PLASMA DISPLAY COALITION

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PRESIDENT

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California Energy Commission
Docket No. 09-AAER-1C
Docket Unit
1516 Ninth Ave. Mail Station 4
Sacramento, Ca. 95814-5512

Re: Docket No 09-AAER-1C: Appliance Efficiency Regulations

The Plasma Display Coalition (PDC) represents the world's best known and most respected manufacturers and marketers of high quality plasma and LCD flat panel televisions. The PDC has been an active participant in the Title 20 regulatory proceedings for the past several months and in the recent California Energy Commission (CEC) workshop held on October 13, 2009 and Legislative hearing held on October 21, 2009.

The Plasma Display Coalition, its members, and the Consumer Electronics (CE) industry share goals of energy conservation and have demonstrated tremendous success designing products to improve global energy efficiency. Through voluntary efforts, TV manufacturers have achieved significant results in reducing energy consumption of flat panel HDTV's over the past several years. Just this past year, for example, plasma manufacturers have achieved a 20% reduction in overall power consumption in the 2008 models vs. their 2007 model lineup. Through continuous innovation and without regulation, HDTV manufacturers are <u>already</u> participating and contributing toward helping California and the CEC meet Title 20 goals.

FORCED REGULATION OF POWER CONSUMPTION IS NOT NECESSARY

The California Energy Commission has stated that over the past 30+ years they have been successful in regulating appliances and other household items such as ceiling fans and pool pumps. This acknowledgement fails to note those industries made little effort to reduce energy consumption until forced to do so through regulation. The Consumer Television industry is different and self determined to reduce energy and create more efficient TVs in response to consumer demand and competitive pressure, not regulation! The TV industry is the most competitive consumer electronics category in the most competitive global marketplace and has proven successful, without regulation, at implementing energy saving features that are socially and environmentally responsible. With such significant strides already made by manufacturers and further improvements already planned, we believe forced regulation is not necessary and will deprive California consumers of high-performance features and the latest technological advancements.

PG&E CALCULATIONS AND ASSUMPTIONS ARE WRONG

During the October 21, 2009 Legislative hearing, Dr. Paul Wazzan of LECG summarized the energy efficiency claimed by the Commission from the PG&E report as mathematically incorrect. Also incorrect is the rate of TV turnover assumed by PG&E. Further the PG&E summary includes and accounts for energy savings of TV product that are already on the market and already providing energy savings without regulation. It is inappropriate and misleading for PG&E to take credit for this energy reduction in their regulatory proposal! The ONLY savings that can be reasonably attributed to this proposed regulation results from high-end products being taken off the market and forcing consumers to buy what is available. For the average ratepayer that difference in energy consumption is perhaps the same as a 25w light bulb. Therefore the staff contention that "as a result of this regulation" California consumers will save $8.1 billion is grossly overstated, misleading and wrong. In fairness to the states residents and this proceeding, the California Energy Commission must challenge the PG&E summary and clarify that any savings from the proposed regulation result only from high-end TV products being removed from the market.

BUSINESS AND INDUSTRY REPLY COMMENTS AND TESTIMONY HAVE BEEN IGNORED

Despite voluminous comments and testimony from California businessmen and manufacturers who have demonstrated the negative impact this proposed TV regulation will have on their business and consumers, the CEC staff of engineers concludes: 'there are several reasons the Energy Commission staff determined that this will have an insignificant effect on the California economy and business". On record through written comments and testimony in the October 2008 hearing, the December, 2008 workshop and January 2009 reply comments, electronic retailers and the CE industry have provided data and summaries outlining the financial impact this proposed regulation would have on their businesses if high-performance and fully featured TV product are taken from store shelves. Yet the CEC staff has ignored and dismissed this testimony and reply comments. This pattern of behavior is also evident in the CEC outright refusal to modify their web site that continues to promulgate several false, outdated and misleading statements about TV power consumption and this proceeding.

STATEGIC SOLUTIONS OFFERED BY BUSINESS AND INDUSTRY

Reflecting TV manufacturer's commitment to energy conservation and environmental initiatives, the industry has offered a range of strategic solutions in reply comments and workshops to assist in not only meeting Title 20 goals, but exceed them in a shorter period of time than the utility proposal. However during a conference on March 16, 2009 with the CEC staff where manufacturers outlined several executable ideas, the staff replied, "we have no resources to execute a strategic plan," and that industry's recommendations "must be taken up with other areas of government" because "all we're paid to do is regulate!" This is most unfortunate for California taxpayers. Such behavior and shortsightedness would never be tolerated in the private sector.

Further to the reply comments and workshop testimony, independent research has been presented to the CEC citing consumer behavior, as a result of regulation, will result in lost tax revenue, sales, jobs and have a negative impact to independent business. Yet the staff of engineers concludes: "the economic impact of the regulation is expected to be positive for California and California consumers."

COLLABORATIVE PRO-CONSUMER APPROACH NEEDED

The costs to consumers, the California economy and to business far outweigh the speculative benefits of the proposed regulation. Voluntary energy reducing measures are already underway within the competitive TV industry and it is expected that further energy reducing success will continue without regulation and intervention. In conjunction with TV manufacturer's efforts to reduce energy and meet Title 20 objectives we recommend the following cost effective strategies:

1. Fully support Energy Star compliance. Energy Star TVs have improved by more than 41% in less than 2 years;
2. Educate consumers on ways and means of reducing total household energy consumption;
3. Teach consumers to reduce energy by selecting the most efficient preset setting on all of their TVs;
4. Encourage proper labeling of energy efficiency information on all televisions;
5. Implement the proposed "California DTV Acceleration Plan" which will accelerate the sale of new efficient flat panel TVs while removing and recycling the household's old inefficient tube TVs. This plan will enhance California business, stimulate tax revenue, achieve Title 20 goals in a shorter period of time and reduce the total number of TVs per household;
6. Ask the industry to enable 'auto shut-off mode' for TVs that see no activity for several hours.

As indicated, the CEC staff has failed to show an unbiased approach in this proceeding. A fair assessment of facts clearly shows that regulating TV energy efficiency in the State of California is not the best decision toward overall energy reduction. Finally, we urge the Commission to reject the well-intended, but seriously misguided PG&E proposal and adopt strategic energy reducing solutions that do not eliminate HDTVs from the California market. Simply regulating is NOT a strategy! A joint collaborative approach among industry, business and government for the benefit of all stakeholders is a better alternative!

Respectfully submitted;

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