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October 20, 2014

California Energy Commission
Dockets Office, MS-4
Docket No. 12-AAER-1
1516 Ninth Street
Sacramento, CA 95814-5512

<p>California Energy Commission</p> <p>DOCKETED</p> <p>12-AAER-1</p> <hr/> <p>TN 73847</p> <p>OCT 20 2014</p>

Docket Number: 12-AAER-1
Subject: Appliance Efficiency Enforcement Rulemaking Joint Comments of California Investor-Owned Utilities

Dear Commission:

This letter comprises the comments of the Pacific Gas and Electric Company (PG&E), Southern California Gas Company (SCGC), San Diego Gas and Electric (SDG&E), and Southern California Edison (SCE) in response to the California Energy Commission (CEC) Proposed Regulatory Text (45-Day language) regarding enforcement of Title 20 Appliance Efficiency Regulations.

The signatories of this letter, collectively referred to herein as the California Investor Owned Utilities (CA IOUs), represent some of the largest utility companies in the Western United States, serving over 35 million customers. As energy companies, we understand the potential of appliance efficiency standards to cut costs and reduce consumption while maintaining or increasing consumer utility of the products. We have a responsibility to our customers to advocate for standards and enforcement practices that accurately reflect the climate and conditions of our respective service areas, so as to maximize these positive effects.

We appreciate the opportunity to provide the following comments about the Appliance Efficiency Enforcement Rulemaking 45-day language, which will be discussed during the Public Hearing on October 20, 2014:

- 1. We support the language that explicitly identifies the different parties involved in the manufacturing, distribution, and sale of a product into the market, and continue to recommend verification mechanisms that address all types of product distribution channels.**

Explicitly identifying and holding subject to administrative civil penalties all parties involved with the manufacturing, distribution, or sale of a product will help ensure compliance verification procedures are established within all applicable organizations within product distribution chains. To ensure full compliance in contractor-vendor circumstances, we continue to recommend a verification mechanism that addresses installed equipment that otherwise may not lend itself to a building inspection or other audit currently required. This type of mechanism would help to ensure that unique sales exemptions are not exploited such as in cases where pool pump motors offered for sale for commercial purposes are installed in residential applications. A random audit program can help enforce this mechanism.

2. We support the inclusion of explicit language that further articulates the requirements and enforcement procedures regarding the marking of appliances with the date of manufacture.

The labeling of date of manufacture on a product is a crucial component of accurate assessments of compliance. We commend the Commission for explicitly noting the requirement in Section 1608(a)(2)(B) and its consequences in the 45-day language as it may increase compliance. However, there are many instances in which the location of the label, complexity of the date and label format, and lack of label durability prevent auditors, service technicians, and consumers from accurately interpreting data and assessing compliance. We urge the Commission to further clarify the application of enforcement in cases where the labels are unable to be found or interpreted beyond the point of manufacture.

Furthermore, the CEC should articulate that this labeling requirement should apply to products refurbished and remanufactured, such as residential pool pumps and motors.

3. Internet retailers or wholesalers should be addressed explicitly in the regulatory language in order to avoid potential loopholes or an excess of instances in which non-compliant products are offered for sale online.

Currently, online sales create vast opportunities for the sale of non-compliant products, whether intentional or not. To address this, online retail channels should be explicitly identified and held subject to penalties in order to incentivize the development of compliance verification procedures and labeling, such as a tool or a notice that can indicate to the consumer whether the product can be legally sold in California at some point before the online checkout process.

Online retail websites can include companies that offer only online purchases which are shipped to the buyer's specified location as well as companies that have physical retail locations in combination with an online store. As an example of online labeling practices regarding code compliance, Amazon.com offers the Rinnai V65IP 6.6 GPM Indoor Low NOx Tankless Propane Water Heater¹ that contains a label which indicates that the product "meets California and Texas NOx emission standards." While this type of labeling is a good start, it ultimately relies on the consumer's final decision to select for products that meet these requirements rather than limiting the consumer's purchasing options. Other compliance mechanisms, such as ones that can prohibit product purchases by identifying the shipping destination zip code, offer stronger opportunities for compliance and should be pursued.

In conclusion, we would like to reiterate our support to the Commission for proposing 45-day language regarding the Appliance Efficiency Enforcement Rulemaking. We thank the Commission for the opportunity to be involved in this process and encourage the Commission to carefully consider the recommendations outlined in this letter.

Sincerely,



Patrick Eilert
Principal, Codes and Standards
Pacific Gas and Electric Company



Martha Garcia
Codes & Standards and Engineering Services
Manager
Southern California Gas Company

¹ <http://www.amazon.com/Rinnai-V65IP-Indoor-Tankless-Propane/dp/B0084CPEFW/>



Steve Galanter
Principal Manager, DSM Engineering
Southern California Edison



Chip Fox
Residential Programs and Codes & Standards Manager
San Diego Gas and Electric Company