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October 7, 2011

Mr. Harinder Singh
Mr. Kenneth Rider
California Energy Commission
Dockets Office, MS-4
1516 Ninth Street
Sacramento, CA 95814-5512

Subject: **Docket No. 11-AAER-1**

Dear Messrs. Singh and Rider:

On behalf of the Consumer Electronics Association (CEA), I am submitting comments pursuant to the Energy Commission's consideration of a scoping order on possible new appliance efficiency standards under Title 20; the Commission's Efficiency Committee workshop on August 31, 2011; product categories of interest to the Energy Commission staff; and the Committee's general questions for feedback as presented in the workshop notice.

The Consumer Electronics Association (CEA) is the preeminent trade association promoting growth in the \$190 billion U.S. consumer electronics industry. CEA represents more than 2,000 corporate members involved in the design, development, manufacturing, distribution and integration of audio, video, in-vehicle electronics, wireless and landline communications, information technology, home networking, multimedia and accessory products, as well as related services that are sold through consumer channels.

For many years, CEA has supported and advanced energy efficiency in consumer electronics as part of the industry's broader commitment to environmental sustainability. CEA's comprehensive approach to energy efficiency includes industry initiatives related to public policy, consumer education, research and analysis, and industry standards. One of these initiatives, industry's involvement in the successful ENERGY STAR program, is now almost 20 years old.

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CEA welcomes the Committee's interest in energy use trends and savings opportunities in electronics product and equipment categories. However, the Energy Commission's continuing pursuit of appliance efficiency standards and regulation is simply not the best policy for supporting and advancing energy efficiency in the highly dynamic consumer electronics market.

Consumer electronics are vastly different by design and function than the residential, industrial and commercial appliances for which appliance efficiency standards traditionally have been mandated. The market for consumer electronics is extremely fast-paced, competitive and characterized by rapid innovation, significant time-to-market pressures, rapid rates of market penetration, and rapid transition from one technology to another. In contrast to other equipment and appliances, it is difficult to define most categories of consumer electronics with the specificity needed to uphold the relatively inflexible and slow-moving regulatory approach of mandatory energy efficiency standards. Moreover, such regulation cannot possibly predict where technology is heading, and likewise such regulation with static requirements is likely to have unforeseen detrimental, anomalous impacts on product development and evolution. In short, appliance efficiency standards, which appeared to be the Energy Commission's sole focus at the August 31st workshop, lack the necessary flexibility and agility to account for and keep pace with each of these consumer electronics market factors and considerations.

The most successful, market-oriented, consumer- and innovation-friendly public policy for encouraging and supporting energy efficiency in consumer electronics continues to be the ENERGY STAR program. The program, which is in place nationally as well as in several overseas markets, presently covers or is already addressing the following consumer electronics product categories, each of which was discussed at the August 31st workshop:

- Computers: ENERGY STAR Program Requirements Version 5.2 in effect. Version 6.0 in development.¹
- Game consoles: EPA's Draft 1 Performance Requirements issued for comment.²
- Set-top boxes: ENERGY STAR Version 3.0 Program Requirements in effect for manufacturers and service providers. Version 4.0 scheduled to take effect July 1, 2013.³

¹ See http://www.energystar.gov/index.cfm?fuseaction=products_for_partners.showComputers.

² See http://www.energystar.gov/index.cfm?c=revisions.game_console_spec.

³ See http://www.energystar.gov/index.cfm?fuseaction=products_for_partners.showSetTopBoxes.

- Small networking equipment: ENERGY STAR test procedure and product specification in development.⁴
- Displays (Monitors, digital photo frames and professional displays): ENERGY STAR Program Requirements Version 5.1 in effect. Version 6.0 in development.⁵
- Imaging equipment: ENERGY STAR Program Requirements Version 1.2 in effect. Version 2.0 in development.⁶

Overall, the ENERGY STAR program has had a significant impact on energy savings and emissions reductions across the U.S., and particularly for consumer electronics, which are responsible for more than half of the energy savings achieved by the ENERGY STAR program.

Unfortunately, the current and expected savings resulting from ENERGY STAR specifications do not appear to be accounted for in the materials presented to the Committee by the Pacific Gas and Electric Company (PG&E) and the Natural Resources Defense Council (NRDC) on August 31st. Failure to account for the savings already achieved by ENERGY STAR has been a consistent flaw in the Energy Commission's rulemakings for electronics to date, as most recently witnessed during the Commission's rulemaking on televisions.⁷ There is no basis to conclude that the ENERGY STAR program has failed to encourage sufficient energy efficiency advances in the product categories which it already covers, as indicated above.

Another concern is that the Energy Commission's consideration of a new regulatory scoping order and its focus on developing and promulgating new appliance efficiency regulations are contrary to California's new initiatives focused on regulatory relief and reform. Additionally, if the Energy Commission believes that there is a case for regulation, the most efficient and cost-effective approach is to work cooperatively with other stakeholders and the U.S. Department of Energy at the national level. Such an approach has at least two important benefits: It avoids duplicative regulatory expenditures by the State of California; and it has the potential of achieving greater savings on a national level if regulations are demonstrated to be cost-effective.

⁴ See http://www.energystar.gov/index.cfm?c=new_specs.small_network equip.

⁵ See http://www.energystar.gov/index.cfm?fuseaction=products_for_partners.showMonitors.

⁶ See http://www.energystar.gov/index.cfm?fuseaction=products_for_partners.showCopiers and http://www.energystar.gov/index.cfm?fuseaction=products_for_partners.showPrintersScanners.

⁷ See, for example, CEA comments to the Energy Commission on November 2, 2009, Docket # 09-AAER-1C.

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Regulatory redundancy should certainly be avoided. CEA has been concerned about the Commission's expenditure of resources in pursuing regulations for energy use disclosures for televisions and appliance efficiency standards for battery chargers when rulemakings were already underway at the federal level. With respect to set-top boxes, a category discussed at the August 31st workshop, the U.S. Department of Energy already has initiated a rulemaking, which included a recent public comment period concluding on September 30, 2011. To the extent the Committee is interested in set-top box market trends relevant to power consumption and energy efficiency, we urge the Committee to review all public comments submitted by stakeholders in this federal proceeding.⁸

Good data must drive energy efficiency policy, both in California and at the national level. In a report in July 2011, the Energy Commission staff states the following about data-driven policy and market transformation: "Establishing effective policy for achieving energy savings in California starts with the gathering and synthesizing of good raw data."⁹ CEA agrees. However, industry stakeholders are raising concerns about the validity and vintage of the data presented to the Committee by PG&E and NRDC at the August 31st workshop.

Unfortunately, none of the analysis behind the figures presented by PG&E and NRDC on August 31st has been posted yet to the Energy Commission's docket, and such analysis would be helpful to the Committee's understanding, as well as industry stakeholders' understanding, of the claims made by these two organizations. Before moving forward with any scoping order that could lead to further rulemakings and regulation, we urge the Energy Commission to start with good data and analysis. CEA looks forward to assisting the Committee in this regard. In particular, we look forward to sharing with the Energy Commission the findings from our most recent study of consumer electronics energy use, which is close to completion.

Finally, as the Committee considers the best way to support energy efficiency in additional electronics product and equipment categories, the Committee must avoid problems we have witnessed during other Energy Commission rulemakings for electronics to date. These problems include: the use of stale data, erroneous calculations, and faulty assumptions; overreliance on input from PG&E and other investor-owned utilities with vested interests; and the failure to account for the California energy savings and emissions reduction impacts of existing programs and initiatives, including ENERGY STAR.

⁸ For more information, see

http://www1.eere.energy.gov/buildings/appliance_standards/residential/set_top_boxes.html.

⁹ "Achieving Energy Savings in California Buildings: Saving Energy in Existing Buildings and Achieving a Zero-Net-Energy Future" (California Energy Commission Draft Staff Report, July 2011, CEC-400-2011-007-SD).

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As stated earlier, CEA welcomes the Committee's interest in energy use trends and savings opportunities in electronics product and equipment categories. However, appliance efficiency standards and regulation is simply not the best policy for supporting and advancing energy efficiency in the highly dynamic and innovation-driven consumer electronics market. We look forward to working with the Committee and the Energy Commission in the exploration and pursuit of alternative approaches that can contribute to California's energy conservation and greenhouse gas emissions reduction goals.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Douglas Johnson", with a long horizontal flourish extending to the right.

Douglas Johnson
Vice President, Technology Policy