

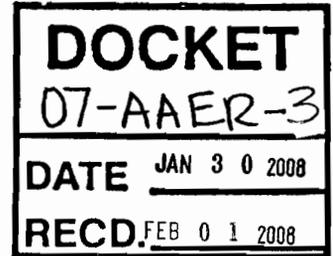


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January 30, 2008

Ms. Jackalyne Pfannenstiel
Chair
Presiding Member, Efficiency Committee
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814-5512

Mr. Arthur H. Rosenfeld
Commissioner
Associate Member, Efficiency Committee
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814-5512



Subject: **2008 Rulemaking Proceeding on Appliance Efficiency Regulations
(DOCKET NO. 07-AAER-3)**

Dear Commissioners Pfannenstiel and Rosenfeld:

The Consumer Electronics Association (CEA), on behalf of its 2,200 members, is pleased to provide initial comments on issues raised during the California Energy Commission's Efficiency Committee workshop on January 15, 2008, regarding a 2008 rulemaking on the Appliance Efficiency Regulations. CEA appreciates the ongoing opportunity to work with the Commission to address energy efficiency issues relative to the consumer electronics sector.

Recent Efforts to Address Stakeholder Concerns with the Appliance Efficiency Regulations in Title 20 of the California Code of Regulations

CEA thanks the Commission again for its work to date in addressing previous concerns with the Appliance Efficiency Regulations related to external power supplies (EPSs) and digital television adapters (DTAs). As you know, in the consumer electronics sector, EPSs are used in a wide range of product categories. The Commission's prompt development and issuance of amendments to the EPS regulations during 2006 was a crucial action that avoided significant marketplace and industry supply chain problems.

In addition, CEA appreciates the Commission's action in 2007 to repeal its regulation for DTAs. CEA and other stakeholders had urged withdrawal of the DTA regulation, which was put in place before DTAs were developed or marketed and before their energy use characteristics were known. Last year's action by the Commission in response to concerns about the DTA regulation was important to the national transition to digital television broadcasting. The Commission's action also recognized the achievements by stakeholders at the federal level in addressing DTA energy use and savings opportunities through the Energy Star program and the National Telecommunications and Information Administration's specifications for DTAs.



Remaining Concerns with the Current Appliance Efficiency Regulations

As noted in CEA's comments during prior rulemakings and earlier presentations before the Efficiency Committee, we have remaining concerns about the current Appliance Efficiency Regulations pertaining to consumer audio and video products—specifically, compact audio products, DVD players and recorders, and televisions. As part of the Commission's 2008 rulemaking proceeding on the Appliance Efficiency Regulations, CEA urges the Commission to reconsider these existing regulations for consumer audio and video products, for which questions and concerns about economic justification have been raised, and for which additional information and analysis are available.

The Best "Policy Intervention" Is Not Regulation

At the January 15th workshop, the Commission heard from three parties calling for additional regulations and "policy intervention" relative to one or more consumer electronics product categories, including televisions in active or on-mode, cable and satellite set-top boxes, and game consoles. CEA urges the Commission to recognize that appliance efficiency regulations are not appropriate for these and other categories of consumer electronics, especially in light of the ongoing success and further development of market-oriented programs such as Energy Star.

Consumer electronics are vastly different by design and function than the residential, industrial and commercial appliances which have been the main focus of the Commission's Appliance Efficiency Regulations. The market for consumer electronics is dynamic, highly competitive and characterized by rapid innovation, significant time-to-market pressures, rapid rates of market penetration, and rapid transition from one technology to another. These characteristics are a major distinction between consumer audio and video products and residential, industrial and commercial appliances and equipment.

In addition, consumer electronics typically offer multiple features and functions and are used in at least three ways that distinguish them from appliances. People use consumer electronics to communicate with one another, to be entertained, and to access, store and retrieve information. Given the market, technological and consumer usage characteristics of consumer electronics, CEA believes it is inappropriate and economically and technologically damaging for the Commission to impose mandatory limits on such products—especially when better alternatives exist which are already working to save energy at the national and international levels, such as the Energy Star program.

Finally, as we observed at the recent workshop, as well as in previous Commission rulemakings, some component and product suppliers have urged the Commission to promulgate regulations that in turn would benefit or favor their businesses. We presume the Commission will recognize that requests from such suppliers are an inappropriate justification for regulation.

Continued Support for and Involvement in Energy Star is Crucial

CEA is a strong supporter of the voluntary, market-driven and national approach to energy efficiency represented by the Energy Star program. This successful government-industry effort, which benefits from strong participation by manufacturers, captures a broad range of consumer electronics and creates a competitive incentive for energy savings. The Energy Star program, coupled with the natural trends toward energy efficiency in electronics design, provides consumers with the products and features they demand, along with a logo recognized by more than two-thirds of consumers. In 2005 alone, Energy Star saved more than 18 billion kilowatt hours of electricity and avoided 3.8 million metric tons of carbon equivalent emissions.

The energy efficiency of televisions, including energy use in active and standby modes, is best addressed through the Energy Star program. The U.S. Environmental Protection Agency (EPA) will soon announce a new revision of the Energy Star specification for televisions, which for the first time takes into account active mode power consumption in addition to standby mode. This new specification is the result of collaborative work among stakeholders from industry, government and the energy efficiency community. It would be inappropriate and damaging to the Energy Star program for the Commission to pursue regulations for televisions as some parties called for at the January 15th workshop.

Similarly, the energy efficiency of set-top boxes is best addressed through the Energy Star program. The EPA is nearing completion of a new specification for set-top boxes which updates the Energy Star program requirements for this evolving and growing product category. Importantly, the set-top box specification initiative has enjoyed participation and input from the service provider community, a key stakeholder characterized by nationwide service providers deploying set-top boxes across multiple states and regions.

Both the TV and set-top box specifications will take effect in 2008.

It is important that the Commission recognize, participate in, and support the Energy Star program, which represents the best approach for addressing energy efficiency in consumer electronics products while at the same time protecting industry innovation, competition and consumer choice.

For Battery Chargers, the Commission Must Avoid Imposing "Double Jeopardy"

In its rulemaking on battery chargers, the Commission must avoid subjecting to additional regulations, test procedures and standards any devices already addressed under the regulations and standards for external power supplies. We believe the Commission recognizes this concern, but in discussions and presentations on January 15th, this issue was not adequately highlighted.

In general, CEA hopes that information it has provided to the Commission in recent proceedings has been helpful in understanding the dynamics and characteristics of the consumer electronics industry from industry-level, manufacturer-level and product-level perspectives. CEA looks forward to continued dialogue with the Commission on energy efficiency issues related to consumer electronics products.

Sincerely,



Douglas K. Johnson
Senior Director, Technology Policy & International Affairs