations.

The specific benefits of the proposed regulations are utility cost savings to the consumer, and lower statewide energy use. The proposed regulations cover commercial and industrial fans and blowers used in building applications. The estimated net benefit for end users of commercial and industrial fans and blowers is between $407 to $6,117 per unit, depending on fan type. The first year the requirements take effect, California will save around 61 gigawatt-hours (GWh) and about 1,755 GWh per year after full stock turnover in 2052. These savings equate to about $303 million in savings per year after full stock turnover for an approximate total appliance life-cycle net benefit of over $5 billion for California businesses and industries.

**Determination of inconsistency or incompatibility with existing state regulations**

California does not have appliance efficiency regulations under Title 20 of the California Code of Regulations for commercial and industrial fans and blowers.

The California Building Code has requirements under Title 24, Part 6, Section 110.2 of the California Code of Regulations for some equipment that has an embedded commercial or industrial fan or blower or a combination. These requirements are for efficiency related to space conditioning, including requirements for minimum energy efficiency ratio, integrated energy efficiency ratio, coefficient of performance, integrated part-load value, or kilowatt-per-ton of refrigeration.

In addition, there are direct fan requirements in the building code under Title 24, Part 6, Section 140.4(c) of the California Code of Regulations, but these requirements are
applicable only to new buildings and not every installation. The Title 24 requirements apply to fan systems used for space conditioning and do not conflict with the requirements of the proposed regulation.

Therefore, the CEC has determined that the proposed regulations would not prevent compliance with existing state regulations and are neither inconsistent nor incompatible with any other existing state regulations.

DOCUMENTS INCORPORATED BY REFERENCE

The CEC proposes to incorporate the following document by reference:


All documents are available for review at the CEC located at 715 P Street, Sacramento, California 95814 or, on the CEC’s website found at https://www.energy.ca.gov/rules-and-regulations/appliance-efficiency-regulations-title-20/appliance-efficiency-proceedings-11

MANDATED BY FEDERAL LAW OR REGULATIONS
None

OTHER STATUTORY REQUIREMENTS
None

FISCAL IMPACTS

The CEC has made the following initial determinations:

- Mandate on local agencies and school districts: None
- Cost to any local agency or school district requiring reimbursement pursuant to 17500 et seq.: None
- Cost or savings to any state agency: None
- Non-discretionary cost or savings imposed upon local agencies: None
- Cost or savings in Federal funding to the state: None

SIGNIFICANT EFFECT ON HOUSING COSTS
None

SIGNIFICANT STATEWIDE ADVERSE ECONOMIC IMPACT DIRECTLY AFFECTING BUSINESS, INCLUDING ABILITY OF CALIFORNIA BUSINESSES TO COMPETE WITH BUSINESSES IN OTHER STATES

The CEC has made an initial determination that the proposed regulations will not have a statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states.
The CEC proposes to test fans using ANSI/AMCA 214-21 test procedure to test and calculate the fan energy index (FEI) for standalone commercial and industrial fans and blowers. The fan categories covered by this proposal include a wide variety of common commercial and industrial applications. In contrast, the excluded fan categories are fan types that are primarily used in specialty applications including those embedded in equipment with a main function other than the movement of air.

The proposed regulations will require manufacturers to include certain information, and prohibit other specified information, on the labeling of commercial and industrial fans and blowers. Business may be impacted if they purchase regulated commercial and industrial fans and blowers. The CEC assumes that manufacturers will pass the incremental cost to meet the requirements onto the businesses involved in the distribution and sales, which in turn will then pass the cost on to the consumers. The CEC assumes that commercial and industrial fans and blowers are typically purchased by businesses not individuals. The proposed regulations for commercial and industrial fans and blowers may have an initial increased incremental cost to businesses but will result in lower utility bills to those businesses through reduced electricity consumption. The savings from the lower utility bills over the lifetime of the more efficient appliance exceeds the incremental costs.

Retailers are responsible for ensuring that the regulated products they sell are certified to the CEC and appear in the CEC Modernized Appliance Efficiency Database System (MAEDbS) before they are sold or offered for sale in California. Because commercial and industrial fans and blowers are newly covered products, the CEC assumes that retailers will experience some additional costs associated with checking MAEDbS to ensure that the appliance(s) they sell are certified to the CEC and appear in the MAEDbS and are therefore compliant and lawful to sell in the state.

RESULTS OF THE ECONOMIC IMPACT ANALYSIS/ASSESSMENT

The CEC concludes that: (1) the proposal will not create jobs within California, (2) the proposal will not eliminate jobs within California, (3) the proposal will not create new businesses in California, (4) the proposal will not eliminate existing businesses within California, and (5) the proposal will not result in the expansion of businesses currently doing business within the state.

The benefits of the proposed regulations are utility cost savings to the consumer and lower statewide energy use. The proposed regulations cover commercial and industrial fans and blowers used in building applications. The first year the regulations take effect, California will save around 61 gigawatt-hours (GWh) of electricity and about 1,755 GWh per year after full stock turnover in 2052. These savings equate to about $5 billion for California businesses and industries over the lifetime of these appliances.

The proposed regulation will not adversely impact the health and welfare of California residents, worker safety, or the state’s environment.
COST IMPACTS ON REPRESENTATIVE PERSON OR BUSINESS
The CEC is not aware of any cost impacts that a representative person or business would necessarily incur in reasonable compliance with the Proposed Action.

The CEC assumes that commercial and industrial fans and blowers are typically purchased by businesses not individuals, so no cost impacts are anticipated for individuals.

The CEC proposes using ANSI/AMCA 214 test procedure to test and calculate the fan energy index (FEI) for standalone commercial and industrial fans and blowers. The fan categories covered by this proposal include a wide variety of common commercial and industrial applications. In contrast, the excluded fan categories are fan types that are primarily used in specialty applications including those embedded in equipment with a main function other than the movement of air.

The proposed regulation will require manufacturers to include certain information, and prohibit other specified information, on the labeling of commercial and industrial fans and blowers. Business may be impacted if they purchase regulated fans and blowers. The CEC assumes that manufacturers will pass the incremental cost to meet the requirements onto the businesses involved in the distribution and sales, which in turn will then pass the cost on to the consumers. While there is an initial increased incremental cost to businesses, the reduced energy consumption will result in lower utility bills to those businesses. The savings from the lower utility bills over the lifetime of the more efficient appliance exceeds the incremental costs.

BUSINESS REPORT
The regulations impose a new reporting requirement for manufacturers of commercial and industrial fans and blowers.

State law (Public Resources Code Section 25402(c)(1)) requires manufacturers to certify to the CEC that their appliances comply with the applicable labeling requirements before they are sold or offered for sale in the state. The Appliance Efficiency Regulations require manufacturers to provide specified information for this purpose to the CEC Modernized Appliance Efficiency Database System (MAEDbS). MAEDbS is used by manufacturers and maintained by the CEC to list the appliances authorized to be sold or offered for sale in California. This is necessary to help the CEC and consumers verify compliance with applicable federal and state efficiency standards and requirements. Some retailers may choose to act as a manufacturer when they rebrand a product and assume the certification obligation for that model.

It is necessary for the health, safety, or welfare of the people of the state, that these regulations, which require a report, apply to businesses.

EFFECT ON SMALL BUSINESS
The proposed regulations may affect small business. However, the CEC is not aware of any significant cost impacts that a small business would incur in reasonable compliance with the Proposed Action.
CONSIDERATION OF ALTERNATIVES

In accordance with Government Code Section 11346.5, subdivision (a)(13), the CEC must determine that no reasonable alternative considered by the agency, or that has otherwise been identified and brought to the attention of the agency, would be more effective in carrying out the purpose for which the action is proposed; would be as effective and less burdensome to affected private persons than the Proposed Action; or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

CONTACT PERSON

Questions should be addressed to:

Corrine Fishman, Regulations Manager
Efficiency Division
715 P Street
Sacramento, CA 95814
(916) 805-7452
corrine.fishman@energy.ca.gov

Or:

Alejandro Galdamez, P.E.
Efficiency Division
(916) 237-2550
alejandro.galdamez@energy.ca.gov

COPIES OF THE INITIAL STATEMENT OF REASONS (ISOR), THE EXPRESS TERMS, AND RULEMAKING FILE

The CEC will have the entire rulemaking file available for inspection and copying throughout the rulemaking process at the above address. As of the date this notice is published in the Notice Register, the rulemaking file consists of this notice, the express terms, and the ISOR. Copies may be obtained by contacting Corrine Fishman at the email or phone number above or accessed through the CEC’s website at https://www.energy.ca.gov/rules-and-regulations/appliance-efficiency-regulations-title-20/appliance-efficiency-proceedings-11

AVAILABILITY OF CHANGES TO ORIGINAL PROPOSAL FOR AT LEAST 15 DAYS PRIOR TO AGENCY ADOPTION/REPEAL/AMENDMENT OF RESULTING REGULATIONS

Participants should be aware that any of the proposed regulations could be changed as a result of public comment, staff recommendation, or recommendations from Commissioners. Moreover, changes to the proposed regulations not indicated in the express terms could be considered if they improve the clarity or effectiveness of the regulations. If the CEC considers changes to the proposed regulations pursuant to Government Code Section 11346.8, a full copy of the text will be available for review
at least 15 days prior to the date on which the CEC adopts or amends the resulting regulations.

**COPY OF THE FINAL STATEMENT OF REASONS**

At the conclusion of the rulemaking, persons may obtain a copy of the Final Statement of Reasons (FSOR), once it has been prepared, by contacting the person above or by visiting the CEC’s website at https://www.energy.ca.gov/rules-and-regulations/appliance-efficiency-regulations-title-20/appliance-efficiency-proceedings-11.

**AVAILABILITY OF DOCUMENTS ON THE INTERNET**

The CEC maintains a website to facilitate public access to documents prepared and considered as part of this rulemaking proceeding. Documents prepared by the CEC for this rulemaking have been posted at https://www.energy.ca.gov/rules-and-regulations/appliance-efficiency-regulations-title-20/appliance-efficiency-proceedings-11.

**INSTRUCTIONS FOR RECEIVING NOTICES AND DOCUMENTS IN THIS PROCEEDING**

To stay informed about this project and receive documents and notices of upcoming workshops and hearings as they are filed please subscribe to the Appliance list serve, which can be accessed here: https://www.energy.ca.gov/rules-and-regulations/appliance-efficiency-regulations-title-20/appliance-efficiency-proceedings

The list serve sends out email notifications and direct links when documents and notices are filed in the proceeding docket. If you are unable or do not wish to sign up for the listserve but still would like to receive documents and notices, please contact the contact person listed in this notice.