

HOUSE BILL REPORT

ESHB 1062

As Amended by the Senate
February 11, 2005

Title: An act relating to energy efficiency.

Brief Description: Regulating the energy efficiency of certain products.

Sponsors: By House Committee on Technology, Energy & Communications (originally sponsored by Representatives Morris, Hudgins and Chase; by request of Governor Locke).

Brief History:

Committee Activity:

Technology, Energy & Communications: 1/25/05, 2/3/05 [DPS].

Floor Activity:

Passed House: 2/11/05, 80-18.

Senate Amended.

Passed Senate: 4/6/05, 34-15.

<p>Brief Summary of Engrossed Substitute Bill</p> <ul style="list-style-type: none">• Establishes minimum standards and testing procedures for 13 appliances.
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HOUSE COMMITTEE ON TECHNOLOGY, ENERGY & COMMUNICATIONS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 10 members: Representatives Morris, Chair; Kilmer, Vice Chair; Crouse, Ranking Minority Member; Haler, Assistant Ranking Minority Member; Ericks, Hudgins, P. Sullivan, Sump, Takko and Wallace.

Minority Report: Do not pass. Signed by 1 member: Representative Nixon.

Staff: Sarah Dylag (786-7109).

Background:

Two federal laws, and their accompanying regulations, govern energy efficiency standards for certain electrical products. The National Appliance Energy Conservation Act of 1987 specifies efficiency standards, testing procedures, and labeling requirements for certain residential appliances such as dishwashers, room air conditioners, and fluorescent-lamp ballasts. The Energy Policy Act of 1992 specifies similar requirements for certain types of industrial equipment such as electric motors, commercial water heaters, and commercial furnaces.

Washington has not adopted state efficiency standards for products not covered by federal law.

Summary of Engrossed Substitute Bill:

Minimum efficiency standards and testing procedures are established for 13 products not covered by federal law. The efficiency standards apply to retail sales inside the state, except for products installed in mobile manufactured homes at the time of construction and products designed expressly for installation and use in recreational vehicles.

With certain exceptions, all manufacturers of covered products must test and certify their products using specified tests. Manufacturers of covered products must identify their products as in compliance with the state efficiency standards.

The Department of Community, Trade and Economic Development (CTED) is authorized to test covered products. If a product fails its test, the CTED must inform the public of the test results and charge the manufacturer for the cost of purchasing and testing the product.

The CTED may inspect distributors and retailers to determine compliance with the energy efficiency standards. The CTED must investigate alleged violations of the standards. A manufacturer or distributor that repeatedly violates the standards is subject to a civil penalty of not more than \$250.

In January 2010 and every four years thereafter, the CTED must report to the Legislature with an updated list of minimum efficiency standards.

New products, except commercial ice-makers and metal halide lamp fixtures, may not be sold on or after January 1, 2007, if they do not meet or exceed the specified standards. The effective date for new ice-makers and halide lamps is January 1, 2008.

New products, except commercial ice-makers and metal halide lamp fixtures, may not be installed for compensation on or after January 1, 2008, if they do not meet or exceed the specified standards. The effective date for new ice-makers and halide lamps is January 1, 2009.

EFFECT OF SENATE AMENDMENT(S):

The efficiency standards do not apply to digital television adapters. The water consumption factor is removed from the efficiency standard for commercial clothes washers.

The Department of Community, Trade, and Economic Development (Department) may recommend updates to the efficiency standards and test methods and may recommend establishing state standards for additional nonfederally covered products. The Department is not required to make these recommendations. In making recommendations, the Department must use the following criteria:

Multiple manufacturers produce products that meet the proposed standard at the time of recommendation;Products meeting the proposed standard are available at the time of recommendation;Products are cost-effective to consumers on a life-cycle cost basis using average Washington resource rates;The utility of the energy efficient product meets or exceeds the utility of the comparable product available for purchase;The standard exists in at least two other states in the United States; andFor commercial clothes washers, the Department must consider the fiscal effects on the low-income, elderly, and student populations.

The Department is not granted authority to adopt additional test methods for determining the energy efficiency of the products. However, the Department must obtain in paper form the test methods that are specified in the bill. The Department must make these paper copies available for public use.

Repeat violations are subject to a civil penalty of not more than \$250 per day instead of \$250 per offense.

Two references to California law are removed.

The intent section states that the finding regarding projected savings from the efficiency standards is according to estimates from the Department. A statement regarding global warming emissions is removed.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: The cheapest way to produce more energy is to use it more efficiently. The benefits of these standards include energy efficiency and conservation. There are a number of environmental benefits to these standards. There are also economic benefits to the state from these standards.

These standards also provide opportunity for businesses and consumers. Using more energy efficient products will produce economic savings. For businesses, these standards provide rate stability, quick payback, and do not change the rules of competition. These standards would also benefit consumers because the standards will help businesses become more profitable and more profitable businesses benefit consumers.

Product efficiency standards are also a key component of the power planning for the region. Energy efficiency standards contribute to the state's energy independence and job creation. Reducing demand for natural gas, as these standards are designed to do, will increase security and viability of energy supply.

Testimony Against: Additional input should be added from businesses regarding the technical standards. There should be additional criteria added to the CTED rulemaking authority. Civil penalties should not apply to retailers. Instead, the manufacturer and/or

distributor should receive civil penalties for violations, except for situations where the retailer is also the manufacturer or distributor.

There is a concern about the date for implementation and whether small stores could meet that date.

Persons Testifying: (In support) Representative Morris, prime sponsor; Jake Fey, Washington State University Energy Program; David Hewitt, Northwest Energy Efficiency Council; Robert Pregulmen, WashPIRG; Bill LaBorde, Northwest Energy Coalition; and Rich Feldman, Apollo Washington.

(Neutral) Tony Usibelli and Liz Klump, Department of Community, Trade and Economic Development.

(Concerns) Jan Gee, Washington Food Industry and Washington Retail Association.

Persons Signed In To Testify But Not Testifying: Kim Clauson-Hoff, Washington Restaurant Association; and Kristen Sawin, Association of Washington Business.