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SENATE

{ REPORT  
115-76

### POWER AND SECURITY SYSTEMS ACT

MAY 24, 2017.—Ordered to be printed

Ms. MURKOWSKI, from the Committee on Energy and Natural Resources, submitted the following

### R E P O R T

[To accompany S. 190]

[Including cost estimate of the Congressional Budget Office]

The Committee on Energy and Natural Resources, to which was referred the bill (S. 190) to provide for consideration of the extension under the Energy Policy and Conservation Act of nonapplication of No-Load Mode energy efficiency standards to certain security or life safety alarms or surveillance systems, and for other purposes, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

#### PURPOSE

The purpose of S. 190 is to provide for consideration of the extension under the Energy Policy and Conservation Act (EPCA) of nonapplication of No-Load Mode energy efficiency standards to certain security or life safety alarms or surveillance systems.

#### BACKGROUND AND NEED

Since the 1973 oil embargo and every subsequent energy crisis, studies have shown that the United States could save energy and money by investing in energy efficiency measures. Today, efficient energy use and the deployment of more efficient technologies are critical to the nation's economic competitiveness and job creation. In addition, efficient energy use reduces pollution that would be associated with energy production. Nevertheless, many existing energy efficiency technologies and programs have yet to be installed or implemented.

The National Academies released a 2010 study entitled *Real Prospects for Energy Efficiency in the United States* on the potential for energy efficiency in commercial and residential buildings, transportation, and manufacturing. The study found that energy efficiency could more than offset the Energy Information Administration's projected increase in U.S. energy consumption through 2030.

In 2005, in the Energy Policy Act (Public Law 109–58), Congress amended EPCA to define and direct the Department of Energy (DOE) to set energy conservation standards for External Power Supplies (EPS). DOE's EPS standards require test procedures for products in "no-load" mode. No-load refers to when a device is disconnected from its power-consuming "load" and performing no function. For example, when a cell phone charger is plugged into the wall, but disconnected from an actual phone, the charger is considered to be in no-load mode. However, by definition, security and life safety products are always on. Fire monitors, carbon monoxide monitors, intrusion detection sensors, and access control readers require a constant, uninterrupted power supply. Power supplies designed to power security and life safety systems are always in "active mode," and as such simply do not have a no-load mode function.

As originally enacted, the Energy Independence and Security Act of 2007 did not make a distinction between EPS types, and a statutory exemption for fire and life safety systems is necessary. In 2011, Congress enacted Public Law 111–360, to exclude an external power supply for certain security or life safety alarms and surveillance system components from the application of certain energy efficiency standards under EPCA. This law provided a five-year exemption for life safety and security systems that expires on July 1, 2017. S. 190 extends the life safety and security system exemption for as long as the current EPS efficiency standard is in effect, and provides DOE with the regulatory authority to extend the exemption in any subsequent update to the standard.

#### LEGISLATIVE HISTORY

S. 190 was introduced by Senators Gardner and Cantwell on January 23, 2017.

Companion legislation, H.R. 511, was introduced in the House by Representatives Welch and Brooks on January 12, 2017. H.R. 511 was passed in the House of Representatives by a voice vote under suspension of the rules on January 23, 2017.

In the 114th Congress, similar legislation was included in the House amendment to S. 2012, the North American Energy Security and Infrastructure Act of 2016, which passed the House of Representatives on May 25, 2016, by a vote of 241–178.

The Committee on Energy and Natural Resources met in open business session on March 30, 2017, and ordered S. 190 favorably reported.

#### COMMITTEE RECOMMENDATION

The Senate Committee on Energy and Natural Resources, in open business session on March 30, 2017, by a majority voice vote of a quorum present, recommends that the Senate pass S. 190, as described herein.

## SECTION-BY-SECTION ANALYSIS

*Section 1. Short title*

Section 1 provides a short title.

*Section 2. Extension of nonapplication of no-load mode energy efficiency standard to certain security or life safety alarm or surveillance systems*

Section 2 (a) amends section 325 of EPCA (42 U.S.C. 6295) to provide a six-year extension of the date the Secretary must publish a final rule to determine whether EPS standards should be amended by eliminating the 2015 deadline and inserting the year 2021. This section further amends EPCA to provide a six-year extension of the manufactured on date by eliminating the July 1, 2017 deadline and inserting July 1, 2023.

Subsection (b) amends section 325 EPCA to extend the security or life safety alarm or surveillance system exemption for as long as the current EPS efficiency standard is in effect, and to provide the Secretary of Energy with the regulatory authority to extend the security or life safety alarm or surveillance system exemption in any subsequent update to the EPS standard.

## COST AND BUDGETARY CONSIDERATIONS

The following estimate of the costs of this measure has been provided by the Congressional Budget Office:

The Department of Energy (DOE) sets energy efficiency standards for external power supplies (EPS), which convert power drawn from a wall outlet into lower voltage power that can be used directly by certain electronic devices. Under current law, EPS designed to provide power to some types of alarms and surveillance systems for security or safety are exempt from such standards until July 1, 2017. S. 190 would permanently exclude such EPS from those standards and authorize the Secretary of Energy to treat some or all of those devices as a separate product class.

CBO estimates that enacting S. 190 would have no significant effect on the federal budget. Based on information from DOE, we expect that any change in the agency's costs to regulate or establish standards for technologies affected by the bill (which would be subject to appropriation) would be insignificant in any year.

Enacting S. 190 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply. CBO estimates that enacting S. 190 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

S. 190 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 H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.

## REGULATORY IMPACT EVALUATION

In compliance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee makes the following evaluation

of the regulatory impact which would be incurred in carrying out the bill.

The bill is not a regulatory measure in the sense of imposing Government-established standards or significant economic responsibilities on private individuals and businesses.

No personal information would be collected in administering the program. Therefore, there would be no impact on personal privacy.

Little, if any, additional paperwork would result from the enactment of the bill, as ordered reported.

#### CONGRESSIONALLY DIRECTED SPENDING

S. 190, as ordered reported, does not contain any congressionally directed spending items, limited tax benefits, or limited tariff benefits as defined in rule XLIV of the Standing Rules of the Senate.

#### EXECUTIVE COMMUNICATIONS

Executive Communications on S. 190 were not requested by the Committee on Energy and Natural Resources for the 115th Congress.

#### CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the original bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

### **ENERGY POLICY AND CONSERVATION ACT**

Public Law 94–163, as amended

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### **TITLE III—IMPROVING ENERGY EFFICIENCY**

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

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#### ENERGY CONSERVATION STANDARDS

SEC. 325. (a) PURPOSES.—The purposes of this section are to—

(1) provide Federal energy conservation standards applicable to covered products; and

(2) authorize the Secretary to prescribe amended or new energy conservation standards for each type (or class) of covered product.

\* \* \* \* \*

(u) BATTERY CHARGER AND EXTERNAL POWER SUPPLY ELECTRIC ENERGY CONSUMPTION.—(1)(A) Not later than 18 months after the date of enactment of this subsection, the Secretary shall, after pro-

viding notice and an opportunity for comment, prescribe, by rule, definitions and test procedures for the power use of battery charges and external power supplies.

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(3) EFFICIENCY STANDARDS FOR CLASS A EXTERNAL POWER SUPPLIES.—

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- (D) AMENDMENT OF STANDARDS.—
- (i) FINAL RULE BY JULY 1, 2011.—
- (I) IN GENERAL.—Not later than July 1, 2011, the Secretary shall publish a final rule to determine whether the standards established under subparagraph (A) should be amended.
- (II) ADMINISTRATION.—The final rule shall—
- (aa) contain any amended standards; and
- (bb) apply to products manufactured on or after July 1, 2013.
- (ii) FINAL RULE BY JULY 1, [2015] 2021.—
- (I) IN GENERAL.—Not later than July 1, [2015] 2021 the Secretary shall publish a final rule to determine whether the standards then in effect should be amended.
- (II) ADMINISTRATION.—The final rule shall—
- (aa) contain any amended standards; and
- (bb) apply to products manufactured on or after July 1, [2017] 2023.

(E) NONAPPLICATION OF NO-LOAD MODE ENERGY EFFICIENCY STANDARDS TO EXTERNAL POWER SUPPLIES FOR CERTAIN SECURITY OR LIFE SAFETY ALARMS OR SURVEILLANCE SYSTEMS.—

(i) DEFINITION OF SECURITY OR LIFE SAFETY ALARM OR SURVEILLANCE SYSTEM.—In this subparagraph:

(I) IN GENERAL.—The term “security or life safety alarm or surveillance system” means equipment designed and marketed to perform any of the following functions (on a continuous basis):

(aa) Monitor, detect, record, or provide notification of intrusion or access to real property or physical assets or notification of threats to life safety.

(bb) Deter or control access to real property or physical assets, or prevent the unauthorized removal of physical assets.

(cc) Monitor, detect, record, or provide notification of fire, gas, smoke, flooding, or other physical threats to real property, physical assets, or life safety.

(II) EXCLUSION.—The term “security or life safety alarm or surveillance system” does not include any product with a principal function other than life safety, security, or surveillance that—

(aa) is designed and marketed with a built-in alarm or theft-deterrent feature; or

(bb) does not operate necessarily and continuously in active mode.

(ii) NONAPPLICATION OF NO-LOAD MODE REQUIREMENTS.—The No-Load Mode energy efficiency standards established by this paragraph shall not apply to an external power supply manufactured before **July 1, 2017** *the effective date of the amendment under subparagraph (D)(ii)*, that—

- (I) is an AC-to-AC external power supply;
- (II) has a nameplate output of 20 watts or more;
- (III) is certified to the Secretary as being designed to be connected to a security or life safety alarm or surveillance system component; and
- (IV) on establishment within the External Power Supply International Efficiency Marking Protocol, as referenced in the “Energy Star Program Requirements for Single Voltage External Ac-Dc and Ac-Ac Power Supplies”, published by the Environmental Protection Agency, of a distinguishing mark for products described in this clause, is permanently marked with the distinguishing mark.

(iii) ADMINISTRATION.—In carrying out this subparagraph, the Secretary shall—

- (I) require, with appropriate safeguard for the protection of confidential business information, the submission of unit shipment data on an annual basis; and
- (II) restrict the eligibility of external power supplies for the exemption provided under this subparagraph on a finding that a substantial number of the external power supplies are being marketed to or installed in applications other than security or life safety alarm or surveillance systems.

(iv) TREATMENT IN RULE.—*In the rule under subparagraph (D)(ii) and subsequent amendments the Secretary may treat some or all external power supplies designed to be connected to a security or life safety alarm or surveillance system as a separate product class or may extend the nonapplication under clause (ii).*

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