

# THE DARK SIDE OF GOVERNMENT REGULATION

**A**merican Action Forum, a political think-tank organization, recently released its “Discounting Consumers: How the DOE’s Wishful Thinking Leads to Higher Costs, Fewer Jobs,” study. The document examined 15 U.S. Department of Energy (DOE) rulemakings issued between 2010 and 2015 and found that often unrealistic discount rates afforded favorable assumptions in DOE regulatory analyses that have resulted in profound implications for consumers and manufacturers.

“Despite lofty projections of energy savings, cost savings, and environmental benefits that often bear little relation to reality, the main effect of these rulemakings force consumers to purchase products that are already available to them that they’ve declined to choose to purchase on their own,” stated the study. “These rules represent, in reality, a hidden tax on consumers – taxes that result in higher up-front prices for products and lower overall manufacturing employment in the United States.”

**1** in **8**  
**CONSUMERS**



WOULD BEAR HIGHER NET COSTS ON PRODUCTS DUE TO DOE ENERGY EFFICIENCY STANDARDS

THE **10 LARGEST** AGENCY RULEMAKINGS COULD LEAD TO



**\$2,380**

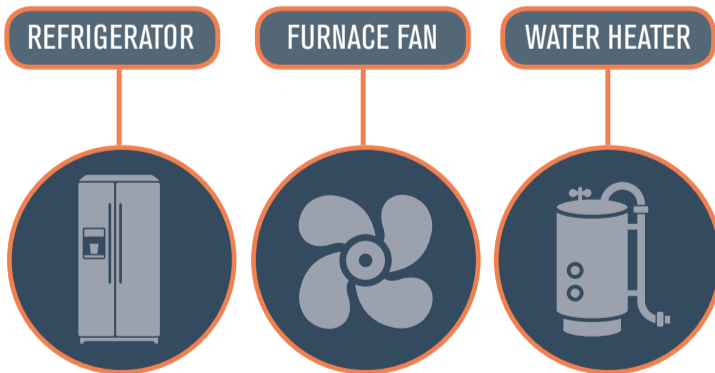
IN **HIGHER** PRICES FOR CONSUMERS.

OF RULES PROMULGATED FROM 2007 TO PRESENT, AN AVERAGE OF **12.6 PERCENT** OF CONSUMERS WOULD **NOT BENEFIT** FROM NEW ENERGY EFFICIENCY STANDARDS.



IN OTHER WORDS, **1 IN 8 CONSUMERS** WOULD PAY HIGHER PRICES, BUT WOULD NOT BE ABLE TO RECOUP THAT “REGULATORY TAX” LATER THROUGH LOWER OPERATING COSTS.

## A HYPOTHETICAL CONSUMER WHO PURCHASES A



COULD FACE A HIGHER CUMULATIVE PURCHASE PRICE OF **\$620**

BECAUSE OF **NEW RULES**

THE CUMULATIVE RESULT OF PAST DOE RULES HAS **SHRUNK EMPLOYMENT** IN THE HEATING, VENTILATION, AND AIR CONDITIONING (HVAC) INDUSTRY BY



**19,200** JOBS  
OR **15** PERCENT

FROM **2003** TO **2013**.

## COMPARING THE ANNUAL COSTS OF **A/C AND HEATING RULEMAKING STANDARDS** TO THE SOCIAL COST OF **CARBON (SCC) AND CLEAN AIR BENEFITS**

(\$ millions) 100 200 300 400 500 600 700 800

### ANNUAL COSTS

**\$711**

### SOCIAL CARBON COST @ 5%

**\$362**

### CLEAN AIR BENEFITS

**\$135**

### NET COSTS

**\$214**