DEPARTMENT OF ENERGY

10 CFR Part 431


RIN 1904–AC62

Notice of Intent to Negotiate Proposed Rule on Energy Efficiency Standards for Distribution Transformers


ACTION: Notice of intent to establish a subcommittee and negotiate a proposed rule.

SUMMARY: The U.S. Department of Energy (DOE or the Department) is giving notice that it intends to establish a negotiated rulemaking subcommittee under ERAC in accordance with the Federal Advisory Committee Act (FACA) and the Negotiated Rulemaking Act (NRA) to negotiate proposed Federal standards for the energy efficiency of low-voltage dry-type distribution transformers. The purpose of the subcommittee will be to discuss and, if possible, reach consensus on a proposed rule for the energy efficiency of distribution transformers, as authorized by the Energy Policy Conservation Act (EPCA) of 1975, as amended. The subcommittee will consist of representatives of parties having a defined stake in the outcome of the proposed standards, and will consult as appropriate with a range of experts on technical issues.

DATES: Written comments and requests to be appointed as members of the subcommittee are welcome and should be submitted by August 29, 2011.

ADDRESSES: Interested persons may submit comments, identified by docket number EERE–2011–BT–STD–0051, by any of the following methods:

• Federal eRulemaking Portal: http://www.regulations.gov
  Follow the instructions for submitting comments.
  • E-mail: LVDT-2011-STD-0051@ee.doe.gov. Include EERE–2011–BT–STD–0051 and/or RIN 1904–AC62 in the subject line of the message.
  Instructions: All submissions received must include the agency name and docket number or RIN for this rulemaking.
  Docket: For access to the docket to read background documents, a copy of the transcript of the public meeting, or comments received, go to the U.S. Department of Energy, 6th Floor, 950 L’Enfant Plaza, SW., Washington, DC 20024, (202) 586–2945, between 9 a.m. and 4 p.m., Monday through Friday, except Federal holidays. Please call Ms. Brenda Edwards at (202) 586–2945 for additional information regarding visiting the Resource Room.

  Telephone: (202) 287–6111. E-mail: Jennifer.Tiedeman@hq.doe.gov.

SUPPLEMENTARY INFORMATION:

Preamble

I. Statutory Authority
  II. Background
  III. Proposed Negotiating Procedures
  IV. Comments Requested

I. Statutory Authority

As required by the NRA, DOE is giving notice that it is establishing a subcommittee under ERAC to develop proposed energy efficiency standards for distribution transformers.

EPCA, as amended, directs DOE to adopt energy conservation standards for those distribution transformers for which standards would be technologically feasible and economically justified, and would result in significant energy savings. (42 U.S.C. 6317(a)(2)). DOE published a final rule in October 2007 that established energy conservation standards for liquid-immersed and medium-voltage dry-type (MVDT) distribution transformers. 72 FR 58190 (October 12, 2007); see 10 CFR 431.196(b)–(c). During the course of that rulemaking, the Energy Policy Act of 2005 (EPACT 2005), Public Law 109–58, amended EPCA to set standards for low-voltage dry-type (LVDT) distribution transformers. (EPACT 2005, Section 135(c); codified at 42 U.S.C. 6295(y)) Consequently, DOE removed these transformers from the scope of that rulemaking. 72 FR 58191 (October 12, 2007).

On July 29, 2011, DOE published a notice of its intent to establish a subcommittee under the ERAC to negotiate a proposed rule for liquid-immersed and MVDT distribution transformers (76 FR 45472). The negotiated rulemaking contemplated in today’s notice is complimentary of that process.

A. Negotiated Rulemaking

DOE has decided to use the negotiated rulemaking process to develop proposed...
energy efficiency standards for distribution transformers. Under EPCA, Congress mandated that DOE develop regulations establishing energy efficiency standards for covered residential and commercial appliances that are designed to achieve the maximum improvement in energy efficiency that are technologically feasible and economically justified. (42 U.S.C. 6295(o)(2)(A) The primary reason for using the negotiated rulemaking process for developing a proposed Federal standard is that stakeholders strongly support a consensual rulemaking effort. DOE believes such a regulatory negotiation process will be less adversarial and better suited to resolving complex technical issues. An important virtue of negotiated rulemaking is that it allows expert dialog that is much better than traditional techniques at getting the facts and issues right and will result in a proposed rule that will effectively reflect Congressional intent.

A regulatory negotiation will enable DOE to engage in direct and sustained dialog with informed, interested, and affected parties when drafting the regulation, rather than obtaining input during a public comment period after developing and publishing a proposed rule. Gaining this early understanding of all parties’ perspectives allows DOE to address key issues at an earlier stage of the process, thereby allowing more time for an iterative process to resolve issues. A rule drafted by negotiation with informed and affected parties is expected to be potentially more pragmatic and easily implemented than a rule arising from the traditional process. Such rulemaking improvement is likely to provide the public with the full benefits of the rule while minimizing the potential negative impact of a proposed regulation conceived or drafted without the full prior input of outside knowledgeable parties. Because a negotiating subcommittee includes representatives from the major stakeholder groups affected by or interested in the rule, the number of comments on the proposed rule may be decreased. DOE anticipates that there will be a need for fewer substantive changes to a proposed rule developed under a regulatory negotiation process prior to the publication of a final rule.

B. The Concept of Negotiated Rulemaking

Usually, DOE develops a proposed rulemaking using Department staff and consultant resources. Typically, a preliminary analysis is vetted for stakeholder comments after a Framework Document is published and comments taken thereon. After the notice of proposed rulemaking is published for comment, affected parties may submit arguments and data defining and supporting their positions with regard to the issues raised in the proposed rule. Congress noted in the NRA, however, that regulatory development may “discourage the affected parties from meeting and communicating with each other, and may cause parties with different interests to assume conflicting and antagonistic positions.” (5 U.S.C. 561(2)(2)) Congress also stated that “adversarial rulemaking deprives the affected parties and the public of the benefits of face-to-face negotiations and cooperation in developing and reaching agreement on a rule. It also deprives them of the benefits of shared information, knowledge, expertise, and technical abilities possessed by the affected parties.” (5 U.S.C. 561(2)(3))

Using negotiated rulemaking to develop a proposed rule differs fundamentally from the Department-centered process. In negotiated rulemaking, a proposed rule is developed by an advisory committee or subcommittee, chartered under FACA (5 U.S.C. App. 2), composed of members chosen to represent the various interests that will be significantly affected by the rule. The goal of the advisory committee or subcommittee is to reach consensus on the treatment of the major issues involved with the rule. The process starts with the Department’s careful identification of all interests potentially affected by the rulemaking under consideration. To help with this identification, the Department publishes a notice such as this one in the Federal Register, identifying a preliminary list of interested parties and requesting public comment on that list. Following receipt of comments, the Department establishes an advisory committee or subcommittee representing the full range of stakeholders to negotiate a consensus on the terms of a proposed rule. Representation on the advisory committee or subcommittee may be direct; that is, each member may represent a specific interest, or may be indirect, such as through trade associations and/or similarly-situated parties with common interests. The Department is a member of the advisory committee or subcommittee and represents the Federal government’s interests. The advisory committee or subcommittee chair is assisted by a neutral mediator who facilitates the negotiation process. The role of the mediator, also called a facilitator, is to apply proven consensus-building techniques to the advisory committee or subcommittee process.

After an advisory committee or subcommittee reaches consensus on the provisions of a proposed rule, the Department, consistent with its legal obligations, uses such consensus as the basis of its proposed rule, which then is published in the Federal Register. This publication provides the required public notice and provides for a public comment period. Other participants and other interested parties retain their rights to comment, participate in an informal hearing (if requested), and request judicial review. DOE anticipates, however, that the pre-proposal consensus agreed upon by the advisory committee or subcommittee will narrow any issues in the subsequent rulemaking.

C. Proposed Rulemaking for Energy Efficiency Standards for Distribution Transformers

The NRA enables DOE to establish an advisory committee or subcommittee if it is determined that the use of the negotiated rulemaking process is in the public interest. DOE intends to develop Federal regulations that build on the depth of experience accrued in both the public and private sectors in implementing standards and programs.

DOE has determined that the regulatory negotiation process will provide for obtaining a diverse array of in-depth input, as well as an opportunity for increased collaborative discussion from both private-sector stakeholders and government officials who are familiar with energy efficiency of distribution transformers. In July of 2011, DOE initiated the convening stage of the negotiated rulemaking process to identify and interview appropriate public- and private-sector stakeholders. DOE retained an expert convener to contact parties potentially affected by energy efficiency standards for distribution transformers to determine whether stakeholders are interested in participating in a negotiated rulemaking process and whether they believe stakeholder issues can be addressed and resolved through a regulatory negotiation. Following an evaluation of initial stakeholder interest and input, the independent convener determined that there is sufficient enthusiasm among stakeholders to support a negotiated rulemaking process and that there is a reasonably good chance of successfully reaching a consensus agreement among stakeholders on the rule.
D. Department Commitment

In initiating this regulatory negotiation process to develop energy efficiency standards for distribution transformers, DOE is making a commitment to provide adequate resources to facilitate timely and successful completion of the process. This commitment includes making the process a priority activity for all representatives, components, officials, and personnel of the Department who need to be involved in the rulemaking, from the time of initiation until such time as a final rule is issued or the process is expressly terminated. DOE will provide administrative support for the process and will take steps to ensure that the advisory committee or subcommittee has the dedicated resources it requires to complete its work in a timely fashion. Specifically, DOE will make available the following support services: properly equipped space adequate for public meetings and caucuses; logistical support; word processing and distribution of background information; the service of a facilitator; and such additional research and other technical assistance as may be necessary.

To the maximum extent possible consistent with the legal obligations of the Department, DOE will use the consensus of the advisory committee or subcommittee as the basis for the rule the Department proposes for public notice and comment.

E. Negotiating Consensus

As discussed above, the negotiated rulemaking process differs fundamentally from the usual process for developing a proposed rule. Negotiation enables interested and affected parties to discuss various approaches to issues rather than asking them only to respond to a proposal developed by the Department. The negotiation process involves a mutual education of the various parties on the practical concerns about the impact of standards. Each advisory committee or subcommittee member participates in resolving the interests and concerns of other members, rather than leaving it up to DOE to evaluate and incorporate different points of view.

A key principle of negotiated rulemaking is that agreement is by consensus of all the interests. Thus, no one interest or group of interests is able to control the process. The NRA defines consensus as the unanimous concurrence among interests represented on a negotiated rulemaking committee or subcommittee, unless the committee or subcommittee itself unanimously agrees to use a different definition. (5 U.S.C. 562) In addition, experience has demonstrated that using a trained mediator to facilitate this process will assist all parties, including DOE, in identifying their real interests in the rule, and thus will enable parties to focus on and resolve the important issues.

III. Proposed Negotiating Procedures

A. Key Issues for Negotiation

The convener identified the following issues and concerns that will underlie the work of the Negotiated Rulemaking Committee on Energy Efficiency Standards for Distribution Transformers:

- DOE’s key issues include assuring full compliance with statutory mandates. Congress has mandated that DOE establish minimum energy efficiency standards that are technologically feasible and economically justified.
- The committee must find ways to balance the goals and priorities of State regulatory programs and DOE’s program for energy efficiency standards.
- Manufacturers desire that standards not diminish or constrain innovation for these products.
- Environmental advocates seek to ensure that standards achieve the maximum energy savings that are technologically feasible and economically justifiable.
- To examine the underlying issues outlined above, and others not yet articulated, all parties in the negotiation will need DOE to provide data and an analytic framework complete and accurate enough to support their deliberations. DOE’s analyses must be adequate to inform a prospective negotiation—for example, a preliminary Technical Support Document or equivalent must be available and timely.

B. Formation of Subcommittee

A subcommittee will be formed and operated in full compliance with the requirements of FACA and in a manner consistent with the requirements of the NRA. DOE has determined that the subcommittee not exceed 25 members. The Department believes that more than 25 members would make it difficult to conduct effective negotiations. DOE is aware that there are many more potential participants than there are membership slots on the subcommittee. The Department does not believe, nor does the NRA contemplate, that each potentially affected group must participate directly in the negotiations; nevertheless, each affected interest can be adequately represented. To have a successful negotiation, it is important for interested parties to identify and form coalitions that adequately represent significantly affected interests. To provide adequate representation, those coalitions must agree to support, both financially and technically, a member of the subcommittee whom they choose to represent their interests.

DOE recognizes that when it establishes energy efficiency standards for residential products and commercial equipment, various segments of society may be affected in different ways, in some cases producing unique “interests” in a proposed rule based on income, gender, or other factors. The Department will pay attention to providing that any unique interests that have been identified, and that may be significantly affected by the proposed rule, are represented.

FACA also requires that members of the public have the opportunity to attend meetings of the full committee and speak or otherwise address the committee during the public comment period. In addition, any member of the public is permitted to file a written statement with the advisory committee. DOE plans to follow these same procedures in conducting meetings of the subcommittee.

C. Interests Involved/Subcommittee Membership

DOE anticipates that the subcommittee will comprise no more than 25 members who represent affected and interested stakeholder groups, at least one of whom must be a member of the ERAC. As required by FACA, the Department will conduct the negotiated rulemaking with particular attention to ensuring full and balanced representation of those interests that may be significantly affected by the proposed rule governing standards for the energy efficiency of distribution transformers. Section 562 of the NRA defines the term interest as “with respect to an issue or matter, multiple parties which have a similar point of view or which are likely to be affected in a similar manner.” Listed below are parties the Department to date has identified as being “significantly affected” by a proposed rule regarding the energy efficiency of distribution transformers.

- The Department of Energy
- Distribution transformers
- Manufacturers and trade associations representing manufacturers
- Component manufacturers and related suppliers
- Utilities
- Energy efficiency/environmental advocacy groups
- Consumers
One purpose of this notice is to determine whether Federal standards regarding the energy efficiency of distribution transformers will significantly affect interests that are not listed above. DOE invites comment and suggestions on its initial list of significantly affected interests.

DOE also developed an initial list of stakeholders who could serve on the subcommittee to represent the above-listed interests. The following list includes organizations DOE tentatively has identified as being either potential members of the subcommittee, or potential members of a coalition that would in turn nominate a candidate to represent one of the significantly affected interests listed above. DOE invites comment and suggestions on whether the following list of stakeholders identifies an accurate and comprehensive pool of stakeholders, or subcommittee members.

- Department of Energy
- John Cymbalsky
- EarthJustice
- Tim Ballo
- National Electrical Manufacturers Association
- Jim Creevy
- Clark Silcox
- Appliance Standards Awareness Program
- Andrew DeLaski
- Federal Pacific
- Robert Greeson
- American Council for an Energy Efficiency Economy
- Steve Nadel
- Natural Resources Defense Council
- Robin Roy
- AK Steel Corporation
- Jerry Schoen
- California Energy Commission (as resource party)
- Acme Electric
- Joe Ashley
- Eaton Corp
- Carlos Siqueiros
- Federal Pacific
- Rob Greeson
- GE
- Bill Forsythe
- Hammond Power Solutions
- Dhiru Patel
- Power Paragon
- Thomas Proctor
- Mirus International
- Tony Hoevenaars
- ONYX Power
- Vijay Tendulkar
- Power Quality International
- Jeffrey Turner
- Powersmiths International
- Philip Ling
- Schneider Electric
- Thomas Patzner
- Sola HD/Emerson
- Dale Corel
- WEG Electric
- Bill Oliver

The list provided above includes stakeholders whom DOE tentatively has identified as being either a potential member of the subcommittee or a potential member of a coalition that would in turn nominate a candidate to represent one of the significantly affected interests, also listed above. The list is not presented as a complete or exclusive list from which subcommittee members will be selected. Nor does inclusion on the list of potential parties mean that a listed party has agreed to participate as a member of the subcommittee or as a member of a coalition. The list merely indicates parties that DOE tentatively has identified as representing significantly affected interests in the proposed rule establishing energy efficiency standards for distribution transformers.

DOE requests comments and suggestions regarding its tentative list of potential members of the subcommittee on energy efficiency standards for distribution transformers. Members may be individuals or organizations. If the effort is to be fruitful, participants on the subcommittee should be able to fully and adequately represent the viewpoints of their respective interests. This document gives notice of DOE’s process to other potential participants and affords them the opportunity to request representation in the negotiations. Those who wish to be appointed as members of the subcommittee, including those that have been tentatively identified by DOE in this Notice, should submit a request to DOE, in accordance with the public participation procedures outlined in the “Dates” and “Addresses” sections of this Notice. Membership of the subcommittee is likely to involve:

- Attendance at approximately five (5), one (1) to two (2) day meetings;
- Travel costs to those meetings; and
- Preparation time for those meetings.

Members serving on the subcommittee will not receive compensation for their services.

Interested parties who are not selected for membership on the subcommittee may make valuable contributions to this negotiated rulemaking effort in any of several ways:

- The person may request to be placed on the subcommittee mailing list and submit written comments as appropriate.
- The person may attend subcommittee meetings, which are open to the public; caucus with his or her interest’s member on the subcommittee; or even address the subcommittee during the public comment portion of the subcommittee meeting.
- The person could assist the efforts of a workgroup that the subcommittee might establish.

A subcommittee may establish informal workgroups, which usually are asked to facilitate committee deliberations by assisting with various technical matters (e.g., researching or preparing summaries of the technical literature or comments on specific matters such as economic issues). Workgroups also might assist in estimating costs or drafting regulatory text on issues associated with the analysis of the costs and benefits addressed, or formulating drafts of the various provisions and their justifications as previously developed by the subcommittee. Given their support function, workgroups usually consist of participants who have expertise or particular interest in the technical matter(s) being studied. Because it recognizes the importance of this support work for the subcommittee, DOE will provide appropriate technical expertise for such workgroups.

D. Good Faith Negotiation

Every subcommittee member must be willing to negotiate in good faith and have the authority, granted by his or her constituency, to do so. The first step is to ensure that each member has good communications with his or her constituencies. An intra-interest network of communication should be established to bring information from the support organization to the member at the table, and to take information from the table back to the support organization. Second, each organization or coalition therefore should designate as its representative a person having the credibility and authority to ensure that needed information is provided and decisions are made in a timely fashion. Negotiated rulemaking can require the appointed members to give a significant amount of time, which must be sustained for as long as the duration of the negotiated rulemaking. Although the ERAC advisory committee charter will be in effect for 2 years from the date it is filed with Congress, DOE expects the subcommittee’s deliberations to conclude or be terminated earlier than that. Other qualities of members that can be helpful are negotiating experience and skills, and sufficient technical knowledge to participate in substantive negotiations.

Certain concepts are central to negotiating in good faith. One is the willingness to bring all issues to the
bargaining table in an attempt to reach a consensus, as opposed to keeping key issues in reserve. The second is a willingness to keep the issues at the table and not take them to other forums. Finally, good faith includes a willingness to move away from some of the positions often taken in a more traditional rulemaking process, and instead explore openly with other parties all ideas that may emerge from the subcommittee’s discussions.

E. Facilitator

The facilitator will act as a neutral in the substantive development of the proposed standard. Rather, the facilitator’s role generally includes:

- Impartially assisting the members of the subcommittee in conducting discussions and negotiations;
- Impartially assisting in performing the duties of the Designated Federal Official under FACA; and

F. Department Representative

The DOE representative will be a full and active participant in the consensus-building negotiations. The Department’s representative will meet regularly with senior Department officials, briefing them on the negotiations and receiving their suggestions and advice so that he or she can effectively represent the Department’s views regarding the issues before the subcommittee. DOE’s representative also will ensure that the entire spectrum of governmental interests affected by the standards rulemaking, including the Office of Management and Budget, the Attorney General, and other Departmental offices, are kept informed of the negotiations and encouraged to make their concerns known in a timely fashion.

G. Subcommittee and Schedule

After evaluating the comments submitted in response to this notice and the requests for nominations, DOE will either inform the members of the subcommittee that they have been selected or determine that conducting a negotiated rulemaking is inappropriate. Due to the court-ordered deadline, DOE plans for the subcommittee to conduct deliberations in the summer and fall of 2011 and hopes that the subcommittee will come to an agreement on a Notice of Proposed Rulemaking in time to publish that proposal by the October 1, 2011 date contained in the settlement agreement described above.

DOE will advise subcommittee members of administrative matters related to the functions of the subcommittee beginning. DOE will establish a meeting schedule based on the settlement agreement and produce the necessary documents so as to adhere to that schedule. While the negotiated rulemaking process is underway, DOE is committed to performing much of the same analysis as it would during a normal standards rulemaking process and to providing information and technical support to the subcommittee.

IV. Comments Requested

DOE requests comments on whether it should use negotiated rulemaking for its rulemaking pertaining to the energy efficiency of distribution transformers and the extent to which the issues, parties, and procedures described above are adequate and appropriate. DOE also requests comments on which parties should be included in a negotiated rulemaking to develop draft language pertaining to the energy efficiency of distribution transformers and suggestions of additional interests and/or stakeholders that should be represented on the subcommittee. All who wish to participate as members of the subcommittee should submit a request for nomination to DOE.

V. Approval of the Office of the Secretary

The Secretary of Energy has approved publication of today’s notice of intent to establish a subcommittee and negotiate a proposed rule.

Issued in Washington, DC, on August 5, 2011.

Kathleen Hogan,
Deputy Assistant Secretary, Energy Efficiency and Renewable Energy.

[FR Doc. 2011–20541 Filed 8–11–11; 8:45 am]

BILLING CODE 6450–01–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39


RIN 2120–AA64


AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: We propose to supersede an existing airworthiness directive (AD) that applies to the products listed above. The existing AD currently requires replacing certain crankshafts. Since we issued that AD, Lycoming Engines discovered that the start date of affected engine models in Mandatory Service Bulletin (MSB) No. 560A, is incorrect. This proposed AD would correct that start date. We are proposing this AD to prevent failure of the crankshaft, which will result in total engine power loss, in-flight engine failure, and possible loss of the aircraft.

DATES: We must receive comments on this proposed AD by September 26, 2011.

ADDRESSES: You may send comments by any of the following methods:

- Hand Delivery: Deliver to Mail address above between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

For service information identified in this AD, contact Lycoming, 652 Oliver Street, Williamsport, PA 17701; telephone (570) 323–6181; fax (570) 327–7101, or on the Internet at http://www.Lycoming.Textron.com. You may review copies of the referenced service information at the FAA, Engine & Propeller Directorate, 12 New England Executive Park, Burlington, MA. For information on the availability of this material at the FAA, call 781–238–7125.

Examing the AD Docket

You may examine the AD docket on the Internet at http://www.regulations.gov; or in person at the Docket Management Facility between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this proposed AD, the regulatory evaluation, any comments received, and other information. The street address for the Docket Office (phone: 800–647–5527) is in the ADDRESSES section. Comments will be available in the AD docket shortly after receipt.

FOR FURTHER INFORMATION CONTACT: Norm Perenson, Aerospace Engineer, New York Aircraft Certification Office, FAA, Engine & Propeller Directorate, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; phone: 516–228–7337; fax: 516–794–5531; e-mail: norman.perenson@faa.gov.

SUPPLEMENTARY INFORMATION: