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NATURAL RESOURCES DEFENSE COUNCIL

NRDC Comments on the California Energy Commission's 45-Day Language on TV Energy Efficiency Standards

Docket No. 09-AAER-1C

On behalf of the Natural Resources Defense Council and its more than 1.2 million members and e-activists, we are writing to express our strong support for the prompt adoption of the California Energy Commission's (CEC's) proposed energy efficiency standards for new TVs dated September 18, 2009. NRDC has actively participated throughout this proceeding and our comments are meant to supplement our previous oral and written testimony which can be viewed at: http://www.energy.ca.gov/appliances/2008rulemaking/documents/2008-07-16_workshop/comments/NRDC_Comments.pdf, and http://www.energy.ca.gov/appliances/2008rulemaking/documents/2008-12-15_workshop/comments/NRDC_Follow-Up_Comments_TN-49784.pdf.

Our supplemental comments focus on four areas: a) product availability; b) incremental cost; c) coverage of TVs > 58 inches; and d) timeline of this proceeding.

A. Product Availability – The effective dates of the CEC's two-tiered proposal are: Tier 1 - 1/1/2011, and Tier 2 – 1/1/2013. Over the past several months, many new models have been introduced that meet the proposed Tier 2 levels. There are now roughly 300 models that meet the 2013 standards, 3 plus years before the proposed effective date. These TVs come in all sizes and are sold under a wide range of brands and price points. Several of the new models offered by Samsung and Sharp are extremely efficient and would easily be characterized as "hi-end" TVs; the exact types of TVs that the CEA and the retailers have incorrectly alleged will not be available for sale at independent dealers and showrooms. These models include all the latest features such as internet connectivity and LED backlights. The Samsung model comes in 40, 46, and 55 inches screen sizes and at 1.2 inches thick is one of the thinnest models on the market today.

B. Incremental Cost – Much has been said during this proceeding about the incremental cost, if any, to meet the proposed Tier 1 and 2 standards. The CEC docket includes comments from leading component suppliers, the LCD TV Association and Vizio that there will be little to no incremental cost to produce more efficient TVs. The energy savings are achieved by using off the shelf technologies and improved designs. At a recent legislative hearing, 3M gave one example of a cost neutral design approach using high light transmittance film which allows more of the backlight to reach the front of the TV. This enables manufacturers to cut production costs by removing some of the

back lamps while delivering the same picture brightness. In addition, the TV now has a lower overall power demand and a smaller, less expensive power supply can be selected.

Despite numerous requests from the CEC for incremental production cost data, no such data has been provided. As engineers at these companies are constantly working to reduce production costs, information on current production costs should be readily available. Engineers can hold all variables constant such as size, brand, features and then estimate what changes if any are needed to meet the CEC's requirements and what the incremental production costs would be. During last week's legislative hearing we heard industry representatives state that it was impossible to provide such information. We respectfully disagree.

In their January 19, 2009 letter to the CEC, Best Buy provided incremental retail price data on televisions sold at their stores. Again this type of analysis should start with the cost of production, not the retail price. In their letter they claimed an incremental selling cost of $99 for models that met Energy STAR 2.0. It should be noted that their assertions were not accompanied by any model specific power use and cost data to substantiate their claims. As ENERGY STAR 2.0 only addressed standby power (the power used by a TV when it is turned off), and since the incremental production cost to achieve the 1W standby power requirement is well under $5 and for well designed sets < $1, it is impossible to see how they are able to attribute the alleged $99 incremental cost to the ENERGY STAR 2.0 energy efficiency requirements.

Even higher inflated retail prices were reported by Best Buy for meeting ENERGY STAR 3.0. In reality though, ENERGY STAR 3.0 added little or no production costs. That's because this new version of ENERGY STAR encouraged manufacturers to move from the current practice of shipping TVs with very bright pictures so they stand out on the retail floor to a set- up menu that allows manufacturers to test and report their power use in home/standard mode, which is less bright and typically uses 15- 25% less power than the retail mode. To achieve these dramatic savings and to comply with ENERGY STAR 3.0, manufacturers simply needed to adopt a minor, inexpensive software change and by no means the $167 incremental retail charge cited by Best Buy in their letter: http://www.energy.ca.gov/appliances/2008rulemaking/documents/2008-12-15_workshop/comments/Best_Buy_TN-49782.pdf

While we challenge the validity of Best Buy's incremental cost claims, we do want to recognize Best Buy's leadership in offering dozens of Tier 2 compliant models several years in advance of the 2013 effective date.

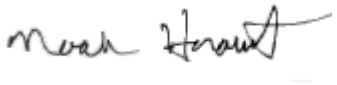
C. Standards for Super Large TVs – As a concession to the manufacturers and retailers, the CEC has decided to limit the scope of its proposed standards to TVs with a screen size under 58 inches. Provided the CEC follows through with its commitment to address these very large TVs in a follow-on proceeding NRDC does not oppose this decision. Although TVs of this size represent a relatively small % of overall sales, they likely represent a larger fraction of statewide TV energy use. In addition, the

technologies and design techniques that are already being used in 55 inch TVs to meet the Tier 2 levels should be easily incorporated into larger sized TVs as well.

D. Completion of this Proceeding – This TV proceeding is now approaching 2 years in duration. Much of this time has been used to provide interested stakeholders with the opportunity to provide additional feedback and to collect additional data, which for the most part was never provided. As the CEC has made numerous data requests and held 3 public hearings, we encourage the CEC to conclude this proceeding and move toward adoption without any further delay.

Dated: November 2, 2009

Respectfully submitted,



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