

Subtitle 26 MARYLAND ENERGY ADMINISTRATION

14.26.03 Maryland Energy Efficiency Standards

Authority: State Government Article, §9-2006,
Annotated Code of Maryland

Notice of Proposed Action

[06-040-P]

The Director of the Maryland Energy Administration proposes to repeal existing Regulations .01—.13 and adopt new Regulations .01—.13 under **COMAR 14.26.03 Maryland Energy Efficiency Standards**.

Statement of Purpose

The purpose of this action is to bring the regulations required under the EESA to establish minimum energy efficiency standards for certain new products sold or installed in the State into line with recent statutory amendments to EESA by the General Assembly and also to be consistent with federal legislation which affects State implementation of EESA.

These proposed regulations are intended to be consistent with the federal Energy Policy Act of 2005. Through the Energy Policy Act of 2005, the State is preempted from regulating the efficiency of five of the nine products covered by EESA as of January, 2006. Since these regulations are expected to be finalized after that date, the regulations only cover the four products not preempted as of January, 2006. Federal law will preempt all products subject to EESA by January, 2010.

Comparison to Federal Standards

There is no corresponding federal standard to this proposed action.

Estimate of Economic Impact

I. Summary of Economic Impact. The proposed action will impose implementation costs for Maryland government. Regulated industries, including manufacturers, distributors, and retailers, will incur costs associated with compliance, including charges related to product labeling, certification, testing, recordkeeping, and, potentially, enforcement defense. Nonregulated industries, including small businesses and the general public, are likely to find that products subject to regulation will go up in price. This product price increase might be offset by energy savings.

II. Types of Economic Impact.	Revenue (R+/R-)	Magnitude
	Expenditure (E-/E+)	
A. On issuing agency:	(E-)	\$60,000
B. On other State agencies:	(E+)	Undeterminable
C. On local governments:	(E+)	Undeterminable
	Benefit (+) Cost (-)	Magnitude

D. On regulated industries or trade groups:	(-)	Undeterminable
E. On other industries or trade groups:	(-)	Undeterminable
F. Direct and indirect effects on public:	(-)	Undeterminable

III. Assumptions. (Identified by Impact Letter and Number from Section II.)

A. The Maryland Energy Administration will need additional resources to staff functions required under the regulations.

B. The Attorney General's Office and Department of Housing and Community Development will need additional resources to staff functions required under the regulations. The amounts needed are undetermined at this time.

C. Local governments purchasing covered products are likely to find the products more expensive. These expenses might be offset by savings in use.

D. Regulated companies will incur expenses related to compliance, including charges related to product labeling, certification, testing, recordkeeping, and potentially, enforcement defense.

E. Companies purchasing covered products are likely to find the products more expensive. These expenses might be offset by savings in use.

F. Members of the public purchasing covered products are likely to find the products more expensive. These expenses might be offset by savings in use.

Economic Impact on Small Businesses

The proposed action has a meaningful economic impact on small businesses. An analysis of this economic impact follows.

Small businesses, including distributors and retailers of new products affected by the law, could incur increases in costs related to the law's prohibitions. Any costs incurred would likely be passed on to customers in the form of higher product prices. The total increase in costs for small businesses in Maryland cannot be estimated at this time. While all businesses purchasing these products would be affected, small businesses will have a proportionately larger increase in costs because they would most likely not benefit from any large-volume discounts. Additionally, small businesses selling products subject to regulation will incur expenses related to compliance, including charges related to ensuring that covered products comply with the requirements of the law. These expenses will include ensuring that products meet labeling and certification requirements, related recordkeeping obligations, addressing enforcement queries, including inspections, and potentially, enforcement defense.

Impact on Individuals with Disabilities

The proposed action has no impact on individuals with disabilities.

Opportunity for Public Comment

Comments may be directed to David Cronin, Maryland Energy Administration, 1623 Forest Drive, Suite 300 Annapolis, Maryland 21403, or fax to (410) 974-2250, or call (410) 260-9543. These comments must be received by February 21, 2005.

.01 Purpose.

This chapter:

- A. Implements the Maryland Energy Efficiency Standards Act (Act) by establishing minimum energy efficiency standards for certain new products sold or installed in the State;*
- B. Establishes testing, certification, inspection, and enforcement procedures for insuring compliance with established standards; and*
- C. Identifies the date on which these regulations will be preempted by the federal Energy Policy Act of 2005.*

.02 Scope.

The Maryland Energy Efficiency Act establishes minimum efficiency standards for several consumer and commercial products to be sold or installed in Maryland after dates specified in the Act. After the effective date of implementation, specified products must meet the efficiency standard established in this chapter and be labeled accordingly. This chapter defines the products and the efficiency standards, sets up appropriate testing and inspection procedures, and describes the penalties for failure to comply with the standards.

.03 Definitions.

A. In this chapter, the following terms have the meanings indicated.

B. Terms Defined.

(1) "Act" means the Energy Efficiency Standards Act.

(2) "Administration" means the Maryland Energy Administration.

(3) Commercial Refrigeration Cabinet.

(a) "Commercial refrigeration cabinet" means a refrigerator, freezer, or refrigerator-freezer, designed by the manufacturer for the purpose of storing food products, ice, or other perishable items at specified temperatures, which may be configured with either solid or transparent doors as a:

(i) Reach-in cabinet;

(ii) Pass-through cabinet;

(iii) Roll-in cabinet; or

(iv) Roll-through cabinet.

(b) "Commercial refrigeration cabinet" does not include a:

(i) Product with 85 cubic feet or more of internal volume;

(ii) Walk-in refrigerator or walk-in freezer;

(iii) Consumer product regulated under the National Appliance Energy Conservation Act of 1987 (Public Law 100-12); or

(iv) Refrigerator, freezer, or refrigerator-freezer designed and marketed exclusively for medical, scientific, or research purposes.

(4) "Distributor of new products" means a person:

(a) Whose primary business is the wholesale distribution of commercial goods for resale;

(b) Who maintains an inventory of commercial goods for resale;

(c) Who has the right to sell or distribute commercial goods in Maryland for resale to retailers or other resellers or to an industrial or commercial manufacturer; and

(d) Who conducts substantial business in Maryland.

(5) "Installer" means a person engaged in the attachment of a product that the installer has either purchased or been contracted to attach to a structure by means of the electrical, plumbing, or ventilation systems.

(6) "Large packaged air-conditioning equipment" means packaged air-conditioning equipment with at least 20 tons, but not more than 80 tons, of cooling capacity.

(7) Low-Voltage Dry-Type Distribution Transformer.

(a) "Low-voltage dry-type distribution transformer" means a distribution transformer that:

(i) Has an input voltage of 600 volts or less;

(ii) Is air-cooled; and

(iii) Does not use oil as a coolant.

(b) "Low-voltage dry-type distribution transformer" does not include any of the following transformers:

(i) An autotransformer in which the primary and secondary windings are not electronically isolated and at least a portion of the secondary voltage is derived from the primary winding;

(ii) A drive transformer designed only to provide power to operate an electronic variable speed motor drive;

(iii) A grounding transformer designed only to provide a system ground reference point;

(iv) A harmonic transformer designed to supply a load with a higher than normal harmonic current level and that has a k-rating of k-4 or greater;

(v) An impedance transformer that has a specified impedance of less than 4 percent or greater than 8 percent;

(vi) A machine tool transformer designed only to provide power to machine tool equipment;

(vii) A rectifier transformer designed to provide power only to a rectifier circuit and that has a nameplate rating for both the fundamental frequency power rating and the root mean square (rms) power rating;

(viii) A regulating transformer with automatic tap changers;

(ix) A sealed and nonventilating transformer designed to prevent airflow through the transformer;

(x) A testing transformer designed only as part of, or to supply power to, electrical test equipment;

(xi) A ups transformer designed only as an integral part of an uninterruptible power system; or

(xii) A welding transformer designed only to provide power to welding equipment.

(8) "Manufacturer of new product" means a person who makes new products by hand or machinery.

(9) "Maryland business" means a corporation organized under the laws of the State.

(10) "Maryland consumer" means an individual who:

(a) Is solicited to purchase, or who purchases for personal, family, or household purposes; and

(b) Resides in Maryland.

(11) "New product" means any manufactured good at the time when it is sold for consumption or use other than resale, further processing, or manufacture for the first time.

(12) "Packaged air-conditioning equipment" means air-conditioning equipment that is built as a package and shipped as a whole to end-user sites.

(13) "Pass-through cabinet" means a commercial refrigerator or commercial freezer with hinged or sliding doors on both the front and rear of the refrigerator or freezer.

(14) Reach-in cabinet.

(a) "Reach-in cabinet" means a commercial refrigerator, freezer, or refrigerator-freezer with hinged or sliding doors or lids.

(b) "Reach-in cabinet" does not include a roll-in or roll-through cabinet or a pass-through cabinet.

(15) "Retailer" means a person engaged in the business of making retail sales within the State.

(16) "Roll-in cabinet" means a commercial refrigerator or freezer with hinged or sliding doors that allow wheeled racks of product to be rolled into the refrigerator or freezer.

(17) "Roll-through cabinet" means a commercial refrigerator or freezer with hinged or sliding doors that allows wheeled racks of product to be rolled through the refrigerator or freezer.

(18) "Transformer" means a device consisting essentially of two or more coils of insulated wire that transfers alternating current by electromagnetic induction from one coil to another in order to change the original voltage or current value.

(19) Unit Heater.

(a) "Unit heater" means a self-contained fan-type heater that:

(i) Is designed to be installed within the heated space; and

(ii) Includes an apparatus or appliance to supply heat and a fan for circulating air over a heat exchange surface, all enclosed in a common casing.

(b) "Unit heater" does not include a warm air furnace as defined under the Federal Energy Policy Act of 1992 (42 U.S.C. §6311(11)(a)).

(20) "Widely available in Maryland" means a conforming product available in the State from three or more manufacturers.

.04 Scope of Application of Standards.

A. This chapter applies to the testing, certification, and enforcement of efficiency standards for the following types of new products sold, offered for sale, or installed in the State:

(1) Unit heaters;

(2) Low-voltage dry-type distribution transformers;

(3) Commercial refrigeration cabinets; and

(4) Large packaged air-conditioning equipment.

B. This chapter does not apply to:

(1) New products manufactured in the State and sold outside the State;

(2) New products manufactured outside the State and sold at wholesale inside the State for final retail sale and installation outside the State;

(3) Products installed in mobile manufactured homes at the time of construction; or

(4) Products designed expressly for installation and use in recreational vehicles.

C. This chapter only applies to the following products until the following dates:

(1) Unit heaters: August 1, 2008;

(2) Low-voltage dry-type distribution transformers: January 1, 2007;

(3) Commercial refrigeration cabinets: January 1, 2010;

(4) Large packaged air-conditioning equipment of at least 20 tons and not more than 63.3 tons of cooling capacity: January 1, 2010.

D. For large packaged air-conditioning equipment with capacities from 63.4 tons to 80 tons of cooling capacity, the Act will remain in effect.

.05 Minimum Efficiency Standards.

A. On or after the date specified in Regulation .06 of this chapter, a person may not sell or install a listed product that does not meet or exceed the minimum efficiency standards listed in this regulation.

B. Unit heaters shall be equipped with an intermittent ignition device and shall have either power venting or an automatic flue damper.

C. The efficiency of all low-voltage dry-type distribution transformers may not be less than the values shown in table 4-2 of National Electrical Manufacturers Association Standard TP-1-2002.

D. Commercial refrigeration cabinets shall meet the requirements shown in the following table:

Equipment Type	Maximum Daily Energy Consumption (kilowatt hours)
Reach-in cabinets, pass-through cabinets, and roll-in or roll-through cabinets that are refrigerators with solid doors	$0.125V + 2.76$
Reach-in cabinets, pass-through cabinets, and roll-in or roll-through cabinets that are refrigerators with transparent doors	$0.172V + 4.77$
Reach-in cabinets, pass-through cabinets, and roll-in or roll-through cabinets that are freezers with solid doors	$0.398V + 2.28$
Reach-in cabinets, pass-through cabinets, and roll-in or roll-through cabinets that are freezers with transparent doors	$0.940V + 5.10$
Reach-in cabinets that are refrigerator-freezers With solid doors	$0.273AV + 1.65$
Where: V = total volume in cubic feet; and AV = adjusted volume, which is the sum of the volume of refrigerated space, and 1.63 times the volume of freezer space.	

E. Large packaged air-conditioning equipment shall meet the Tier II requirements of the "minimum equipment efficiencies for unitary commercial air conditioners" or "minimum equipment efficiencies for heat pumps", as appropriate, developed by the Consortium for Energy Efficiency, Boston, Massachusetts, as in effect on January 1, 2002.

.06 Effective Dates for Efficiency Standards Requirement.

A. The effective date for efficiency standards for products sold or offered for sale in the State and subject to Regulation .04A of this chapter is as follows:

(1) Unit heaters: September 1, 2005;

(2) Low-voltage dry-type distribution transformers: March 1, 2005;

(3) Commercial refrigeration cabinets: August 1, 2005;

(4) Large packaged air-conditioning equipment: August 1, 2005.

B. A product subject to Regulation .04A of this chapter may not be installed after January 1, 2006.

.07 Petition for Delayed Implementation.

A. A Maryland business or consumer may file a request with the Administration to delay the effective date of any standard adopted under this chapter if products conforming to a standard will not be widely available in Maryland by the effective date specified in Regulation .06 of this chapter.

B. The Administration may limit a delay to identifiable subcategories of any category of covered products.

C. The request shall:

(1) Be in writing; and

(2) State the length of the delayed implementation being requested and the reasons for the proposed delay, including any information the person filing the request relied upon to conclude that the product would not be widely available by the effective date.

D. Upon receipt of a request, the Administration shall issue a public notice of the proposed delay and solicit comment. The Administration may determine the most effective means to issue the notice and receive comment.

E. If, after public notice and comment, the Administration determines that the product conforming to the standard will not be widely available in Maryland, the Administration shall issue notice of the delay for implementing the standard in the Maryland Register and any other means the Administration determines is appropriate for the product being subjected to the delay. The Administration may not delay the implementation of any standard by more than 1 year.

.08 Testing Procedures.

The manufacturer of a product for which certification is required shall test each model of each product required under Regulation .04 of this chapter consistent with the testing standards established by the federal government in accordance with the requirements of the Energy Policy Act of 2005.

.09 Manufacturers' Certification of New Products.

A. Before the effective date of the applicable standard specified in Regulation .06 of this chapter and before a new product listed in Regulation .04 of this chapter may be sold in Maryland, a manufacturer of the new product shall certify to the Administration that the product is in compliance with the performance standard in Regulation .05 of this chapter.

B. The manufacturer shall file with the Administration a statement that each covered product that is sold or offered for sale in Maryland complies with the requirements of the Energy Efficiency Standards Act. The statement shall contain all the information described in §§D and E of this regulation and shall meet all the requirements of §C of this regulation and all other applicable requirements.

C. General Rules.

(1) Format and Categories. Each statement shall be in a format and in categories specified by the Administration. Specific information on these formats and categories may be obtained from the Administration.

(2) When Different Statements are Required. The Administration may establish, modify, and enforce schedules for the submittal of statements where it is reasonably necessary for the orderly processing of submittals.

D. Manufacturer Information. The statement shall contain the name, address, telephone number, fax number, and email address of the individual to contact concerning the statement.

E. Testing and Performance Information.

(1) The statement shall verify that each product has been tested in accordance with all applicable requirements.

(2) The statement shall contain the name, address, telephone number, fax number, website address, and email address of the laboratory or other institution where the testing was performed.

(3) Proof of testing pursuant to another state's certification program is acceptable to the Administration for this requirement if the other state's standards and requirements are substantially the same as this chapter. The Administration may request copies of materials related to this testing.

F. Any manufacturer that has certified a product to another state or to the federal Energy Star Program may provide the Administration with a copy of the certification that the manufacturer made to the other state or agency in place of a separate certification, if:

(1) The other state's standards or the Energy Star specifications are equivalent to or more stringent than the standards of Maryland; and

(2) All information required under §§D and E of this regulation is included in the certification.

.10 Product Testing by the Administration.

A. To ensure compliance with adopted standards, the Administration may test products listed in Regulation .04 of this chapter.

B. If the product tested is not found to be in compliance with the minimum efficiency standards established under Regulation .05 of this chapter, the Administration shall:

(1) Charge the manufacturer of the product for the cost of product purchase and testing; and

(2) Make information available to the public on products found not to be in compliance with the standards by appropriate means.

.11 Labeling.

A. Manufacturers of new products listed in Regulation .04 of this chapter shall identify each product offered for sale or installation, through retailers, in Maryland as being in compliance with the minimum efficiency standards established under Regulation .05 of this chapter by means of a mark, label, or tag on

the product or packaging at the time of sale or installation. The mark, label or tag shall consist of the letter "M" within a circle. The circle may not be less than 1/2 inch in diameter.

B. Labels may be permanently affixed or may be temporary or removable labels of any kind including hanging labels.

C. All display models of products shall be displayed with a mark, label, or tag on the product.

D. Manufacturers offering products for sale or installation in Maryland are not required to place a mark, label, or tag on a covered product, if a mark is already on the product or packaging that reflects that the product meets an efficiency standard at least equal to the one required by the Act.

E. If a national efficiency standard is established by Federal law or regulation for a product, this labeling requirement does not apply to that product.

.12 Inspection and Enforcement.

A. The Administration may make periodic inspections of distributors and retailers of new products listed in Regulation .04 of this chapter in order to determine compliance with the provisions of this chapter.

B. Before any inspection, the Administration shall give prior notice to the distributor or retailer.

C. Inspections shall take place during normal business hours unless the distributor or retailer agrees upon a different time.

.13 Fines for Noncompliance.

A. The Administration may investigate complaints received concerning violations of Regulation .05 of this chapter and shall report the results of an investigation to the Attorney General.

B. A manufacturer, distributor, or retailer of new products listed in Regulation .04 of this chapter that violates any provision of Regulation .05 of this chapter shall be issued a warning by the Administration for a first violation.

C. Repeat violators are subject to a civil penalty of not more than \$250.

D. Each violation of Regulation .05 of this chapter constitutes a separate offense and each day that a violation continues constitutes a separate offense.

E. Penalties assessed under this regulation are in addition to costs assessed under Regulation .10B(1) of this chapter.

FREDERICK G. DAVIS
Director