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Pacific Gas and Electric Company®

July 30, 2008

Ms. Jackalyne Pfannenstiel
Chairman and Presiding Member, Efficiency Committee

Mr. Arthur Rosenfeld
Commissioner and Associate Member, Efficiency Committee

California Energy Commission
Buildings and Appliances Office
1516 Ninth Street, MS-25
Sacramento, CA 95814-5512

Subject: PG&E Follow-up Comments on the July 16, 2008 TV workshop; RE: 2008 Rulemaking on Appliance Efficiency Regulations; Docket No. 07-AAER-3-C; Televisions

Dear Ms. Pfannenstiel and Mr. Rosenfeld:

These comments are divided into two parts:

Part 1: General comments supporting PG&E's television proposal

Part 2: Specific comments responding to the Consumer Electronics Association's presentation given on July 16, 2008.

We appreciate your consideration.

Sincerely,

Patrick Eilert
Program Manager, Codes and Standards
Pacific Gas & Electric Company

Endorsed by: Lance DeLaura
Southern California Gas Company
San Diego Gas and Electric Company

Randall Higa
Southern California Edison

PART 1: GENERAL COMMENTS SUPPORTING PG&E'S TELEVISION PROPOSAL

We continue to express our strong support for the adoption of appliance efficiency standards for televisions (in active mode) by the California Energy Commission Efficiency Committee. An efficiency standard for televisions is an important component to California achieving its energy efficiency and greenhouse gas reduction goals.

We specifically encourage the Efficiency Committee to adopt the proposed levels that were submitted to the CEC by PG&E and jointly endorsed by the other California IOUs (Southern California Edison, SDG&E, and Southern California Gas Company).

In implementing this two-tiered standard, California will lead the nation and world in advancing the market transformation towards the most energy efficient televisions. The Energy Commission will continue its decades-long track record of promoting energy efficiency through appliance and building standards—such as has been done previously with refrigerators, air conditioners, external power supplies, and many other appliances.

Televisions represent a prominent and growing source of end-use energy consumption. Current growth rates indicate that televisions are on a trajectory to become a dominant—and in some cases the leading—residential end-use. Addressing this growth through a combination of utility incentive programs and energy performance standards will be necessary for California to position itself to meet two major statewide goals:

1. **Reducing California's greenhouse gas emissions to 1990 levels by 2020** as required by law when Governor Schwarzenegger signed Assembly Bill 32, the Global Warming Solutions Act of 2006 (Núñez, Chapter 488, Statutes of 2006).

2. **All new residential construction in California will be zero net energy by 2020.** One of California's "Big Bold Initiatives" as directed by the CPUC on October 18, 2007, when the CPUC Commissioners adopted groundbreaking decision D.07-10-032, mandating California's investor owned utilities (IOUs) work in collaboration with publicly-owned utilities, state agencies, and other stakeholders to prepare a single, statewide energy efficiency Strategic Plan for the period 2009-2020.

The California Air Resources Board (ARB) recently released the *Climate Change Draft Scoping Plan* in which it lists the **"expansion and strengthening of existing energy efficiency programs and building and appliance standards"** as its first key element for reducing California's greenhouse gas emissions to 1990 levels by 2020. The scoping plan provides further foundation and motivation to support the proposed television standard.

The proposed standard is designed to encourage manufacturers to provide TVs with equal or better display quality while using significantly less energy than a subset of the least efficient models on the market. Adopting a two tier standard enables California to take advantage of the advanced technologies entering the market, and those being promoted

and showcased by several major TV manufactures. A single tiered standard will miss out on future savings that will be readily available by the recommended Tier 2 effective date of January 1, 2013.

In supporting this proposal, we believe that California will be doing what is best for the State, the environment and the consumer.

PART 2: SPECIFIC COMMENTS RESPONDING TO THE CONSUMER ELECTRONICS ASSOCIATION'S PRESENTATION GIVEN ON JULY 16, 2008.

The Consumer Electronics Association (CEA) gave a presentation to the CEC during the July 16, 2008 Efficiency Committee Workshop. The following pages show comments from the CEA presentation, followed by PG&E's response.

CEA Comments on Presentation Slide 5

CE Industry Contributions

- Committed to working with CEC and other stakeholders
- Actively engaged in efforts to "do the right thing" – improve efficiency, reduce consumption
- Supportive of market-oriented approaches that transform the market
- Introduced proposal before CEC for 2008

PG&E response

- PG&E is pleased and encouraged that the CEA is committed to working with the CEC and other stakeholders and is "actively engaged in efforts to 'do the right thing'" in regards to improved efficiency.
- PG&E supports market-oriented approaches that transform the market such as Energy Star and voluntary incentive programs. As presented at the TV workshop, PG&E and the other California utilities are in the planning stages to commit significant resources (many millions of dollars per year) towards a statewide incentive program for efficient TVs.
- The key disconnect between the CEA and other California stakeholders (e.g., PG&E, SCE, SDG&E, CEC, CPUC, CARB, NRDC, etc.) is that the CEA is fundamentally against any type of energy regulation.[1]
- We encourage the CEC to request specific, reliable and accurate data from the CEA to substantiate its claims.

[1] For a history of the CEA opposing energy regulations from 2001 to 2008, see the selected CEA press releases at: http://www.ce.org/AboutCEA/CEAInitiatives/3638_3643.asp (current as of July 24, 2008).

CEA Comments on Presentation Slide 6

Consumer Electronics Industry Approaches & Initiatives

1. Voluntary, market-oriented programs:
   - ENERGY STAR
2. Research Analysis:
   - Completed two major studies: 1)Primary energy use of CE products, and 2)Energy savings, emissions reduction benefits of using CE products for teleworking and e-commerce

PG&E response

- As mentioned previously, PG&E supports voluntary, market-oriented approaches such as Energy Star. Due to the ambitious energy efficiency and GHG reduction targets set forth by the Governor and the legislature, PG&E recognizes the need to address these challenges with ALL of the following approaches: voluntary incentive programs, energy performance standards, and customer education.
- PG&E commends the CEA for sponsoring ongoing research and analysis regarding energy consumption for CE products. PG&E will continue to reference and consider these ongoing studies to inform energy-related policy recommendations. CEA is well-positioned to provide the highest quality market and product performance data to inform CEC decision, so PG&E requests that this research be shared to inform the public process.[2]

CEA Comments on Presentation Slide 7

Consumer Electronics Industry Approaches & Initiatives con't

3. Standards developed by Industry
   - TV power consumption measurement (IEC 62087 Ed. 2)
   - STB power consumption management
4. Consumer education
   - mygreenelectronics.org (energy use calculator for CE products; energy savings tips for consumers)

PG&E response

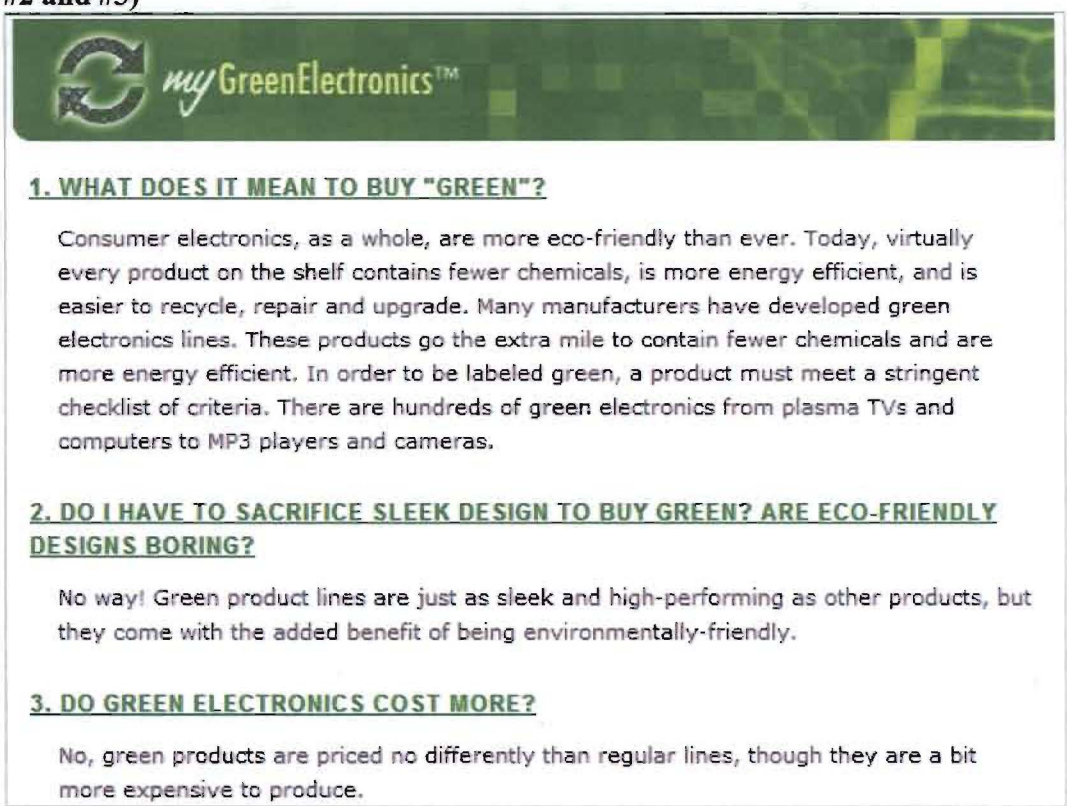
- We applaud CEA's www.myGreenElectronics.org website as a mechanism to increase consumer education. Figure 1 below shows a screen shot from this website. We find items 2 and 3 especially notable. In response to question 2 (*"Do I have to sacrifice sleek design to buy green? Are eco-friendly designs boring?")*, the CEA

[2] We presume the noted study 1 refers to the following report: *Energy Consumption by Consumer Electronics in U.S. Residences*. Prepared by TIAX LLC. Commissioned by the Consumer Electronics Association (CEA), January 2007. The report currently does not include analysis on digital televisions (this was due to the ongoing completion of the IEC test procedure at the time of the report's release date in January 2007). In a footnote, the report's authors indicated that "at the time of this report, we anticipate releasing the updated report in the spring of 2007." Mr. Doug Johnson of the CEA indicated at the January 15, 2008 CEC workshop that the second part of the study would be released soon and it would include digital TVs. Based on these comments regarding digital TVs, PG&E requested test data from the CEA on January 22, 2008. The CEA did not respond to the request.

website says, "*No Way! Green product lines are just as sleek and high-performing as other products, but they come with the added benefit of being environmentally-friendly.*" In response to question 3 ("*Do Green Electronics Cost More?*"), the CEA website says, "*No, green products are priced no differently than regular lines, though they are a bit more expensive to produce.*"

- We recognize that these are high level general statements about all "green products", but these messages contradict the CEA's equally repeated statement about "harming innovation" and "sacrificing consumer choice."

Figure 1. Screen Shot from the CEA's myGreenElectronics.org website (note items #2 and #3)



CEA Comments on Presentation Slide 9

Energy Star for TVs

- Collaborative, two-year effort
- Now addresses active mode in addition to standby
- TVs tested at factory default settings, encouraging shipment of TVs in lower energy-consuming modes

PG&E response

- We agree that two very important outcomes of the Energy Star process are 1) address active mode in addition to standby and 2) encourage shipment of TVs in lower energy-consuming modes. The proposed Title 20 standard will do this for all TVs.

CEA Comments on Presentation Slide 14

Energy Star

- The Energy Star program for consumer electronics has proven to be the best and most effective approach for saving energy and reducing greenhouse gas emissions
- The Energy Star program effectively drives energy use down to the lowest levels possible without harming innovation, sacrificing consumer choice, or impeding product convergence

PG&E response

- We agree that Energy Star is an effective approach for saving energy and reducing greenhouse gas emissions; however, consumer markets include adopter groups which resist energy efficient products. Both voluntary incentives and involuntary interventions, such as T-20 regulations, are required to ensure minimum energy efficiency standards.
- We encourage the CEA to fully consider California's aggressive energy reduction goals (as specified in the *California Long Term Energy Efficiency Strategic Plan*) and greenhouse gas reduction goals (as required by law when Governor Schwarzenegger sign Assembly Bill 32, the *Global Warming Solutions Act of 2006*). With these constraints in context, we ask CEA and its members to better appreciate the motivation for the proposed Title 20 standards.

CEA Comments on Presentation Slide 15

PG&E Revised Proposal

- Does not actually provide "comprehensive technical, economic, market and infrastructure information"
- Deficient data set!
- Data is neither a fair nor accurate description of what is on the market now, let alone what will be on the market in the near or medium term.

PG&E response

- The full statement referred to in the first point is from the April 2, 2008 CASE report and the companion July 3, 2008 revised proposal document, and reads:

> "The Pacific Gas and Electric Company (PG&E) Codes and Standards Enhancement (CASE) Initiative Project seeks to address energy efficiency opportunities through development of new and updated Title 20 standards. Individual reports document information and data helpful to the California Energy Commission (CEC) and other stakeholders in the development of these new and updated standards. The objective of this project is to develop CASE Reports that provide comprehensive technical, economic, market, and infrastructure information on each of the potential appliance standards. This CASE report covers standards and options for televisions."

- The PG&E CASE report is heavily footnoted and has an extensive Appendix. We take significant efforts to be fully transparent in our assumptions and calculations and

have engaged multiple stakeholders (including the non-responsive CEA) in our attempts to collect a robust and accurate data set.

- We believe the PG&E team's efforts to build a representative data set and provide otherwise fair data is apparent to participants in this process who have listened to or reviewed our presentations. The known weaknesses have been clearly noted and acknowledged. CEA is positioned to provide the best data sets. That they have failed to produce "fair" or "representative" data since their blind samples were provided to Energy Star—despite "availability at the push of the button" as stated by CEA's Bill Belt in the July 16th workshop—suggests either that CEA has no intention of contributing constructively to the Title 20 development or that the unmasked data is supportive of the PG&E proposal. If CEA has any legitimate, material concerns with the data, they should provide specific corrections or other properly documented data sets. PG&E believes that CEA has had ample time to respond constructively.
- The CEA has indicated that it is "committed to working with [the] CEC and other stakeholders" (see CEA slide 5). We encourage the CEA to point out specific opportunities for improvement in the PG&E CASE report and/or approach. Given the information at CEA's disposal, the imbalance between the amount and the depth of the data and analysis provided by the IOUs versus the specific information provided by CEA is notable.

CEA Comments on Presentation Slide 16

PG&E Revised Proposal

- As PG&E admits:
  - All of its data sets are different (many relevant variables, including display technology, test procedures, test conditions, display resolution, date of manufacture, etc.)
  - TV models may be represented more than once – "impossible to distinguish how many unique models"

PG&E response

- In regard to the first bullet point, the full statement from the July 3, 2008 revised proposal document, reads:

> "All the datasets are different; therefore, careful consideration during analysis is used to accommodate for different variables, including but not limited to: technologies represented (e.g., LCD, Plasma, rear projection, CRT), screen sizes, test procedure used, TV screen settings during test, TV manufacture date, and resolution type. All attempts are made to represent what is available on the market now and in the near future."

- PG&E's consultant team has explained in our existing two proposals to the Energy Commission that our datasets come from a number of different sources generally spanning the period of 2007 through 2008. Appendix Section A1 ("TV Dataset") of the July 3, 2008 Revised Proposal Document provides details on the dataset sources.
- PG&E and its consultants have made every attempt to use only the most current and most accurate energy efficiency data possible in analyzing and proposing potential Title 20 standards, and have only used data for TVs manufactured 2007 or later. We have recently invested in further research by measuring the latest TV models

available in CNET's[3] New York-based test laboratory. Recent testing at CNET laboratories has confirmed that even the most current, feature-rich TV models from a variety of manufacturers can and will meet the proposed Title 20 standards. This is consistent with the trend of an increasing amount of TVs entering the market that meet or exceed Tier 1 and Tier 2 levels.

- In the interest of full disclosure, PG&E has provided the CEC with the source TV dataset and is willing to provide the current dataset to the CEA for review to ensure that there are no duplicate TV models in the dataset. As was pointed out at the July 16, 2008 workshop, the CEA is the only entity that can identify the masked TVs in the ENERGY STAR dataset.

CEA Comments on Presentation Slide 17

PG&E Revised Proposal

- PG&E admits: no accounting for natural market improvements (improvements in existing technology as well as introduction of new technology)
- In addition, no accounting for impact of new Energy Star version 3.0 specifications for TVs

PG&E response

- The CASE report and companion revised proposal is heavily footnoted and has an extensive Appendix. We take significant efforts to be fully transparent in our assumptions and calculations. In regards to the first bullet point, the full statement from the PG&E revised proposal reads:

> "It should be noted that these savings estimates do not account for natural market improvements over time in the "non-standards" baseline, but neither do they account for the expected corresponding shipment weighted average efficiency improvements of the TVs that do qualify under the proposed standards."

- PG&E noted in its recent proposals and presentations to the Energy Commission that it cannot fully account for the unknown in its forecasted sales, energy savings, and compliance scenarios for a California TV standard. However, trends clearly indicate that TV usage is increasing, average screen size is increasing, and the number of TVs per home or business is increasing. PG&E will continue to update savings estimates throughout and after the CEC rulemaking process and we welcome additional suggestions from the CEA to improve upon future savings forecasts.
- Energy Star's v3.0 TV specification, to go into effect in November 1, 2008, will help to accelerate the production of more efficient TVs. This voluntary measure will have over two years to prime the pump and build demand for efficient TVs before the proposed standards will go into effect.

[3] CNET is a leading technology publication that reviews consumer electronics products, including high definition TVs.

CEA Comments on Presentation Slide 18

- Mandates arbitrary power limit for TVs in active mode
- Bans non-compliant products at the expense of innovation, convergence and consumer choice and consumer preference

PG&E response

- PG&E's July 16, 2008 presentation to the CEC and other stakeholders at the TV workshop provided the background and motivation for selecting the Tier 1 and Tier 2 levels. In view of the justifications put forward by the standards advocates for the proposed levels, it would appear that CEA will view any value selected by CEC or advocates to be arbitrary by definition.
- The second bullet point has been repeatedly used by the CEA in its anti-regulation messaging. The president and CEO of the Consumer Electronics Association (Gary Shapiro) chronicles this approach in a paper titled, "**An Effective Advocate: Here's How the Consumer Electronics Association Tackles--and Often Wins--Public Policy Challenges**" published in June 2003 in the online publication, *Association Management*[4]. Some quotes from the paper include:[5]

> "**Apply campaign strategies. We typically approach a public policy battle much like a political campaign.** To us, that means the following: ... **Develop consistent, key messages.** To ensure that the entire association speaks with one voice on an issue, CEA gives its communications department the authority to create and manage all messages, working in collaboration with the government and legal affairs division. The communications department controls the number of people authorized to speak on an issue, ensures that those spokespeople are appropriately trained to deal with the media, and keeps all messages in a centralized location--such as CEA's intranet--so that all employees can use the same wording when speaking or writing about an issue."
>
> ...
>
> "As an example, in 2002 the U.S. Congress seriously considered a "One-Watt" mandate; this would have required that all consumer electronics products consume only one watt of energy. Our research revealed that this restriction would either limit the functionality of a large variety of electronics products--including hospital equipment and security devices--or significantly drive up their prices as manufacturers made changes to comply with the mandate. Further, we found that consumer electronics use only 1-3 percent of all energy consumed in the United States.
>
> The research results enabled us to develop several key messages: **The one-watt mandate would inhibit innovation, limit consumer choice, create more government bureaucracy, and have little effect on energy conservation.** We then began a two-pronged lobbying and outreach campaign to publicize the facts to the media and members of Congress. We tapped our grassroots network to help us place articles and advertisements in key newspapers; members also wrote letters to their local newspapers and to their congressional representatives."

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[4] See http://goliath.ecnext.com/coms2/summary_0199-2840476_ITM (active as July 25, 2008).

[5] Key phrases are bolded for emphasis.

- We encourage the CEA to engage in a fact-based discussion with the CEC and other stakeholders rather than treating this public policy challenge as a political campaign - the valued CEA customers in California deserve better.
- The CEA has used these campaign-like attacks for previously proposed Title 20 standards. Figure 2 shows a May 2, 2005 press released aimed at Governor Schwarzenegger and the CEC.

Figure 2. May 2, 2005 CEA Press Release

Press Release Detail
FOR RELEASE

Contacts: Jeff Joseph, tel: 703 907-7664, e-mail: jjoseph@CE.org
Rebecca Gertsmark, tel: 703-907-4322, e-mail: rgertsmark@CE.org

CEA URGES GOVERNOR SCHWARZENEGGER TO RESCIND NEW ENERGY REGULATION OF CONSUMER ELECTRONICS
Successful Efforts to Address Energy Concerns Require Industry Input, Reevaluation of Facts; Current CEC Regulation Threatens Technology, Innovation and Consumer Choice

Arlington, Virginia 5/2/2005

Source: http://www.ce.org/Press/CurrentNews/press_release_detail.asp?id=10738

- Some quotes from this press release include[6]:

> "CEA recognizes and applauds California's efforts to address energy concerns, but urges Governor Schwarzenegger to reconsider the newly published CEC regulations. These regulations clearly miss the mark. **The government energy efficiency mandates artificially limit the power usage of consumer audio and video equipment, paint a dismal picture for the future of technology advancement in California, and are anti-digital and anti-consumer."**
>
> **"CEC's regulations threaten to keep digital-to-analog converters off store shelves,** forcing consumers to either obtain a much more expensive device, or forgo digital television altogether."
>
> "The regulations, expedited through the CEC late last year, also do little to address true energy efficiency issues. Consumer electronics in the home account for less than 3 percent of total energy consumption[7] and newly designed digital television equipment, in particular, often uses less energy than its analog predecessors. **In short, the CEC regulations are a proposed solution that matches neither the size nor scope of the energy consumption issue.**

[6] Key phrases are bolded for emphasis.

[7] This is clearly at odds with the results presented in CEA's sponsored study: Roth R. & K. McKenney. 2007. *Energy Consumption by Consumer Electronics in U.S. Residences*. Prepared by TIAX LLC. Commissioned by the Consumer Electronics Association (CEA). January. http://www.ce.org/pdf/Energy%20Consumption%20by%20CE%20in%20U.S.%20Residences%20(January%202007).pdf

- As the Energy Commission is aware, the CEA press release above was a response to proposed standby levels for Compact Audio Devices, DVD Players, and Televisions. It was also a response to proposed active and standby levels for digital TV adaptors (DTAs). Standard levels were ultimately adopted for all four products but later removed for DTAs.
- As of July 25, 2008, the CEC's Appliance Database for qualified products includes:[8]

    - **420 qualified Compact Audio Devices**
    - **330 qualified DVD Players and Recorders**
    - **1,886 qualified Televisions**

- As of July 1, 2008, Energy Star lists **42 DTAs** that consume less than 8W in active mode and 1W in standby (the proposed CEC levels)[9]. The results predicted by the CEA in mid-2005 were unfounded.
- PG&E recommends that the Committee require CEA to present evidence to ground their assertions in documented facts. If there are significant concerns that need to be addressed, we encourage the CEA to offer solutions.

CEA Comments on Presentation Slide 19

PG&E Revised Proposal

- ENERGY STAR specification line removed from graphs in PG&E revised proposal
- Undermines the successful and popular ENERGY STAR program
- TV specification resulted from a broad, collaborative stakeholder effort

PG&E response

- The Energy Star line is not included in the revised proposal because it is not part of the proposed Title 20 levels. To provide full context, it is included in the full April 2, 2008 CASE report and multiple times in PG&E's July 16, 2008 presentation to the CEC and stakeholders.
- PG&E disagrees with the assertion that the proposed Title 20 standard undermines the Energy Star program. The proposed Title 20 recommendations would take effect in January 1, 2011 for Tier 1 and January 1, 2013 for Tier 2. Energy Star becomes effective November 1, 2008. Thus, the proposed Tier 1 Title 20 level would become effective **26 months** after Energy Star effective date. Tier 2 would become effective **62 months** after the Energy Star effective date. In addition, both proposed Title 20 dates fall beyond the proposed effective date for Energy Star Tier 2 (September 2010).

CEA Comments on Presentation Slide 21

PG&E Revised Proposal

- Would exclude 50-65% of televisions available to consumers today
- Impact all sizes of TVs

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[8] http://www.energy.ca.gov/appliances/database/excel_based_files/Electronics/

[9] http://www.energystar.gov/ia/products/prod_lists/DTAs_prod_list.xls

- Large impact on two classes of TVs: inexpensive flat panel TVs over 40" and feature rich sets over 40"; each impact poses particular problems for the consumer market

PG&E response

- The first proposed Tier does not take effect until over 29 months from today. At the July 16th workshop, the CEA said the data set that they provided Energy Star (which included 2006 and 2007 models) was old and outdated, confirming that TV generations come and go quickly. Since many or most models available in 2011 are not available in the market today, the 50-65% statistic is immaterial. There will be a whole new generation of products designed with foreknowledge of the coming standard. For that reason, it is clear that a majority of TV models built just prior to 2011 will qualify.
- The standard is in fact designed to promote minimum efficiency levels for all TV sizes.
- CEA is correct that the proposed standards will promote greater nominal savings in larger TV sizes. Again, it is important to note that many of today's models in this size category will no longer be sold or will certainly be at the end of their production cycle by the time the standard takes effect in 2011.

CEA Comments on Presentation Slide 22

PG&E Revised Proposal

- No thorough analysis or consideration of major issues such as :
  - Negative impact on consumers
  - Adverse effects on retailers, independent dealers, distributors and custom installers
  - Adverse impact on commerce
  - Adverse impact on innovation

PG&E response

- CEA has not provided specific examples or documentation for any of the allegations implicit in these claimed analytical deficiencies. PG&E has demonstrated that to meet Tier 1, most products can comply with no modifications or with simple software adjustments.
- Since TV features for high efficiency TVs are reported by several manufactures to be the same as existing TVs, it is clear CEA must be referring to cost impacts on customers. However, it is clear that TVs meeting Tier 2 standards will be cost effective in view of substantial energy savings and modest incremental costs. Given these two considerations, we are aware of NO substantive negative impacts on customers.
- CEA has not provided any substantiation for negative impacts on retailers, dealers, distributors, installers, or commerce and innovation generally. Currently, we do not anticipate any such negative impacts, but if CEA produces substantive documentation for such concerns, PG&E is prepared to evaluate them.

CEA Comments on Presentation Slide 23

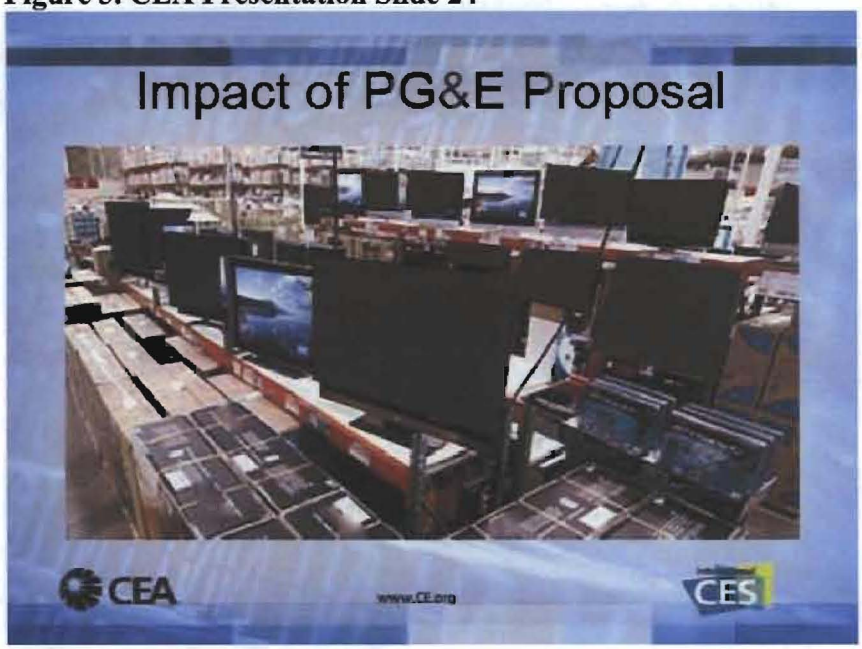
PG&E Revised Proposal

- Tax revenue loss impacts could be in the hundreds of millions of dollars annually over the next 10 years
- 1.2 M TVs sold in CA annually (>40")
  $1,500 average price (>40")
  7.5% sales tax
  $135M (let alone accessory sales)

PG&E response

- PG&E takes serious issue with the broad-sweeping tax revenue loss impact calculations that CEA presented at the July 16, 2008 hearing. Its calculations assume that about 1.2 million TVs greater than 40" in screen size are sold every year in California and that, under PG&E's Title 20 proposal, *none* of these TVs would be sold.
- We find it extremely misleading to present such an argument when CEA itself suggests that 35 to 50% of today's TVs would qualify 26 months in advance of the standard.
- Given the long history of standards implementation and rapid evolution in the electronics industry, PG&E sees no evidence that the sales volume of TVs over 40" in size will decrease so dramatically as a result of its proposed standards. Outside influences such as the state of the economy and consumer preference will play a far greater role in determining sales volume.
- Prior efforts in California have shown time and again that energy efficiency standards do not in fact deter consumers from purchasing products. Rather, they simply modify purchasing options to a universe of energy efficient choices, allowing consumers to purchase a product with the amenities they prefer and a lower overall total cost of ownership.
- In recent years, CEA made similar arguments to the Energy Commission regarding the regulation of external power supplies. One retail representative insinuated that the company might simply have to close its doors in California because suitable compliant products would not be available to their customers, despite insistence from PG&E and its consultant team that efficient power supply solutions were already in the market channel. Over two years later, external power supplies and the sale of EPS-powered products continue to proliferate in California, and that particular retailer has not diminished its presence.

Figure 3. CEA Presentation Slide 24



PG&E response

- While entertaining as a theatrical device, this slide is otherwise irrelevant and misleading. It is inconsistent with the qualification rates of TVs today, let alone those in 29 months hence.

CEA Comments on Presentation Slide 31

The Problems with Regulation of Technology

- Government regulation and mandatory limits never keep pace with technology
- Products definitions change
- Products converge, new product categories emerge
- Technical complexities particular to consumer electronics
- Operating modes and function change

PG&E response

- The proposed Tier 1 Title 20 level would become effective **29 months from today** and Tier 2 would become effective **65 months from today**, thus giving the fast-paced industry adequate time to prepare.
- The convergence of other products with TVs, such as digital video recorders, should not greatly impact our analysis because the additional functionality that these products would provide is not governed by the IEC 62087 test procedure nor would their use fall under the established definition of "active mode" in TVs. The power limits set for TV active mode do not prevent manufacturers from including these features in new models, providing that they carefully ensure that converged product features do not run continuously.