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National Electrical Manufacturers Association v. United States Department of Energy, 654 F.3d 496 (4th Cir. 2011)

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I. Introduction

This case reviews the Department of Energy's (hereinafter "DOE") authority to promulgate energy conservation standards for electric induction motors.[1] National Electrical Manufacturers Association (hereinafter "NEMA") filed suit against the DOE in the United States Court of Appeals for the Fourth Circuit questioning the scope of the DOE's authority to issue a final rule governing small electric induction motors up to 3 horsepower.[2] Prior to this suit, the DOE issued a final rule allowing the DOE to set energy conservation standards for "small electric motors" that have power outputs less than 3 horsepower.[3] The DOE found support to set energy conservation standards for these power outputs of "small electric motors" because (1) a small electric motor is defined as a general purpose motor; (2) the DOE has express authority to promulgate rules for general purpose motors with power outputs from .25 horsepower to 3 horsepower; and therefore, (3) the DOE can set energy conservation standards for small electric motors with power outputs from .25 horsepower to 3 horsepower.[4] NEMA, however, believes the DOE overstepped its statutory authority because a later applicable statute limits the DOE's authority over setting energy conservation standards to machines that utilize less than one horsepower.[5] NEMA, therefore, believes the DOE's final rule should be vacated in its entirety because all calculations included within the rule utilize the allegedly impermissible 3 horsepower limit.[6]

II. Background

The Energy Policy Act of 1992 was passed by Congress to both increase energy efficiency and reduce the United States' dependence on

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1. *See* Nat'l Elec. Mfrs. Ass'n v. U.S. Dep't of Energy, 654 F.3d 496, 497–98 (2001) (defining a "small electric motor").
2. *See id.* at 497 (explaining NEMA's petition for review of the final rule).
3. *See id.* (introducing the DOE's rule that NEMA has petitioned for review).
4. *See id.* at 497–98 (citing the DOE's rationale for promulgating the rule).
5. *See id.* at 503 (outlining the standard NEMA would rather see applied).
6. *See id.* (providing NEMA's support for its belief that the rule should be vacated) .

foreign energy through standardizing energy management and promoting various alternative energy sources.[7] The Act includes a uniform set of energy conservation standards for various products and equipment that, if adhered to, would trigger the Act's system of incentives for achieving efficient energy management.[8] This Act amends a portion of the Energy Policy and Conservation Act of 1975 (EPCA).[9] The EPCA provided a directive to the Department of Energy (DOE) that it promulgate energy conservation standards for certain small electric motors.[10] Equipment that contains a small electric motor can range from commercial machinery (which would include food processing machines, farm machinery, and packaging machinery) to residential machinery (including clothes washers and dryers, dishwashers, and air conditioners).[11] These standards governing small electric motors must "be designed to achieve the maximum improvement in energy efficiency" and justified through weighing benefits and costs and determining their technological feasibility.[12] The DOE contends that the standards set forth in the Final Rule "will save approximately 2.2 quads . . . of energy over 30 years," which can result in saving about "2.2 [percent] of total annual U.S. energy consumption."[13] The greenhouse gas emissions reductions that would result from the passage of this rule would be "an amount equal to that produced by approximately 25 million new cars in a year."[14]

A "small electric motor" is defined by the EPCA as "a NEMA general purpose alternative current single-speed induction motor, built in a two-digit frame number series in accordance with NEMA Standards Publication MG1-1987."[15] This publication helps define "small electric motors" or

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7. *See* U.S. DEP'T OF ENERGY, FEDERAL ENERGY MANAGEMENT PROGRAM: ENERGY POLICY ACT OF 1992, http://www1.eere.energy.gov/femp/regulations/epact1992.html (last visited Sept. 14, 2012) (providing the goals, definitions, and full text of the Energy Policy Act) (on file with the Washington and Lee Journal of Energy, Climate, and the Environment).

8. *See* H.R. Res. 776, 102d Cong. (1992) (enacted) (providing the full text of the bill).

9. Nat'l Elec. Mfrs. Ass'n v. U.S. Dep't of Energy, 654 F.3d 496, 498 (2001).

10. *See id.* (providing the reason why the DOE promulgated a final rule that sets new energy conservation standards).

11. U.S. DEP'T OF ENERGY, ANALYSIS OF ENERGY CONSERVATION STANDARDS FOR SMALL ELECTRIC MOTORS: DRAFT FOR PUBLIC COMMENT, 1, 8 (June 2003), *available at* http://www1.eere.energy.gov/buildings/appliance_standards/commercial/pdfs/small_motors_analysis.pdf (last visited Sept. 14, 2012) (on file with the Washington and Lee Journal of Energy, Climate, and the Environment).

12. *See Nat'l Elec.*, 654 F.3d at 498 n.3 (stating the goals for the DOE's energy conservation standards).

13. Energy Conservation Program: Energy Conservation Standards for Small Electric Motors, 75 Fed. Reg. 10,874, 10,876 (Mar. 9, 2010) (to be codified at 10 C.F.R. pt. 431).

14. *Id.* at 10,876.

15. 42 USC § 6311(13)(G) (2007).

"machines" through several ways of classification.[16] The Court, in particular, finds the classification by size and application as relevant to this case.[17] A machine's size is classified as a small, medium or large machine.[18] "Small" machines are built in a two-digit frame number series in accordance with ¶ 11.01.1 of the MG1-1987 or have a frame smaller than that of a medium machine, "which has a continuous, open-construction rating at 1700-1800 rpm of 1 horsepower."[19] A machine's application as a "general purpose alternating-current motor" is limited to a "maximum of 200 horsepower and requires that they be built in an open construction."[20] The Court also notes that machines are classified as a small motor if they operate at 1 horsepower versus medium motors, which operate at 1.5 horsepower.[21] Another determinative factor in finding a "general purpose motor" is whether it meets "prescribed performance characteristics."[22]

The DOE in 2006, as directed by the EPCA, started the process of establishing energy conservation standards for small electric motors.[23] In order to establish these standards, however, the DOE first decided to determine "precisely which [small electric] motors are covered by this rulemaking."[24] The DOE, by consulting all statutory references to "small electric motors," determined in 2007 that, while the MG1-1987 broadly defines "small electric motors" as "encompass[ing] frame sizes 42, 48, and 56, and motors with horsepower ratings ranging from [.25] to 3 horsepower," the "small electric motor" must also be a "general purpose motor."[25] This further delineation narrows which motors are covered by any DOE promulgated rules covering "small electric motors" to those "with horsepower ratings from 1 millihorsepower up to 1 horsepower."[26]

In 2009, the DOE issued a notice of proposed rulemaking in accordance with further public input, formally finding that a machine constitutes a "small electric motor" when it satisfies both the requisite horsepower rating and the type of construction (whether it was open or enclosed

16. *See* Nat'l Elec. Mfrs. Ass'n v. U.S. Dep't of Energy, 654 F.3d 496, 499 (2001) (discussing the various classification methods for machines).

17. *See id.* (stating that size and application are the most relevant classification methods because those methods directly relate to the issue of what power output range the DOE has authority to regulate).

18. *Id.*

19. *See id* (defining a "small" machine).

20. *Id.*

21. *See id.* at 500 (expanding on the classification of "small" two-pole motors).

22. Nat'l Elec. Mfrs. Ass'n v. U.S. Dep't of Energy, 654 F.3d 496, 500 (2001).

23. *Id.*

24. *Id.*

25. *See id.* (providing the separate classification of "general purpose motor" necessary in order to define a motor as a "small electric motor").

26. *Id.* at 500–01 (providing further limitations for classifying a motor as a "small electric motor").

construction).[27] While there is uncertainty within the statute as to what horsepower rating a small electric motor has, the proposed rule notes a general industry practice of considering 3 horsepower as the "upper limit for rated capacity of [small electric] motors."[28] There is further uncertainty regarding the small electric motor's type of construction.[29] An environmental advocacy group wanted to use the broader definition of a "general purpose motor" as found in later versions of MG1-1987.[30] This broader definition would classify a machine as a small electric motor if it had either an open or enclosed construction.[31] The notice of proposed rulemaking, however, decided against using later versions of MG1-1987, and, therefore, utilizing the original MG1-1987, the notice classifies a machine as a small electric motor only if it has an open construction.[32]

Once the notice was issued, the DOE allowed for a public comment period and public meeting.[33] NEMA, both through the public comment period and meeting, contended that some of the machines that the notice would constitute as small electric motors actually exceed the permissible horsepower limitations for small electric motors as specified by MG1-1987, and, therefore, the DOE was overstepping its statutory authority to promulgate a rule covering these machines.[34] NEMA sought to avoid broader than necessary regulations over machinery because energy conservation measures impose added costs.[35] Other comments reiterated the environmental advocacy group's concern that the later MG1-1987 broader definition of general purpose motor should apply.[36]

The DOE, on March 9, 2010, issued its final rule, which set "energy conservation standards for certain electric induction motors ranging in power from .25 to 3 horsepower."[37] This rule included a table of efficiency standards, which would change depending on the open motor's number of poles.[38] The DOE specifically addressed the public's concern for

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27. *See id.* at 501 (expanding upon the necessities for classification as a "small electric motor").

28. *See* Nat'l Elec. Mfrs. Ass'n v. U.S. Dep't of Energy, 654 F.3d 496, 501 (2001) (further defining the parameters for classification).

29. *Id.*

30. *See id.* (stating Earthjustice's contention that the DOE failed to use the most recent version of MG1-1987 in defining a "small electric motor").

31. *See id.* (noting the differences between definitions of "small electric motors").

32. *See id.* (delineating between how different versions of the MG1-1987 defined "small electric motors").

33. *Id.*

34. *See* Nat'l Elec. Mfrs. Ass'n v. U.S. Dep't of Energy, 654 F.3d 496, 501 (2001) (describing the reasoning behind NEMA's contentions).

35. *Id.*

36. *See id.* (explaining that NEMA was not the only significant commenter).

37. *See id.* (setting forth the final rule promulgated by the DOE).

38. *Id.*; *see also id.* at 498 n.1 ("'Pole configuration' refers to the number of magnetic poles in an electric induction motor. The number of poles is directly related to the theoretical

determining which machines the DOE could regulate through this rule.[39] Specifically, the DOE finds that MG1-1987 does not specifically preclude the DOE from creating efficiency standards that go beyond those they were required to create under the EPCA.[40] This is justified because these higher horsepower motors are commonly "marketed as general purpose motors," which the DOE was directed to create energy efficiency standards for, and manufacturers commonly classify higher horsepower motors in their shipping entries as general purpose motors.[41] In making these determinations, the DOE recognizes that no definition of a "general purpose motor" exists, and "will consider proposing a definition for this term in a future rulemaking."[42] The DOE further addressed the public concern over whether the DOE's rule should also govern enclosed motors, and found that the original MG1-1987 definition of motor construction should apply.[43]

NEMA filed suit against the DOE claiming that the DOE overstepped its statutory authority by promulgating a rule covering those machines that exceed 1 horsepower because the statutory authority of a small electric motor unambiguously excludes those motors exceeding 1 horsepower.[44] NEMA contends the final rule should be vacated in its entirety because all calculations within the rule included the allegedly impermissible higher horsepower.[45]

III. Holding

The Court held that the DOE's interpretation of "small electric motor" is not arbitrary or capricious and is not in excess of jurisdiction, but, rather, it is within the range of permissible interpretations.[46] Writing for the court, Judge King analyzes the statute using the two-step framework of *Chevron U.S.A., Inc. v. N.R.D.C.* to determine the reasonableness of the agency's interpretation.[47] Under *Chevron*, the court first looks to whether Congress clearly addressed the precise question at issue.[48] Congressional intent is

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maximum rotational speed at which a motor can operate, as measured in revolutions per minute (rpm).").

39. *See id.* at 501 (expanding upon the scope of the rule).

40. *See* Nat'l Elec. Mfrs. Ass'n v. U.S. Dep't of Energy, 654 F.3d 496, 501 (2001) (providing an example of the scope of the rule).

41. *See id.* at 502 (explaining the example mentioned in note 40 *supra*).

42. *See id.* (stating the DOE's recognition in the preamble to the final rule that there is currently no definition for a "general purpose motor").

43. *See id.* at 503 (determining which definition should be applied to the rule).

44. *See id.* (providing the basis for the petition for review of the rule).

45. *Id*.

46. *See* Nat'l Elec. Mfrs. Ass'n v. U.S. Dep't of Energy, 654 F.3d 496, 503 (2001) (laying out the reasoning behind the court's ruling).

47. *Id.* at 504; *see also id*. at 497.

48. *See id* (setting out the precedent the Court uses in its decision).

most clear by looking to the text, structure and grammar of the statute; legislative history can also be a determinative factor, but only "after exhausting more reliable tools of construction."[49] Once the court determines that Congress was silent or the statute is ambiguous (not free from doubt) with respect to the specific issue, the court next determines whether "the agency's answer is based on a permissible construction of the statute."[50] Even if the court does not necessarily agree with the agency's determination, an answer is permissible if it represents "a reasonable policy choice for an agency to make."[51] Courts should aim to defer to an agency's interpretation, especially when it involves an area of "technical expertise" or "an area of rapidly changing technological and competitive circumstances."[52] In this case, the court first concludes that this statute was indeed ambiguous with regard to this particular issue.[53] The court reaches its conclusion that the DOE's interpretation of "small electric motor" is within the range of permissible interpretations when undergoing the second step of its *Chevron* analysis.[54] In analyzing the language and structure of the statute, the Court finds that (1) the structure of the statute reveals that Congress purposefully broke the statute into two clauses, and the statute's meaning should be mindful of this construction, (2) the language involved in Congress's reference to MG1-1987 is, in fact, broader than that aforementioned statute, (3) even if Congress intended the statute to be interpreted strictly according to MG1-1987, this statute only gives a maximum power limitation and does not give an unambiguous range of powers, and (4) assuming the structure and language of the statute was not illuminating enough, the legislative history behind the statute does not support NEMA's proposed interpretation.[55]

Under the second step of a *Chevron* statutory analysis, the court looks to the structure of the statute to understand Congress's intent.[56] The structure reveals that Congress broke the contested sentence into two clauses; in order for a machine to be considered a "small electric motor," two requirements, therefore, must be met: that the motor be of a "general purpose" and that it meet the specified frame requirements.[57] The court

49. *See id.* at 504–05 (expanding on past precedent).

50. *Id.* at 504 (citing Chevron U.S.A. Inc. v. NRDC, 467 U.S. 837, 843 (1984)); *see also* NEMA v DOE, 654 F.3d at 505 (stating that language is ambiguous when some doubt remains).

51. *Nat'l Elec.*, 654 F.3d at 505.

52. Nat'l Elec. Mfrs. Ass'n v. U.S. Dep't of Energy, 654 F.3d 496, 505 (2001).

53. *See id.* at 506 (applying Chevron to the case at hand).

54. *See id* (continuing in the application of Chevron to the rule promulgated by DOE).

55. *See id* (listing the Court's findings).

56. *See id.* at 505 (continuing with the Court's analysis under Chevron).

57. *See id.* at 506 (looking at the statute's specific language, which states that "[t]he term 'small electric motor' means a NEMA general purpose alternating current single-speed

notes that Congress only looks to MG1-1987 with regards to frame size and not with regards to power output.[58] Congress could have easily included language to limit the power output when promulgating two digit frame requirements, as they did when promulgating the three digit frame requirements, but they chose not to.[59] This omission indicates that Congress intended for only part, and not all, of MG1-1987 to apply to "small electric motors."[60]

Courts, in addition to looking at the structure of the statute in question, also look to the particular language involved and utilize foundational grammatical principles of statutory interpretation.[61] First, the language involved nearly mirrors MG1-1987's definition of a small machine.[62] MG1-1987's definition of a small machine "distinguishes . . . motors based on frame series rather than power output" unlike MG1-1987's definition of a medium motor, which does in fact distinguish motors based on power output.[63] The statute's reference to MG1-1987, therefore, cannot be said to impose all the requirements of MG1-1987; it follows, then, that MG1-1987's one horsepower maximum cannot be said to unambiguously apply to the DOE's interpretation of "small electric motor."[64] Second, the court applies the "last antecedent rule," which is a grammatical principle of statutory construction that "holds that ordinarily a clause modifies only its nearest antecedent."[65] Courts generally honor an agency's interpretation that conforms to this principle.[66] In this case the DOE directly follows this rule, reasonably interpreting the statute to limit frame size but not necessarily power output.[67]

Even if, after looking to the structure and language of the statute, the statute indicated that the entirety of MG1-1987 should be followed, MG1-

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induction motor, built in a two-digit frame number series in accordance with NEMA Standards Publication MG1-1987") (citing 42 U.S.C. § 6311(13)(G) (2007)).

58. *See* Nat'l Elec. Mfrs. Ass'n v. U.S. Dep't of Energy, 654 F.3d 496, 506 (2001) (noting the limited scope of Congress' application of MG1-1987).

59. *See id.* ("Indeed, Congress took this very course elsewhere in the same enactment, establishing statutory energy conservation standards for electric motors built in three digit frame series ranging from 1 to 200 horsepower.").

60. *See id.* at 507 (determining the existence of Congressional intent behind a Congressional omission).

61. *See id.* at 506–07 (explaining where Courts look to determine statutory interpretation).

62. *Id.* at 507 (drawing comparisons between the statute and MG1-1987).

63. *Id.* at 507–08.

64. *See* Nat'l Elec. Mfrs. Ass'n v. U.S. Dep't of Energy, 654 F.3d 496, 508 (2001) (interpreting the scope of the statute and applying it accordingly).

65. *Id.*

66. *See id.* (providing examples of the Supreme Court's application of the last-antecedent rule).

67. *See id*. at 508–09 (showing how DOE follows the agency's interpretation of the statute).

1987 "limits only the maximum, and not the minimum, horsepower of 'general purpose alternating-current motors."[68] These machines must follow the additional limitation that they conform to "some standard ratings and operating characteristics," but this does not specify which specific ratings and characteristics must be followed.[69] Overall, the court does not want to undermine any flexibility Congress accorded to the DOE through its statute, nor does it want to prevent the agency from offering additional "reasonable alternatives".[70] The court finds the DOE's statutory interpretation is reasonable, and, therefore, it defers to the agency's interpretation of "small electric motor."[71]

The court finds further support for the DOE's interpretation through the statute's legislative history.[72] NEMA points to one sentence in the legislative history that states that Congress did not intend a "small electric motor" to apply to machines over one horsepower.[73] This sentence, however, is a "negative inference"; by virtue of the statute purposefully leaving a gap in the law purely for agency discretion, NEMA is assuming this one sentence should guide the agency in filling that gap.[74] In the interest of agency deference, the court refuses to assume this negative inference and overturn the agency's interpretation based on this one sentence.[75] Furthermore, the court reprimands NEMA for taking inconsistent positions.[76] NEMA contends that the DOE has the authority to promulgate rules for "small electric motors" under one horsepower, however, they then challenge .75 horsepower motors.[77] Overall the court will only utilize legislative history when, after looking at the structure and language of the statute, the meaning remains unclear.[78]

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68. *Id.* at 509.

69. *Id.*

70. *See* Nat'l Elec. Mfrs. Ass'n v. U.S. Dep't of Energy, 654 F.3d 496, 510 (2001) (explaining the reasoning behind allowing for flexibility in application of statutory standards).

71. *See id.* (further explaining the Court's deference to the agency interpretation of "small electric motors").

72. *See id.* (looking to the history of the statute for support).

73. *See id.* at 511 (explaining how NEMA uses legislative history to find support for its desire to further limit the scope of the definition of "small electric motors").

74. *See id.* (explaining NEMA's negative inference from a Congressional omission).

75. *See id.* (furthering agency deference by allowing agencies to fill in the gaps left by Congressional omissions).

76. *See* Nat'l Elec. Mfrs. Ass'n v. U.S. Dep't of Energy, 654 F.3d 496, 511 (2001) (explaining the flaws in NEMA's reasoning).

77. *See id.* (allowing for legislative history to only be controlling when the statute's language is unclear).

78. *See id.* at 512 ("But NEMA would have us invoke the legislative history not merely to choose between competing interpretations not resolved by the text or canons of construction . . . but instead for the novel and unprecedented purpose of overriding an interpretation that is strongly supported by more reliable interpretive tools.").

Beyond the canons of construction and legislative history, an agency must also interpret a statute by looking to "market realities."[79] In the market, general purpose motors for two digit frames are generally over one horsepower.[80] The small and medium frame-size distinctions are meaningless.[81] The DOE's decision to promulgate rules for small electric motors that are over one horsepower, therefore, is further bolstered by looking to practical considerations.[82]

NEMA alleges the DOE's current interpretation is inconsistent with past interpretations for two reasons: 1) the DOE's scoping document, in preparation to promulgating its final rule, identifies "small induction motors as motors with horsepower ratings from 1 millihorsepower up to 1 horsepower," and 2) the DOE, in response to Earthjustice, stated that "MG1-1987 applies to 'all facets' of the statutory definition."[83]

The court does not find these statements by the DOE as inconsistent with its current statutory interpretation.[84] First, this language in the scoping document refers to "certain tables found in MG1-1987, and is not a conclusive (or even preliminary) pronouncement on the import of those tables for the meaning of the statutory definition."[85] Similarly, the "all facets" language was referring to a separate question about whether the DOE was statutorily permitted to promulgate rules over enclosed and open motors; it was not in reference to the horsepower ratings at question here.[86]

The court, overall, believes that according to statutory canons of construction, the legislative history, practical realities, and a consistent interpretation position throughout the rulemaking process, the DOE has reasonably interpreted "small electric motors" to include machines with horsepower ratings over one horsepower.[87]

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79. *See id* (explaining that statutes may only be applied where they are reasonably applicable in the market).

80. *Id.*

81. *See id.* at 513 (explaining that classification by size is mostly useless when looking at the market).

82. *See* Nat'l Elec. Mfrs. Ass'n v. U.S. Dep't of Energy, 654 F.3d 496, 513 (2001) (explaining the importance of practical application).

83. *Id.*

84. *See id.* at 514 (finding that DOE's application was consistent with the statute).

85. *Id.*

86. *See id.* (separating out the "all facets" language from the horsepower discussion).

87. *Id.* ("[I]t is enough that the Final Rule and the accompanying explanation set forth a coherent interpretation and a plausible rationale underpinning it."); *see also* Ala. Dep't of Envtl. Conservation .v EPA, 540 U.S. 461, 497 (2004) ("Even when an agency explains its decision with 'less than ideal clarity,' a reviewing court will not upset the decision on that account if the agency's path may reasonably be discerned." (citing *Bowman Transp., Inc. v. Arkansas-Best Freight System, Inc.*, 419 U.S. 281, 286, 95 S.Ct. 438, 42 L.Ed.2d 447 (1974))).

IV. Dissent

Judge Shedd in the dissent believes the DOE's interpretation set forth in its final rule is "contrary to the statute and Congress's clear direction."[88] According to the House Report, which accompanied the act, the DOE was only given discretion to promulgate rules over electric motors of less than one horsepower.[89] An interpretation of "small electric motors" therefore is necessary; if this act was referring to small electric motors, then the DOE is limited to promulgating rules which affect only motors under one horsepower.[90]

The dissent notes that the entirety of MG1-1987 should be applied to the definition of small electric motors because both NEMA and the DOE have done so throughout the rulemaking process.[91] It is not appropriate to emphasize the fact that Congress split the statement into two clauses because statutes should "be read as a whole."[92] In fact, the phrase "general purpose alternating current motor" is "lifted verbatim from Section 1.05 of MG1-1987 (which section DOE and the majority would at least partially apply)."[93] It is only appropriate, therefore, to interpret "small electric motor" according to the entirety of MG1-1987; in looking at MG1-1987 it is clear that the DOE is only given authority to promulgate rules for machines with less than one horsepower rating.[94]

Finally, the dissent contests the finding that the sentence in the legislative history, which states that the DOE is limited to promulgating rules for machines under one horsepower, actually contains an impermissible negative inference.[95] No inferences or assumptions are being made, but rather NEMA was relying on a "positive statement of what Congress intended" that the DOE's regulatory authority only covers motors that are less than one horsepower.[96] Overall, by neglecting the horsepower limitation, the dissent believes this decision will grant the DOE unlimited

88. Nat'l Elec. Mfrs. Ass'n v. U.S. Dep't of Energy, 654 F.3d 496, 516 (2001).

89. *Id.*; *see also id.*at 519 ("The House Report language is important because it explains what the statutory language at issue meant to the members of Congress who had expertise over these matters.").

90. *See id.* at 516 (believing that the limitations of the statute are consistent with NEPMA's propositions).

91. *See id* (explaining the dissent's reasoning).

92. *Id.* at 517 (citing *U.S. v. Atlantic Research Corp.*, 551 U.S. 128, 135, 127 S.Ct. 2331, 168 L.Ed.2d 28 (2007)).

93. *Id.*

94. Nat'l Elec. Mfrs. Ass'n v. U.S. Dep't of Energy, 654 F.3d 496, 517–18 (2001) (stating that MG1-1987 defines small electric motors more fully through various factors, ratings, and operating characteristics).

95. *See id.* at 519 (supporting the idea that the sentence from the legislative history allows for a negative inference).

96. *Id.*

authority against Congress's clear wishes that the DOE be limited to horsepower ratings.[97]

V. Future Implications

The Fourth Circuit applied a typical *Chevron* analysis to determine if the DOE properly interpreted the scope of its authority in promulgating energy conservation standards.[98] In applying a traditional *Chevron* analysis, the court looked at both the language of the statute and the legislative history, and found that the traditional canons of construction support the DOE's interpretation of the "small electric motor."[99] The court also looked to the practical, everyday use of the phrase and found that industries generally regard motors with a power output higher than one horsepower as "small electric motors;" again, this finding supports the DOE's interpretation of the phrase "small electric motor."[100] In order to fulfill the purpose of the EPCA's energy conservation directive, the court agrees with the DOE's contention that it has the authority to set energy conservation standards for "small electric motors" with a power output up to 3 horsepower.[101]

Though the effects of *NEMA v. DOE* are still being determined, the court's analysis of the statute supports the recent movement toward increased energy conservation. The EPCA recognizes that energy efficiency often imposes an economic burden to some projects.[102] This burden, however, is one out of many start-up costs associated with the decision to undergo a project; and therefore, these projects can, at a minimum, take energy efficiency costs into account before deciding to begin a particular project.[103]

Justice Shedd's dissent underscores the importance of taking the entirety of MG1-1987 into account when interpreting the phrase "small electric motor." His comprehensive statutory approach may afford a more accurate interpretation of the "small electric motor," however, this particular method of interpretation is not the specific issue before the court, and therefore would be inappropriate to adopt. The court is specifically

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97. *See id.* at 520 (finding that the majority's holding was adverse to the intentions of Congress).

98. *See id.* at 504 (using Chevron v. NRDC, 467 U.S. 837, to evaluate the parties' arguments).

99. *See id.* (applying the Chevron test to the present case).

100. *See* Nat'l Elec. Mfrs. Ass'n v. U.S. Dep't of Energy, 654 F.3d 496, 500 (2001) (laying out the maximum horsepower of a "small electric motor").

101. *See id*. (providing the separate classification of "general purpose motor" necessary in order to define a motor as a "small electric motor").

102. 27A AM. JUR. 2D *Energy and Power Sources* § 99 (2011).

103. *Id.*

charged with determining if the agency provided a reasonable explanation for interpreting the statute in a particular way; this standard of review does not allow the court to overrule an interpretation because the court does not agree with an agency's stated reasons for adopting a particular interpretation. As long as the agency reasonably interpreted the statute based on traditional statutory canons of construction, the court should not overrule the agency's interpretation. Overall, the DOE's proposed scope of authority over energy conservation is a reasonable interpretation of a technical statute that fulfills the purpose of the EPCA to promote increased energy efficiency.