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[6450-01-P]

DEPARTMENT OF ENERGY

[Case Number 2019–003; EERE–2019–BT–WAV–0007]

Energy Conservation Program: Decision and Order Granting a Waiver to Signify North America Corporation From the Department of Energy Illuminated Exit Sign Test Procedure

AGENCY: Office of Energy Efficiency and Renewable Energy, Department of Energy.

ACTION: Notice of decision and order.

SUMMARY: The U.S. Department of Energy (“DOE”) gives notice of a Decision and Order (Case Number 2019-003) that grants to Signify North America Corporation (“Signify”) a waiver from specified portions of the DOE test procedure for determining the energy consumption of specified basic models of illuminated exit signs. Signify is required to test and rate the specified basic models of its illuminated exit signs in accordance with the alternate test procedure specified in the Decision and Order.

DATES: The Decision and Order is effective on **[INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]**. The Decision and Order will terminate upon the compliance date of any future amendment to the test procedure for illuminated exit signs located at 10 CFR 431.204 that addresses the issues presented in this waiver. At such time, Signify must use the relevant test procedure for this equipment for any testing to demonstrate compliance with the applicable standards, and any other representations of energy use.

FOR FURTHER INFORMATION CONTACT:

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Ms. Jennifer Tiedeman, U.S. Department of Energy, Office of the General Counsel, Mail Stop GC-33, Forrestal Building, 1000 Independence Avenue SW., Washington, DC 20585-0103. Telephone: (202) 287-6111. Email: *Jennifer.Tiedeman@hq.doe.gov*.

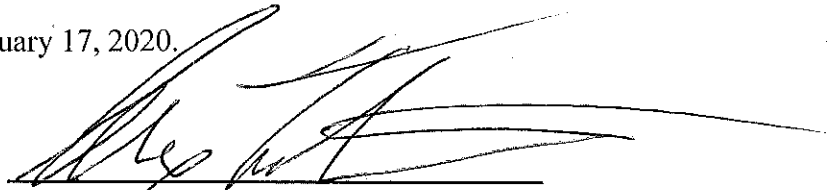
SUPPLEMENTARY INFORMATION:

In accordance with Title 10 of the Code of Federal Regulations (10 CFR 431.401(f)(2)), DOE gives notice of the issuance of its Decision and Order as set forth below. The Decision and Order grants Signify a waiver from the applicable test procedure at 10 CFR 431.204 for specified basic models of illuminated exit signs, and requires that Signify test and rate such equipment using the alternate test procedure specified in the Decision and Order. Signify's representations concerning the energy consumption of the specified basic models must be based on testing according to the provisions and restrictions in the alternate test procedure set forth in the Decision and Order, and the representations must fairly disclose the test results. Distributors, retailers, and private labelers are held to the same requirements when making representations regarding the energy consumption of this equipment. (42 U.S.C. 6293(c))

Consistent with 10 CFR 431.401(j), not later than **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]**, any manufacturer currently distributing in commerce in the United States equipment employing a technology or

characteristic that results in the same need for a waiver from the applicable test procedure must submit a petition for waiver. Manufacturers not currently distributing such equipment in commerce in the United States must petition for and be granted a waiver prior to the distribution in commerce of that equipment in the United States. Manufacturers may also submit a request for interim waiver pursuant to the requirements of 10 CFR 431.401.

Signed in Washington, DC, on January 17, 2020.

A handwritten signature in black ink, appearing to read 'Alex N. Fitzsimmons', is written over a horizontal line.

Alexander N. Fitzsimmons
Acting Deputy Assistant Secretary
for Energy Efficiency
Energy Efficiency and Renewable Energy

Case #2019–003
Decision and Order

I. Background and Authority

The Energy Policy and Conservation Act, as amended (“EPCA”),¹ authorizes the U.S. Department of Energy (“DOE”) to regulate the energy efficiency of a number of consumer products and certain industrial equipment. (42 U.S.C. 6291–6317) Title III, Part B² of EPCA established the Energy Conservation Program for Consumer Products Other Than Automobiles, which sets forth a variety of provisions designed to improve energy efficiency for certain types of consumer products. These products include illuminated exit signs, the focus of this document. (42 U.S.C. 6291(37); 42 U.S.C. 6295(w))

Under EPCA, DOE’s energy conservation program consists essentially of four parts: (1) testing, (2) labeling, (3) Federal energy conservation standards, and (4) certification and enforcement procedures. Relevant provisions of EPCA include definitions (42 U.S.C. 6291), energy conservation standards (42 U.S.C. 6295), test procedures (42 U.S.C. 6293), labeling provisions (42 U.S.C. 6294), and the authority to require information and reports from manufacturers (42 U.S.C. 6296).

The Federal testing requirements consist of test procedures that manufacturers of covered products must use as the basis for: (1) certifying to DOE that their products comply with the

¹ All references to EPCA in this document refer to the statute as amended through America’s Water Infrastructure Act of 2018, Public Law 115-270 (October 23, 2018).

² For editorial reasons, upon codification in the U.S. Code, Part B was redesignated as Part A.

applicable energy conservation standards adopted pursuant to EPCA (42 U.S.C. 6295(s)), and (2) making representations about the efficiency of that product (42 U.S.C. 6293(c)). Similarly, DOE must use these test procedures to determine whether the product complies with relevant standards promulgated under EPCA. (42 U.S.C. 6295(s))

Under 42 U.S.C. 6293, EPCA sets forth the criteria and procedures DOE is required to follow when prescribing or amending test procedures for covered products. EPCA requires that any test procedures prescribed or amended under this section must be reasonably designed to produce test results which reflect the energy efficiency, energy use or estimated annual operating cost of a covered product during a representative average use cycle or period of use and requires that test procedures not be unduly burdensome to conduct. (42 U.S.C. 6293(b)(3)) The test procedure for illuminated exit signs is contained in the Code of Federal Regulations (“CFR”) at 10 CFR 431.204, “Uniform test method for the measurement of energy consumption of illuminated exit signs.”³

Under 10 CFR 430.401(a)(1), any interested person may submit a petition for waiver from DOE’s test procedure requirements. DOE will grant a waiver from the test procedure requirements if DOE determines either that the basic model for which the waiver was requested contains a design characteristic that prevents testing of the basic model according to the prescribed test procedures, or that the prescribed test procedures evaluate the basic model in a

³ Although illuminated exit signs are covered products pursuant to EPCA, as a matter of administrative convenience and to minimize confusion among interested parties, DOE codified illuminated exit sign provisions in subpart L of 10 CFR part 431 (the portion of DOE's regulations dealing with commercial and industrial equipment) because typically businesses, rather than individuals, purchase them. 70 FR 60407, 60409 (Oct. 18, 2005). DOE refers to illuminated exit signs as either “products” or “equipment.”

manner so unrepresentative of its true energy consumption characteristics as to provide materially inaccurate comparative data. 10 CFR 431.401(f)(2). DOE may grant the waiver subject to conditions, including adherence to alternate test procedures. *Id.*

As soon as practicable after the granting of any waiver, DOE will publish in the *Federal Register* a notice of proposed rulemaking to amend its regulations so as to eliminate any need for the continuation of such waiver. 10 CFR 431.401(l) As soon thereafter as practicable, DOE will publish in the *Federal Register* a final rule. *Id.*

When DOE amends the test procedure to address the issues presented in a waiver, the waiver will automatically terminate on the date on which use of that test procedure is required to demonstrate compliance. 10 CFR 431.401(h)(2).

II. Signify’s Petition for Waiver: Assertions and Determinations

On March 5, 2019, Signify filed a petition for waiver from the illuminated exit sign test procedure set forth at 10 CFR 431.204. On April 4, 2019, Signify submitted an updated petition, identifying additional basic models.⁴ In its petition, Signify requested a waiver for certain “Chloride by Signify” and “Chloride” branded basic models of illuminated exit signs, typically known as combination exit signs (*i.e.*, they include components such as egress/emergency

⁴ The petition submitted on April 4, 2019 is identical to the March 5, 2019 petition (including the date) except as to the identification of additional basic models.

lighting that require a larger battery than do exit signs that do not have these components).⁵

Signify contended that the design characteristics of these basic models prevent testing in accordance with the DOE test procedure. Noting that DOE's test method measures the input power required to illuminate the exit signage, Signify stated that the test procedure does not contemplate basic models that include emergency egress lighting, and that the design of its basic models that incorporate emergency lighting does not allow for a separate measurement of power associated with only the exit signage portion of the models.

Signify requested that it be permitted to use of the alternate test method as specified in the DOE Waiver Decision and Order granted to Acuity Brands Lighting, Inc. ("Acuity") for certain illuminated exit sign basic models (Case Number IES-001; hereafter, "Acuity Waiver D&O") 83 FR 11740 (March 16, 2018). Specifically, this alternate method requires the following procedure: Measure the input power of an equivalent non-combination illuminated exit sign, per the DOE test procedure, and assign the measured input power to the basic model at issue. *Id.* 83 FR 11742. An equivalent non-combination illuminated exit sign is one in which the electricity-consuming components are identical to all of those of the unit whose input power demand is being determined, but does not include any auxiliary features, and contains an electrically connected battery. Signify stated that the basic models for which the waiver is requested have equivalent non-combination illuminated exit sign basic models.

⁵ The eighteen total basic models identified by Signify are as follows: HZ618RIC, HZ636RIC, HZ672RIC, HZ618R1IC, HZ636R1IC, HZ672R1IC, HZ618R2IC, HZ636R2IC, HZ672R2IC, HZ618GIC, HZ636GIC, HZ672GIC, HZ618G1IC, HZ636G1IC, HZ672G1IC, HZ618G2IC, HZ636G2IC, and HZ672G2IC. However, six of these basic models (HZ618RIC, HZ636RIC, HZ672RIC, HZ618GIC, HZ636GIC, and HZ672GIC) are "no-lamp head" basic models, which are not combination illuminated exit signs (*i.e.*, they do not have egress lighting) and therefore are not subject to the waiver.

On August 26, 2019, DOE published a notice that announced its receipt of the petition for waiver (“Notice of Petition for Waiver”). 84 FR 44607. In the Notice of Petition for Waiver, based on a review of product specification sheets, DOE determined that six of the basic models specified by Signify are not combination illuminated exit signs, and therefore would not be subject to any waiver, if granted. *Id.* at 84 FR 44608. DOE determined that the other basic models specified by Signify are combination illuminated exit signs and provide the dual function of exit signage and lighting for emergency egress. *Id.* Based on DOE’s review of combination exit sign circuitry, DOE tentatively determined that measuring only the input power attributable to illumination of the exit signage is either not possible, or that doing so would require destructive disassembly such as cutting of wires and modifying the circuitry of the combination exit sign, thereby altering the product being tested. *Id.*

DOE identified equivalent non-combination illuminated exit sign basic models for the combination illuminated exit sign basic models identified in Signify’s waiver. DOE also reviewed Signify’s suggested use of the alternate test method set forth in the Acuity Waiver D&O that involves testing equivalent non-combination illuminated exit signs. In the Notice of Petition for Waiver, DOE proposed an alternate test procedure substantively similar to alternate test procedure forth in the Acuity Waiver D&O. *Id.* at 84 FR 44609. Additional language was included to define further “equivalent non-combination unit” and to require explicitly the testing of equivalent units as required by the applicable DOE test procedure. *Id.*

In the Notice of Petition for Waiver, DOE solicited comments from interested parties on all aspects of the petition and the specified alternate test procedure. *Id.* DOE received no comments in response to the Notice of Petition for Waiver.

For the reasons explained here and in the Notice of Petition for Waiver, absent a waiver the basic models that are combination illuminated exit signs identified by Signify in its petition cannot be tested and rated for energy consumption on a basis representative of their true energy consumption characteristics. DOE has reviewed the procedure suggested by Signify and concludes that it will allow for the accurate measurement of the energy use of the basic models, while alleviating the testing problems associated with Signify's implementation of DOE's applicable illuminated exit sign test procedure. Thus, DOE is requiring that Signify test and rate specified combination illuminated exit sign basic models according to the alternate test procedure specified in this Decision and Order, which is identical to the procedure proposed by DOE in the Notice of Petition for Waiver.⁶

Using this method, for each combination illuminated exit sign unit selected, Signify must assign the measured input power demand of a separate corresponding equivalent non-combination unit. For example, if DOE regulations require testing of two units, Signify must identify and measure the input power demand of two equivalent non-combination units, and assign the measured input power of each unit to each of the two combination units, respectively. In those instances where only a single, non-combination unit is available, Signify is required to

⁶ The alternate test procedure established in this Decision and Order is the same as that in the Decision and Order granted to Beghelli North America (Case No. 2018-007) for comparable equipment. 84 FR 29186 (June 21, 2019).

measure the input power demand of that single unit and assign the measured input power to the combination unit. *See generally* 10 CFR 429.48(a) and 10 CFR 429.11(b)(2).

This Decision and Order applies only to the basic models listed and does not extend to any other basic models. DOE evaluates and grants waivers for only those basic models specifically set out in the petition, not future models that may be manufactured by the petitioner. Signify may request that DOE extend the scope of this waiver to include additional basic models that employ the same technology as those listed in this waiver. 10 CFR 431.401(g). Signify may also submit another petition for waiver from the test procedure for additional basic models that employ a different technology and meet the criteria for test procedure waivers. 10 CFR 431.401(a)(1).

DOE notes that it may modify or rescind the waiver at any time upon DOE's determination that the factual basis underlying the petition for waiver is incorrect, or upon a determination that the results from the alternate test procedure are unrepresentative of the basic models' true energy consumption characteristics. 10 CFR 430.401(k)(1). Likewise, Signify may request that DOE rescind or modify the waiver if the company discovers an error in the information provided to DOE as part of its petition, determines that the waiver is no longer needed, or for other appropriate reasons. 10 CFR 431.401(k)(2).

III. Consultations with Other Agencies

In accordance with 10 CFR 430.27(f)(2), DOE consulted with Federal Trade Commission (“FTC”) staff concerning Signify's petition for waiver.

IV. Order

After careful consideration of all the material submitted by Signify, the various public-facing materials (*e.g.*, marketing materials and product specification sheets) for the units identified in the petition, in this matter, it is **ORDERED** that:

(1) Signify must, as of the date of publication of this Order in the *Federal Register*, test and rate the following “HZ” series basic models, under either the Chloride by Signify or Chloride brand, with the alternate test procedure as set forth in paragraph (2) of the Order:

| Brand Name | Basic Model Number |
|---------------------------------|--------------------|
| Chloride by Signify or Chloride | HZ618R1IC |
| Chloride by Signify or Chloride | HZ636R1IC |
| Chloride by Signify or Chloride | HZ672R1IC |
| Chloride by Signify or Chloride | HZ618R2IC |
| Chloride by Signify or Chloride | HZ636R2IC |
| Chloride by Signify or Chloride | HZ672R2IC |
| Chloride by Signify or Chloride | HZ618G1IC |
| Chloride by Signify or Chloride | HZ636G1IC |
| Chloride by Signify or Chloride | HZ672G1IC |
| Chloride by Signify or Chloride | HZ618G2IC |
| Chloride by Signify or Chloride | HZ636G2IC |
| Chloride by Signify or Chloride | HZ672G2IC |

(2) The alternate test procedure for the Signify basic models referenced in paragraph (1) of this Order is the test procedure for illuminated exit sign prescribed by DOE at 10 CFR part 431, subpart L, with the exception of the following instructions in place of 10 CFR 431.204(b): Determine the energy efficiency of each combination illuminated exit sign unit under test (“combination unit”) by conducting the test procedure, as follows:

(i) Identify a unit of a non-combination illuminated exit sign (“non-combination unit”) equivalent to the combination unit. A non-combination unit is equivalent only if it consists entirely of electricity-consuming components identical to all of those of the combination unit, but does not include any auxiliary features, and contains an electrically connected battery. The equivalent non-combination unit must also have the same manufacturer and number of faces as the combination unit.

(ii) Test the equivalent non-combination unit using the DOE test procedure at 10 CFR part 431, subpart L.

(iii) Assign the measured input power demand of the non-combination unit as the input power demand of the combination unit.

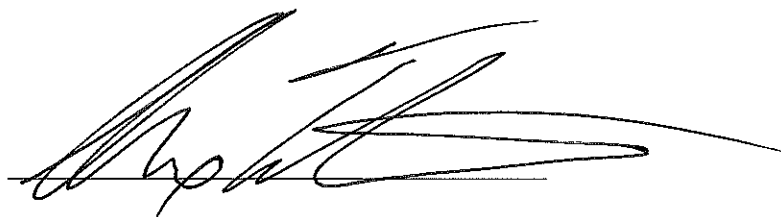
(3) *Representations.* Signify may not make representations about the energy use of the basic models listed in paragraph (1) of this Order for compliance, marketing, or other purposes unless the basic model has been tested in accordance with the provisions of paragraph (2) of this Order and such representations fairly disclose the results of such testing.

(4) This waiver shall remain in effect according to the provisions of 10 CFR 431.401.

(5) This waiver is issued on the condition that the statements, representations, and documents provided by Signify are valid. If Signify makes any modifications to the controls or configurations of a basic model referenced in paragraph (1) of this Order, the waiver will no longer be valid for that basic model and Signify will either be required to use the current Federal test method or submit a new application for a test procedure waiver. DOE may rescind or modify this waiver at any time if it determines that the factual basis underlying the petition for waiver is incorrect, or the results from the alternate test procedure are unrepresentative of the basic models' true energy consumption characteristics. 10 CFR 431.401(k)(1). Likewise, Signify may request that DOE rescind or modify the waiver if Signify discovers an error in the information provided to DOE as part of its petition, determines that the waiver is no longer needed, or for other appropriate reasons. 10 CFR 431.401(k)(2).

(6) Signify remains obligated to fulfill the certification requirements set forth at 10 CFR part 429.

Signed in Washington, DC, on January 17, 2020.

A handwritten signature in black ink, appearing to read 'Alex N. Fitzsimmons', written over a horizontal line.

Alexander N. Fitzsimmons
Acting Deputy Assistant Secretary
for Energy Efficiency
Energy Efficiency and Renewable Energy