

SENATE BILL REPORT

SB 5098

As Reported By Senate Committee On:
Water, Energy & Environment, February 8, 2005

Title: An act relating to energy efficiency.

Brief Description: Regulating the energy efficiency of certain products.

Sponsors: Senators Poulsen, Morton, Franklin, Kline and Kohl-Welles; by request of Governor Locke.

Brief History:

Committee Activity: Water, Energy & Environment: 1/18/05, 2/8/05 [DPS].

SENATE COMMITTEE ON WATER, ENERGY & ENVIRONMENT

Majority Report: That Substitute Senate Bill No. 5098 be substituted therefor, and the substitute bill do pass.

Signed by Senators Poulsen, Chair; Rockefeller, Vice Chair; Morton, Ranking Minority Member; Fraser, Mulliken, Pridemore and Regala.

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 Substitute Bill: Energy efficiency standards. Minimum standards and testing procedures are established for 13 electrical products that are not covered by federal law:

- *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.
- *Digital television adapters*, which allow owners of old televisions to view new digital television signals.
- *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.
- *Commercial space heaters* that use natural gas or propane.

Tests and inspections. 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, distributor, or retailer that repeatedly violates the standards is subject to a civil penalty of not more than \$250 per day.

Statutory updates. 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 shall be transmitted to the appropriate committees of the legislature sixty days before the start of any regular legislative session.

Effective dates for selling covered products. 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.

Effective dates for installing covered products. 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.

Legislative findings. 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.

Substitute Bill Compared to Original Bill: A new finding is added noting the estimated savings of energy and water resulting from the efficiency standards. References to global warming emissions and California laws are removed. CTED's authority to change the standards or add new products is removed and replaced with the authority to make recommendations to the legislature. CTED's authority to conduct searches of distributors and retailers is removed. A requirement that CTED must make available to the public the paper version of the specified testing methods is added. The penalties for repeat violations is changed to a maximum of \$250 a day from \$250 for each separate offense. Technical changes are made to the standards for single-voltage external AC to DC power supplies.

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 three west coast Governors agreed on this measure as part of the West Coast Governor's Climate Change Initiative. The bill's aim is to assure consistent standards with California, which will prevent Washington from becoming a target of inefficient products that may flow out of California. Any incremental cost to consumers will be outweighed by compelling economic and resource savings. Product efficiency standards have been recommended by the Northwest Power & Conservation Council. The bill only requires proven technologies that exist in the market place and will allow consumers to choose from multiple product lines. The state has an important role in reducing waste and lowering green house gas emissions. Energy efficiency creates stable rates, which helps businesses. The standards were developed with payback periods of two years or less. The Puget Sound Clean Air Agency's Climate Protection Advisory Committee has approved the concepts in the bill.

Testimony Against: None.

Concerns: Some firms have concerns about the technical standards, and they would like more time to study them. A technical work group to review the standards should be convened. The broad rulemaking and investigation authority granted to CTED creates concerns. Convenience and service should be added as factors for CTED to consider when it updates the standards. The refrigerator and freezer standards may have a disproportionate effect on small stores. The lighting standards may require historic buildings to change their fixtures.

Who Testified: Clif Finch, WA Food Industry. PRO: Sen. Poulsen, prime sponsor; Stan Price, NW Energy Efficiency Council; Rose Feliciano, City of Seattle; David Hewitt, NW Energy Efficiency Council; Robert Pregulman, WashPIRG; Bill LaBorde, NW Energy Coalition; Jake Fey, WSU Energy Program. CONCERNS: Kim Clauson Hoff, WA Restaurant Assn; Kristen Sawin, AWB; Jan Gee, WA Retail Assn. NEUTRAL: Tony Usibelli, CTED; Liz Klumpp, CTED.