

DOCKETED

Docket Number:	17-AAER-07
Project Title:	General Service Lamps
TN #:	224698
Document Title:	American Lighting Association Comments On Draft Staff Report Analysis of General Service Lamps (Expanded Scope)
Description:	N/A
Filer:	System
Organization:	American Lighting Association
Submitter Role:	Public
Submission Date:	9/13/2018 1:04:08 PM
Docketed Date:	9/13/2018

*Comment Received From: American Lighting Association
Submitted On: 9/13/2018
Docket Number: 17-AAER-07*

On Draft Staff Report Analysis of General Service Lamps (Expanded Scope)

Additional submitted attachment is included below.



September 13, 2018

VIA docket@energy.ca.gov

Commissioner Andrew McAllister
California Energy Commission
Dockets Office, MS-4
Re: Docket No. 17-AAER-07
1516 Ninth Street
Sacramento, CA 95814-5512

**RE: Draft Staff Report Analysis of General Service Lamps (Expanded Scope)
Docket Number 17-AAER-07**

Dear Commissioner McAllister:

The American Lighting Association (ALA) represents over 1,300 member companies in the residential lighting, ceiling fan and controls industries in the United States, Canada and the Caribbean. Member companies are manufacturers, manufacturers' representatives, retail showrooms and lighting designers that have the expertise to educate and serve their customers. In California, ALA has over 130 members, including 28 manufacturers and 49 showrooms, many of which have multiple locations.

ALA appreciates the opportunity to submit these comments regarding the California Energy Commission's (CEC) Analysis of General Service Lamps (Expanded Scope)¹. The proposed sales ban, included in the draft staff report analysis, if approved as written, will be challenging for ALA's manufacturing members, and especially for ALA's retail members.

Lighting retail stores and distributors are the face of the lighting industry to the general public, and they are facing unprecedented new challenges. Those that are surviving are faced with competition from multiple channels of distribution. In order to stay relevant, retailers have had to get creative when it comes to attracting consumers. Known for offering consumers an impressive lineup of great products, lighting retailers now offer customized

¹ <https://efiling.energy.ca.gov/GetDocument.aspx?tn=224408>

services and educational experiences to help improve their customers' understanding of how lighting impacts their everyday life and health.

For many retailers, the struggle to keep the doors open has not been easy. Many businesses have been forced to make tough decisions about their future. Measures taken include altering product lines, changing locations, cutting employee hours and reducing their own salaries.

To further complicate things for retailers, President Donald Trump has proposed tariffs on products imported from China, including lighting products². The proposed tariffs will negate any success showrooms might be achieving. Additionally, the proposed tariffs will increase prices that will be passed on to the consumer. Higher prices drive down demand, and decreased demand will result in a reduction of the workforce, potentially costing the average employee their livelihood, as well as drastically limiting the average consumer's buying power.

The challenges outlined above, both real and proposed, are proving difficult, but manageable. Needless to say, lighting retailers are dealing with a lot, and placing the burden of a sales ban on retailers would cause further financial harm and complicate matters from an inventory perspective.

There are a significant number of lighting retailers in California. These retailers do not have huge inventories of traditional incandescent or halogen lamps, due to the 1/1/18 cut off on those products. While individual stores do not have large stockpiles of any individual lamp type, there are numerous specialty products in the scope of the sales ban. When taken as a whole, the total statewide impact of a sales ban at the individual store level would represent a huge burden on the channel, resulting in major financial losses on showrooms collectively.

With a sales ban, there are no viable options available to retailers needing to unload the unsellable light bulbs without sustaining a significant or complete loss on the product. Lighting retailers will be left with millions of dollars of worthless product. The California consumer will also lose out if the proposed sales ban is implemented, as lighting retailers will try to increase costs on all products in order to recoup the losses suffered as a result of the sales ban.

ALA strongly opposes the proposed sales ban that is sure to have a negative effect on the small businesses that make up the retail lighting industry. If the CEC decides to move forward with the expanded scope for general service lamps, ALA encourages the use of a date-of-manufacture approach instead of the proposed sales ban.

² <https://www.regulations.gov/document?D=USTR-2018-0026-0001>

ALA appreciates the CEC's consideration of these comments.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Michael Weems', with a stylized flourish at the end.

Michael Weems
Vice President, Government Engagement

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