



July 6, 2009

Ms. Karen Douglas
Chair, California Energy Commission

California Energy Commission
1516 Ninth Street, MS-31
Sacramento, CA 95814

DOCKET

07-AAER-3

DATE	Jul 06 2009
RECD.	Aug 10 2009

RE: Proposal to Regulate Television Electricity Usage (Docket # 07-AAER-3)

Dear Ms. Douglas:

At a time when the state of California is struggling to raise revenue and close a \$24 billion budget deficit, the California Energy Commission (CEC) is finding new ways to further weaken the state's economic outlook.

The CEC's proposal to regulate television energy usage will cause revenue loss for the state and threaten California businesses like mine.

I am the Dean of AVAD University. AVAD is the largest distributor of consumer electronics products in the United States. We provide all the necessary support to sell, design, and implement complete home electronics solutions. Headquartered in California, we have 39 locations across the United States and Canada. We employ 250 people in California.

If this energy regulation takes effect, my business will stand to lose upwards of \$15,000,000 in display sales this year alone, as about half of the televisions we currently sell do not meet the proposed efficiency standard. For our loss, California would also lose \$1,350,000 in sales tax revenue.

In addition to our loss this year, we predict the regulation will cause a total sales loss of \$60,000,000 because the television display is only 30% of our average system sale. Our loss would cause California to lose \$4,500,000 in sales tax revenue.

With these deep cuts to our revenue, we would be forced to downsize or relocate out of California. In this unfortunate circumstance, our California employees would be forced to collect unemployment—a further drain on the state's funds.

It is small businesses like mine that provide employment for Californians and keep our economy running. Strapping on additional costly regulations—in an already tightly

AVAD, LLC

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regulated business environment—will cripple our industry, force residents out of work, and hinder state and local economies.

We embrace the notion of energy efficiency, and we regularly work with our customers to achieve optimal efficiency in their home entertainment systems.

We look forward to working with the CEC to find innovative ways to help our customers reduce their energy usage without harming California's economy or small businesses.

Thank you for your consideration.

Respectfully submitted,

/S/

Bob Smith, Dean
AVAD University



July 6, 2009

Mr. Arthur H. Rosenfeld, Ph.D.
Commissioner and Presiding Member, Efficiency Committee

California Energy Commission
1516 Ninth Street, MS-31
Sacramento, CA 95814

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