

Job Impact Statement

1. Nature of impact: The proposed rule is not expected to have negative impacts on jobs, however NYSERDA considered the potential for negative impacts on jobs in the following trade sectors: manufacturing, distribution, retail, and installation. The regulation establishes minimum energy and water conservation standards for designated categories of products sold or offered for sale, leased or offered for lease, rented or offered for rent, and installed or offered to install in New York where each of these four trade sectors will have to ensure product compliance with the standards. Manufacturers will need to test and certify compliant products to meet the regulation, and retailers, distributors, and installers will need to verify that the products they are selling comply with the regulations. To minimize negative impacts, NYSERDA determined that the designated products had widespread availability and significant existing market penetration of compliant products, according to the States Go First report from the Appliance Standards Awareness Project (ASAP), initially published in 2017 and updated annually. The regulation will not have impacts on employment for builders, building owners, landlords, or residents since these standards relate to the sales of products. The regulation limits which products within certain categories are allowed for sale in the state resulting in removing certain products from availability for sale.

2. Categories and numbers affected: The proposed rule would impact manufacturers, distributors, retailers, and installers. Across all four trade sectors, both national and global supply chains and production operations are utilized for the 21 product standards set by this rule. NYSERDA determined that hundreds of manufacturers, distributors, and retailers of the 21 products operate globally, and that the vast majority of operations were outside of New York State. To target manufacturers that operate within New York

State, NYSERDA utilized product lists from available sources including the U. S. Department of Energy (DOE), ENERGY STAR program, and the California Energy Commissions' Modernized Appliance Efficiency Database System (MAEDbS) to identify product manufacturers. This information yielded highly detailed lists of manufacturers, but were focused on listing efficient products (i.e., products that already meet this regulation). Further review of online retailers identified additional manufacturers who were not listed in the previous sources but sold products covered by this regulation. In conclusion, NYSERDA identified 155 businesses with operations within New York, 85 of those operations were small businesses and 25 were identified as potentially small businesses. One hundred and forty-six businesses out of the 155 businesses operating in New York, were identified as offices, retail, sales, service, or dealers rather than production facilities. The remaining nine business were identified as potential production facilities within New York; six were national or international companies who produce both compliant and non-compliant products; and two companies have headquarters and production facilities established in New York and produce both compliant and non-compliant products. One New York-based manufacturer did not have their products listed in the MAEDbS, and NYSERDA was unable to verify if their products were compliant with this regulation because energy information was not available for their products. This company was identified as a subsidiary of a larger privately owned manufacturer with distribution channels throughout the US.

Since these standards only apply to product sales within New York and will not impact sales outside of New York from manufacturers with operations within New York but selling products outside of the state, NYSERDA does not expect jobs to be significantly impacted by this regulation.

Potential manufacturer impacts are as follows: Manufacturers that make only compliant products, will continue operations as normal and will not be impacted by this regulation.

Manufacturers that make both compliant and non-compliant products, will be impacted through their sales and distribution channels as the non-compliant sales will not be permitted in New York as a result of this regulation. This may result in a shift in production towards more compliant products or a shift to sales outside of New York for non-compliant products. The decision of how to adjust business for non-compliant products will be up to an individual manufacturer. New York is one of 13 states that has adopted standards for many of these products, so New York is unlikely to be the only reason a manufacturer changes their practices. Accordingly, potential shifts in operation for a manufacturer making both compliant and non-compliant products may have a positive, negative, or no impact on manufacturing employment in New York.

If a manufacturer is only making non-compliant products, they will be impacted and no longer permitted to sell their products in New York. Through NYSERDA's analysis, only one company was identified who may fit into this category. However, they are a subsidiary of a larger company with operations and distribution outside of the state of New York, indicating that New York is not their only market. Therefore, no jobs may be impacted in this case.

Distributors of the designated products subject to this proposed regulation are only permitted to distribute compliant products within New York state. Based on the wide availability of compliant products established by the Appliance Standard Awareness Project (ASAP) report, it is not expected that employment for distributors will be impacted by these standards since there is a robust market of compliant products.

Distributors would be limited to providing compliant products. The majority of product manufacturers produce both compliant and non-compliant products, so New York distributors may need to change what product models they are ordering to ensure they receive and distribute only compliant products. However, NYSERDA was unable to identify distributors that represented a single manufacturer who only produced non-compliant products operating in New York. Therefore, it is not expected that the regulation will impact employment for distributors.

New York retailers will need to comply with this regulation by only selling compliant products. Similar to distributors, NYSERDA was unable to locate a retailer that only offered for sale brands that did not comply with the regulation. Given the wide availability of compliant products, retailers will have the ability to shift stocking to only compliant products without losing the ability to sell a given product. All products subject to this regulation have small to no incremental costs compared to non-compliant products. While retailers will need to transition to offering only the compliant products, it is not expected that any potential increases in product costs would result in any retail job losses.

While installers will be subject to comply with this regulation, it is not expected that the regulation will impact installer employment. There is widespread availability of compliant products, consumer cost-effectiveness, and low to no incremental cost for compliant products. Thus it is expected that installers will have access to a wide variety of compliant products.

3. Regions of adverse impact: No particular region was identified that may have a disproportionate adverse impact on jobs given that the proposed rule applies equally

across New York State. The single manufacturer identified that has production operations within New York but is unconfirmed for compliance is located in the Capital Region. Retailers, distributors, and installers of products are located throughout both rural and non-rural areas in New York.

4. Minimizing adverse impact: The proposed regulations are not expected to have adverse impacts on existing jobs across applicable sectors of manufacturing, distribution, retail sales, and installations, and therefore efforts to mitigate adverse impacts have not been necessary.

5. Self-employment opportunities: The regulation will apply to manufacturers, distributors, retailers, and installers of equipment. Through NYSERDA's research on manufacturers, distributors, and retailers of the products, the scale of those operations would preclude those workers from being self-employed. However, equipment installers do have the potential to be self-employed and will need to comply with this regulation. If it is not clear that a product is compliant with the relevant product standard, an installer will have an additional step to check a database to determine compliance before ordering, buying, or installing a product. Given the wide availability for compliant products and the minimal burden to confirm product compliance, self-employed installer jobs are not expected to be impacted by this regulation.