## SENATE BILL REPORT ESHB 1062

As Reported By Senate Committee On: Water, Energy & Environment, March 31, 2005

**Title:** An act relating to energy efficiency.

**Brief Description:** Regulating the energy efficiency of certain products.

Sponsors: House Committee on Technology, Energy & Communications (originally sponsored

by Representatives Morris, Hudgins and Chase; by request of Governor Locke).

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

Committee Activity: Water, Energy & Environment: 3/30/05, 3/31/05 [DPA, DNP, w/

oRec].

## SENATE COMMITTEE ON WATER, ENERGY & ENVIRONMENT

Majority Report: Do pass as amended.

Signed by Senators Poulsen, Chair; Rockefeller, Vice Chair; Morton, Ranking Minority

Member; Fraser, Pridemore and Regala.

**Minority Report:** Do not pass.

Signed by Senators Hewitt and Mulliken.

**Minority Report:** That it be referred without recommendation.

Signed by Senator Honeyford.

**Staff:** William Bridges (786-7424)

**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.

Energy efficiency standards for products not covered by federal law have been adopted in several states, including New York and California. In an effort to promote uniform state energy efficiency standards, the American Council for an Energy-Efficient Economy and the Appliance Standard Awareness Project are promoting two versions of a model act. Variations of this act have been adopted in Connecticut and Maryland. According to the Department of Community Trade and Economic Development (CTED), at least six other states are considering adopting the model act.

**Summary of Amended Bill:** Energy efficiency standards. Minimum standards and testing procedures are established for 12 electrical products that are not covered by federal law:

Senate Bill Report - 1 - ESHB 1062

- automatic commercial ice cube machines, such as those found in motels and restaurants;
- commercial clothes washers, such as those found in apartments and coin laundries;
- *commercial pre-rinse spray valves*, such as those used in restaurants to remove food residue from plates prior to their cleaning;
- commercial refrigerators and freezers, such as those used in large institutional kitchens;
- illuminated exit signs, such as those used in public buildings to mark exit doors;
- *low-voltage dry-type distribution transformers*, which are devices that reduce electrical voltage and are often found in electrical closets of office buildings;
- *metal halide lamp fixtures*, such as those found on the high ceilings of industrial buildings and gymnasiums;
- single-voltage external AC to DC power supplies, such as the small boxes attached to power cords that allow battery-operated appliances to use power from electrical outlets;
- *incandescent reflector lamps*, such as the light bulbs that are typically used in "recessed can" lights;
- *torchieres*, which are portable lamps used to provide indirect lighting;
- traffic signal modules, which are used in street and highway traffic signals; and
- commercial space heaters that use natural gas or propane.

<u>Tests and inspections</u>. With certain exceptions, all manufacturers of covered products must test and certify their products using specified tests, many of which have been developed by national testing bodies such as the Air-Conditioning and Refrigeration Institute and the American Society for Testing and Materials. Manufacturers of covered products must identify their products as in compliance with the state efficiency standards.

CTED is authorized to test covered products. If a product fails its test, CTED must inform the public of the test results and charge the manufacturer for the cost of purchasing and testing the product.

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 per day. Each violation constitutes a separate offense, and each day that the violation continues is a separate offense.

<u>Statutory updates</u>. CTED may recommend updates to the energy efficiency standards and test methods for the covered products. The department may also recommend establishing state standards for additional nonfederally covered products. Any recommendations must be transmitted to the appropriate committees of the legislature sixty days before the start of any regular legislative session.

<u>Effective dates for selling covered products</u>. 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.

<u>Effective dates for installing covered products</u>. 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.

<u>Legislative findings</u>. Among other things, the Legislature finds that product efficiency standards lower utility bills, save energy, reduce pollution, improve the economy, and increase the reliability of the electricity grid.

Scope of law. The efficiency standards only apply to retail sales inside the state. The standards do not apply to: (1) products installed in mobile manufactured homes at the time of construction; and (2) products designed expressly for installation and use in recreational vehicles

Amended Bill Compared to Original Bill: Digital television adapters are removed. The water efficiency standard for commercial clothes washers is removed. A finding concerning projected water savings is modified. References to global warming emissions and California laws are removed. A citation to an EPA testing requirement is clarified. Discretion is granted to CTED for determining if updates should be recommended to the legislature. Criteria for considering updates are added. A requirement that CTED must make available paper versions of the specified testing methods is added. The penalty for repeat violations is changed to a maximum of \$250 a day from \$250 for each separate offense. Technical changes are made.

**Appropriation:** None.

Fiscal Note: Available on original bill.

Committee/Commission/Task Force Created: No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** The specified products are available, they are cost-effective, and they have short pay-back periods.

Testimony Against: None.

Other: Digital televison adapters should be removed because some adapters may include other features, such as video recorders, that may increase their energy consumption over the specified efficiency limit. Laundry-route operators, who maintain clothes machines for multi-unit buildings, will have to pay the increased cost of purchasing efficient machines, while the building owners will enjoy the energy savings. This "split-incentive" problem should be resolved by contract negotiations and not by removing commercial clothes washers from the bill. A drought is a bad time to be removing commercial clothes washers from the bill. CTED and route operators are proposing to keep the energy standards for commercial clothes washers in the bill, while removing the water efficiency standards for the machines. This change would bring the commercial clothes washer standards in line with current federal standards.

**Who Testified:** PRO: David Hewitt, NW Energy Efficiency Council.

Other: Charlie Brown, Advocates, Inc.; Frank Warnke, Advocates, Inc; Craig Engelking, Sierra Club; Tony Usibelli, CTED; Melanie Stewart, Wash. Assn of Route Operators; Robert Pregulman, WASHPIRG; Bill LaBorde, NW Energy Coalition.

Senate Bill Report - 3 - ESHB 1062