

EPS SERVICE PARTS ACT OF 2014

SEPTEMBER 8, 2014.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. UPTON, from the Committee on Energy and Commerce, submitted the following

R E P O R T

[To accompany H.R. 5057]

[Including cost estimate of the Congressional Budget Office]

The Committee on Energy and Commerce, to whom was referred the bill (H.R. 5057) to amend the Energy Policy and Conservation Act to permit exemptions for external power supplies from certain efficiency standards, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

CONTENTS

	Page
Purpose and Summary	2
Background and Need for Legislation	2
Hearings	3
Committee Consideration	3
Committee Votes	3
Committee Oversight Findings	3
Statement of General Performance Goals and Objectives	3
New Budget Authority, Entitlement Authority, and Tax Expenditures	3
Earmark, Limited Tax Benefits, and Limited Tariff Benefits	3
Committee Cost Estimate	3
Congressional Budget Office Estimate	3
Federal Mandates Statement	4
Duplication of Federal Programs	4
Disclosure of Directed Rule Makings	5
Advisory Committee Statement	5
Applicability to Legislative Branch	5
Section-by-Section Analysis of the Legislation	5
Changes in Existing Law Made by the Bill, as Reported	5

PURPOSE AND SUMMARY

H.R. 5057, the “EPS Service Parts Act of 2014,” was introduced by Reps. Gardner (R–CO) and Tonko (D–NY) on July 10, 2014. The legislation amends the Energy Policy and Conservation Act (EPCA) to permit exemptions for certain external power supply (EPS) service and spare parts from Department of Energy (DOE) efficiency standards. DOE is provided the authority to establish limited reporting requirements and modifications to prevent potential misuse of the exemption.

BACKGROUND AND NEED FOR LEGISLATION

External power supplies are the AC power adapters that convert household electricity to much lower DC voltages needed to charge laptops, small desktops, tablets, networking products, and mobile phones. EPS are subject to Federal energy efficiency standards. However, spare and replacement parts for EPS were exempted from the original standards pursuant to the Energy Independence and Security Act of 2007 (EISA). Specifically, in EISA, Congress provided that from July 1, 2008 through June 30, 2015, the DOE efficiency standards would not apply to EPS made available as service or spare replacement parts for end-use products manufactured before July 1, 2008. But Congress did not provide authority for DOE to create similar exemptions for spare parts when DOE updated the standards for external power supplies.

DOE subsequently updated the EPS standards, issuing a Final Rule on February 10, 2014. During the comment period, a number of commenters urged DOE to extend the exemption provided in EISA for the 2008 through 2015 period. DOE responded to these comments by stating that current statute:

[D]oes not grant DOE with the authority to expand or extend the length of this exemption and Congress did not grant DOE with the general authority to exempt any already covered product from the requirements set by Congress. Accordingly, DOE cannot grant the relief sought by these commenters.

H.R. 5057 provides a four-year exemption for such parts manufactured after the effective date of the new standards adopted by DOE on February 10, 2014, and also provides the Secretary discretionary authority to issue similar exemptions for service and spare parts in future amendments of the EPS standards. The legislation will allow continued production of replacement chargers and other EPS equipment for use with equipment manufactured before the effective date of the new EPS efficiency standards.

Supporters of the Legislation

Supporters of H.R. 5057 include:

- Alliance to Save Energy,
- American Council for an Energy-Efficient Economy, Association of Home Appliance Manufacturers,
- Consumers Electronic Association,
- Information Technology Industry Council,
- National Electrical Manufacturers Association, and
- Natural Resources Defense Council.

HEARINGS

The Committee on Energy and Commerce has not held hearings on the legislation.

COMMITTEE CONSIDERATION

On July 14 and 15, 2014, the Committee on Energy and Commerce met in open markup session. The Committee ordered H.R. 5057 favorably reported to the House of Representatives, without amendment, by a voice vote.

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list the record votes on the motion to report legislation and amendments thereto. There were no record votes taken in connection with ordering H.R. 5057 reported. A motion by Mr. Upton to order H.R. 5057 reported to the House, without amendment, was agreed to by a voice vote.

COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee made findings that are reflected in this report.

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

H.R. 5057 amends EPCA to permit exemptions for certain EPS service and spare parts from DOE efficiency standards. DOE maintains the authority to include limited reporting requirements and modifications to prevent potential misuse of the exemption.

NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee finds that H.R. 5057 would result in no new or increased budget authority, entitlement authority, or tax expenditures or revenues.

EARMARK, LIMITED TAX BENEFITS, AND LIMITED TARIFF BENEFITS

In compliance with clause 9(e), 9(f), and 9(g) of rule XXI of the Rules of the House of Representatives, the Committee finds that H.R. 5057 contains no earmarks, limited tax benefits, or limited tariff benefits.

COMMITTEE COST ESTIMATE

The Committee adopts as its own the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

CONGRESSIONAL BUDGET OFFICE ESTIMATE

Pursuant to clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, the following is the cost estimate provided by

the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 23, 2014.

Hon. FRED UPTON,
*Chairman, Committee on Energy and Commerce,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 5057, the EPS Service Parts Act of 2014.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Megan Carroll.

Sincerely,

DOUGLAS W. ELMENDORF.

Enclosure.

H.R. 5057—EPS Service Parts Act of 2014

The Department of Energy (DOE) prescribes energy conservation standards for more than 50 categories of appliances and equipment. H.R. 5057 would exempt certain external power supplies from complying with standards set forth in a final rule published in February 2014. (An external power supply is a hardware component that converts household electric current into lower-voltage current used to operate devices such as laptops and smartphones.) The bill would authorize DOE to limit the applicability of that exemption if the Secretary finds that the exemption would result in a significant reduction in energy savings that would otherwise result if the February 2014 rule were fully implemented.

CBO estimates that enacting H.R. 5057 would not significantly affect the federal budget. Based on information from DOE, we estimate that any costs incurred by the agency to carry out the bill's provisions would total less than \$500,000 annually and would be subject to the availability of appropriated funds. H.R. 5057 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

H.R. 5057 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Megan Carroll. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.

FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

DUPLICATION OF FEDERAL PROGRAMS

No provision of H.R. 5057 establishes or reauthorizes a program of the Federal Government known to be duplicative of another Federal program, a program that was included in any report from the Government Accountability Office to Congress pursuant to section

21 of Public Law 111–139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

DISCLOSURE OF DIRECTED RULE MAKINGS

The Committee estimates that enacting H.R. 5057 specifically directs no rule makings within the meaning of 5 U.S.C. 551 to be completed.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Short title

Section 1 provides the short title for the legislation, the “EPS Service Parts Act of 2014.”

Section 2. Exempt supplies

Section 2 adds a new paragraph (5) to section 325(u) of ECPA that establishes a four-year exemption from the 2014 DOE efficiency standards for EPS service and spare parts, which would still be required to meet the 2007 standards.

The provision permits DOE to establish limited reporting requirements that will allow DOE to detect potential misuse of the exemption. DOE is provided authority to limit the exemption, after notice and comment, if the Secretary determines the exemption is resulting in a significant reduction of the energy savings that otherwise would have been achieved from the standard.

New section 325(u)(5)(B) provides DOE with authority to establish a similar service and spare parts exemption as part of any future amended EPS efficiency standard, along with authority for a limited reporting requirement.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (new matter is printed in italic and existing law in which no change is proposed is shown in roman):

ENERGY POLICY AND CONSERVATION ACT

* * * * *

TITLE III—IMPROVING ENERGY EFFICIENCY

* * * * *

PART B—ENERGY CONSERVATION PROGRAM FOR CONSUMER
PRODUCTS OTHER THAN AUTOMOBILES

* * * * *

ENERGY CONSERVATION STANDARDS

SEC. 325. (a) * * *

* * * * *

(u) BATTERY CHARGER AND EXTERNAL POWER SUPPLY ELECTRIC
ENERGY CONSUMPTION.—(1) * * *

* * * * *

(5) EXEMPT SUPPLIES.—

(A) FEBRUARY 10, 2014, RULE.—

(i) *IN GENERAL.*—An external power supply shall not be subject to the final rule entitled “Energy Conservation Program: Energy Conservation Standards for External Power Supplies”, published at 79 Fed. Reg. 7845 (February 10, 2014), if the external power supply—

(I) is manufactured during the period beginning on February 10, 2016, and ending on February 10, 2020;

(II) is marked in accordance with the External Power Supply International Efficiency Marking Protocol, as in effect on February 10, 2016;

(III) meets, where applicable, the standards under paragraph (3)(A), and has been certified to the Secretary as meeting International Efficiency Level IV or higher of the External Power Supply International Efficiency Marking Protocol, as in effect on February 10, 2016; and

(IV) is made available by the manufacturer as a service part or a spare part for an end-use product that—

(aa) constitutes the primary load; and

(bb) was manufactured before February 10, 2016.

(ii) *REPORTING.*—The Secretary may require manufacturers of products exempted pursuant to clause (i) to report annual total units shipped as service and spare parts that are not International Efficiency Level VI or higher.

(iii) *LIMITATION OF EXEMPTION.*—The Secretary may issue a rule, after providing public notice and opportunity for public comment, to limit the applicability of the exemption established under clause (i) if the Secretary determines that the exemption is resulting in a significant reduction of the energy savings that would otherwise result from the final rule described in such clause.

(B) AMENDED STANDARDS.—

(i) *IN GENERAL.*—The Secretary may exempt an external power supply from any amended standard under this subsection if the external power supply—

(I) is manufactured within four years of the compliance date of the amended standard;

(II) complies with applicable marking requirements adopted by the Secretary prior to the amendment;

(III) meets the standards that were in effect prior to the amendment; and

(IV) is made available by the manufacturer as a service part or a spare part for an end-use product that—

(aa) constitutes the primary load; and

(bb) was manufactured before the compliance date of the amended standard.

(ii) REPORTING.—The Secretary may require manufacturers of a product exempted pursuant to clause (i) to report annual total units shipped as service and spare parts that do not meet the amended standard.

* * * * *

