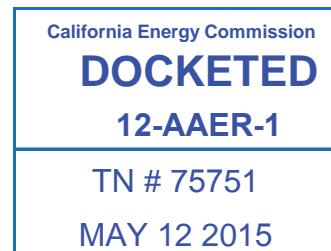




May 12, 2015

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



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 (15-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 Commission's efforts and are thankful for the opportunity to provide the following comments on the Appliance Efficiency Enforcement Rulemaking 15-day language, which will be discussed during the Public Hearing on May 13, 2015:

- 1. We recommend modification to the 15-day language of Title 20 Section 1609 and development of a verification mechanism to ensure compliance for products with multiple end-use standards are sold for and installed in their intended end-use. We also recommend modification to Section 1606 Table X to provide application-specific designations for pool-pump motors and other products with application-specific standards.**

A few products (e.g., faucets and pool pump motors) are covered by different Title 20 standards by end-use (e.g., residential or commercial) or are covered for one end-use but not the other. For example, in the historic water product standards the Commission adopted in April 2015, the lavatory faucet standard is a maximum of 1.2 gallons per minute and the public lavatory faucet standard is a maximum of 0.5 gallons per minute. However, in the current and proposed enforcement regulations, there is no language or mechanism that prevents the lavatory faucets from being sold and installed as public lavatory faucets.

To address this issue, and to ensure compliance with standards that involve cross-sector products such as faucets and pool pump motors, we first recommend the Commission modify Section 1609 (a) (1) as follows:

“Any person, including a retailer, manufacturer, contractor, installer, importer or distributor, that sells or offers for sale an appliance, which is not listed in the Appliance Efficiency Database and/or does not meet the regulations applicable to its end-use, is in violation of Section 1608(a)(1) and may be subject to an administrative civil penalty for each unit of the appliance that was sold or is offered for sale.”

Second, we also continue to recommend a verification mechanism that addresses the equipment’s end-use since the point-of-sale mechanism of verifying compliance cannot adequately ensure compliance with the standards for products with multiple potential end-uses. For example, this could be an agreement form designed for these products that the seller or installer must sign, acknowledging that the product end-use will only be for which it is designated. This type of mechanism would help to ensure pool pump motors designated for commercial purposes and not covered by the current standards are not offered for sale for and installed in residential purposes and covered by the current standards.

To further ensure proper compliance for these products, we also recommend the Commission modify Table X in Section 1606 by standardizing the fields which are collected for end-use-specific products. An example of an existing end-use designation is under (H) Plumbing Fittings, which has both “lavatory faucets” and “public lavatory faucets” as permissible answers under the “Type” field. Another example is for pool products (G) where “Residential Pool Pump and Motor Combinations” and “Replacement Residential Pool Pump Motors” are permissible answers for the “Unit Type” field. In both of these examples, the end-use is inherent in the permissible answer. However, to ensure greater clarity we encourage CEC to consider changing these field titles to make them the same or adding the field “End-use Sector” with appropriate permissible answers such as “Residential,” “Commercial,” etc. This would remove any confusion for compliance and enforcement efforts as to what sector a given product in the database is deemed compliant.

**2. We continue to recommend that 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.**

Online sales channels create vast opportunities for the sale of non-compliant products, whether intentional or not; the nature of internet sales complicates the determination of whether the appliance or equipment is intended “for end use in California.” To address this, online retail channels should be explicitly identified in Section 1609 and be held subject to the same penalties to promote the development of compliance verification procedures and labeling, such as a web tool or a notice that can indicate to the consumer whether the product can be legally sold in California, prior to check out. We believe this explicit clarification will effectively allow the Commission to find non-compliant products on the internet and determine whether they can be shipped into California and more easily determine whether a violation of Title 20 exists. We also recommend that the Commission examine the process and infrastructure for collecting internet sales tax that the California State Board of Equalization developed, including website registration, for opportunities to optimize compliance.

**3. We continue to support the language that explicitly articulates marking requirements, including manufacture date.**

The labeling of the 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 15-day language. However, there are many instances in which the location of the label, complexity of the manufacture 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 cannot be found or interpreted beyond the point of manufacture. Furthermore, the Commission should articulate that this labeling requirement should be applied to products that are refurbished and remanufactured, such as residential pool pumps and motors.

We thank the Commission for the opportunity to be involved in providing comments on the 15-day language for the Appliance Efficiency Enforcement Rulemaking and encourage the Commission to carefully consider the recommendations outlined in this document.

Sincerely,



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