

# HOUSE BILL REPORT

## 2SHB 1444

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### As Passed Legislature

**Title:** An act relating to appliance efficiency standards.

**Brief Description:** Concerning appliance efficiency standards.

**Sponsors:** House Committee on Appropriations (originally sponsored by Representatives Morris, Fitzgibbon, Tarleton and Ormsby; by request of Department of Commerce).

#### **Brief History:**

##### **Committee Activity:**

Environment & Energy: 1/29/19, 2/7/19 [DPS];

Appropriations: 2/25/19, 2/26/19 [DP2S(w/o sub ENVI)].

##### **Floor Activity:**

Passed House: 3/5/19, 57-41.

Senate Amended.

Passed Senate: 4/15/19, 26-22.

House Concurred.

Passed House: 4/18/19, 55-39.

Passed Legislature.

#### **Brief Summary of Second Substitute Bill**

- Repeals federally-preempted appliance efficiency and testing standards.
- Amends the state appliance efficiency and testing standards for certain state-covered appliances.
- Establishes new minimum efficiency and testing standards for certain appliances.
- Establishes design requirements for electric storage water heaters.
- Authorizes the Department of Commerce to adopt rules that incorporate by reference federal efficiency standards for federally covered products only as the standards existed on January 1, 2018.

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### HOUSE COMMITTEE ON ENVIRONMENT & ENERGY

*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 6 members: Representatives Fitzgibbon, Chair; Lekanoff, Vice Chair; Doglio, Fey, Peterson and Shewmake.

**Minority Report:** Do not pass. Signed by 4 members: Representatives Shea, Ranking Minority Member; Dye, Assistant Ranking Minority Member; Boehnke and DeBolt.

**Staff:** Nikkole Hughes (786-7156).

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## HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Environment & Energy. Signed by 18 members: Representatives Ormsby, Chair; Bergquist, 2nd Vice Chair; Robinson, 1st Vice Chair; Cody, Dolan, Fitzgibbon, Hansen, Hudgins, Macri, Pettigrew, Pollet, Ryu, Senn, Springer, Stanford, Sullivan, Tarleton and Tharinger.

**Minority Report:** Do not pass. Signed by 14 members: Representatives Stokesbary, Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Rude, Assistant Ranking Minority Member; Caldier, Chandler, Dye, Hoff, Kraft, Mosbrucker, Schmick, Steele, Sutherland, Volz and Ybarra.

**Staff:** Meghan Morris (786-7119).

### **Background:**

#### Appliance Efficiency and Testing Standards.

Federal law generally allows states to establish minimum efficiency and testing standards for products that are not covered by federal appliance efficiency regulations. Once a federal efficiency standard is established for a given appliance, the federal standard will preempt existing state standards unless the state is granted a waiver of federal preemption.

Appliances for which federal efficiency and testing standards have been established include:

- commercial refrigeration and freezing equipment;
- pool heaters; and
- general service fluorescent lamps.

Washington law sets minimum efficiency and testing standards for several categories of appliances sold, offered for sale, or installed in the state, including:

- commercial hot food holding cabinets;
- portable electric spas;
- showerheads; and
- wine chillers.

The Department of Commerce (Department) may recommend updates to the state appliance efficiency and testing standards. The Department may also recommend establishing state standards for additional non-federally covered appliances. In making its recommendations, the Department must use certain criteria, including that:

- multiple manufacturers produce appliances that meet the proposed standard at the time of recommendation;
- appliances meeting the proposed standard are available at the time of recommendation;
- the appliances are cost-effective to consumers on a life-cycle basis using average Washington resource rates;
- the utility of the recommended appliance meets or exceeds the utility of a comparable appliance available for purchase; and
- the standard exists in at least two other states.

#### Water Conservation Performance Standards.

The State Building Code Council is required to adopt rules that implement and incorporate water conservation performance standards for certain plumbing fixtures. The state water conservation performance standards supersede all local government codes. After July 1, 1990, cities, towns, and counties may not amend or otherwise adopt water conservation performance standards for certain plumbing fixtures.

#### Retail Electric Customer Privacy and Consumer Protection.

An electric utility may not sell private or proprietary customer information. An electric utility may not disclose private or proprietary customer information with or to its affiliates, subsidiaries, or any other third party for the purposes of marketing services or product offerings to a retail electric customer who does not already subscribe to that service or product, unless the utility has first obtained the customer's written or electronic permission to do so.

Disclosure or sale of private or proprietary customer information by a third party, when prohibited by a contract with the electric utility, is an unfair or deceptive act in trade or commerce and an unfair method of competition for the purpose of applying the Consumer Protection Act.

Any other person who legally possess private or proprietary retail electric customer information that is captured or obtained for a commercial purpose may not sell, lease, or otherwise disclose the private or proprietary customer information to another person unless:

- the retail electric customer consents to the disclosure;
- the private or proprietary customer information is disclosed to an electric utility or other third party as necessary to effect, administer, enforce, or complete a financial transaction that the retail electric customer requested, initiated, or authorized, provided that the electric utility or third party maintains confidentiality of the private or proprietary customer information and does not further disclose the information; or
- the disclosure is required or expressly permitted by state or federal law.

#### **Summary of Second Substitute Bill:**

##### Repeal of Federally Preempted Appliance Efficiency and Testing Standards.

The state appliance efficiency and testing standards for the following products have been preempted by federal standards and are repealed:

- commercial refrigeration and freezing equipment;
- state-regulated incandescent reflector lamps;

- pool heaters;
- automatic commercial ice cube machines; and
- wine chillers.

Amendments to Existing State Appliance Efficiency and Testing Standards.

Beginning January 1, 2020, portable electric spas must meet the efficiency requirements of, and be tested in accordance with, the American National Standards for Portable Electric Spa Energy Efficiency (ANSI/APSP/ICC-14 2014).

Beginning July 19, 2021, residential pool pumps must meet requirements specified in the dedicated-purpose pool pump rules published by the United States Department of Energy on January 18, 2017, and effective on May 18, 2017.

Showerhead tub spout diverter combinations and showerheads must meet the requirements in the California Code of Regulations, Title 20, section 1605.3 in effect as of January 1, 2018.

The idle energy rate of commercial hot food holding cabinets must be determined using the ANSI/ASTM F2140-11 standard test methods for the performance of hot food holding cabinets.

The state standards for hot water dispensers, bottle-type water dispensers, and point-of-use water dispensers expire on January 1, 2020.

New State Appliance Efficiency and Testing Standards.

State appliance efficiency and testing standards are established for the following appliances:

- commercial fryers, commercial dishwashers, and commercial steam cookers;
- air compressors;
- computers and computer monitors;
- faucets, except for metering faucets;
- portable air conditioners;
- residential ventilating fans;
- showerheads;
- spray sprinkler bodies;
- uninterruptible power supplies;
- urinals and water closets (toilets);
- water coolers;
- general service lamps; and
- high color rendering index fluorescent lamps.

If manufactured on or after January 1, 2021, the following appliances may not be sold or offered for sale, lease or rent in the state unless they meet the state's efficiency standards:

- commercial fryers, commercial dishwashers, and commercial steam cookers;
- computers and computer monitors;
- faucets, except for metering faucets;
- residential ventilating fans;
- showerheads;
- spray sprinkler bodies;
- uninterruptible power supplies;

- urinals and water closets (toilets); and
- water coolers.

No new general service lamp manufactured on or after January 1, 2020, may be sold or offered for sale in the state unless the efficiency of the new product meets or exceeds the state's efficiency standards.

No new air compressor manufactured on or after January 1, 2022, may be sold or offered for sale in the state unless the efficiency of the new product meets or exceeds the state's efficiency standards.

No new portable air conditioner manufactured on or after February 1, 2022, may be sold or offered for sale in the state unless the efficiency of the new product meets or exceeds the state's efficiency standards.

No new high color rendering index fluorescent lamps may be sold or offered for sale in the state after January 1, 2023, unless the efficiency of the new product meets or exceeds the state's efficiency standards. The Department of Commerce (Department) may establish by rule an earlier effective date, not before January 1, 2022, if the State of California adopts a comparable standard with an effective date before January 1, 2023.

#### Electric Storage Water Heater Design Requirements.

An electric storage water heater, if manufactured on or after January 1, 2021, may not be installed, sold, or offered for sale, lease, or rent in the state unless it has a modular demand response communications port compliant with certain standards.

The Department may establish a later effective date for, or suspend enforcement of, requirements for electric storage water heaters if the Department determines that doing so is in the public interest.

Private and proprietary customer information collected, stored, conveyed, transmitted, or retrieved by an electric storage water heater equipped with a modular demand response port is subject to retail electric customer privacy and consumer protection provisions.

An electric utility supplying electricity to a building in which an electric storage water heater that meets the design requirements has been installed may not, without first having obtained in writing the customer's affirmative consent, alter or otherwise require the utility customer to alter the usage of electricity or water relating to the electric storage water heater on the basis of information collected by the electric storage water heater or any associated device.

#### Department of Commerce.

The Department may adopt rules that incorporate by reference federal efficiency standards for federally covered products only as the standards existed on January 1, 2018. The Department, in consultation with the Office of the Attorney General, must regularly submit a report to the Legislature on federal standards that preempt the state appliance efficiency and testing standards. Any report on federal preemption must be transmitted at least 30 days before the state of any regular legislative session.

The Department may adopt by rule more recent versions of any state efficiency standard or test method, including any product definition associated with the standard or test method, in order to maintain or improve consistency with other comparable standards in other states.

Repeal of Certain Water Conservation Performance Standards.

The following provisions are repealed:

- certain water conservation performance standards;
- the authority of the State Building Code Council to adopt rules that implement and incorporate the water conservation performance standards; and
- the preemption of local government codes by the state water conservation performance standards.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed. However, the bill is null and void unless funded in the budget.

**Staff Summary of Public Testimony (Environment & Energy):**

(In support) Washington has dropped down to eleventh place in nationwide state efficiency rankings. There are appliances sold in this state that are the least efficient in the marketplace and that raise the cost of electric rates. The state is competing against other economic regions in North America and across the world, and one measure of competitiveness is how efficiently products are made and operated. This is a consumer protection bill that protects consumers from excess costs. This is especially important for people who rent their office buildings and their residences. This bill would make Washington a leader in enabling grid-connected hot water heaters, which would be able to be deployed in demand response and other demand side management programs. Appliance efficiency standards are a simple and cost-effective way to reduce electricity and water use while also reducing greenhouse gas emissions. Energy efficiency and demand response are often the lowest cost options in maintaining a stable electric grid. Appliance efficiency standards spread the benefits of energy and water efficiency equitably.

(Opposed) Two-thirds of lamps that would be covered by this bill go into the consumer market. The effective date for this standard should be moved out to 2025. The bill should require utilities to market the effect of the standards to consumers. This bill should drop the provisions for general service lamps, which are preempted by federal regulations.

(Other) Federal appliance efficiency standards are preferable to state-by-state standards. When a state prohibits the sale of less efficient products, those products just have to be sold in other states.

**Staff Summary of Public Testimony (Appropriations):**

(In support) There is a modest cost to the Department of Commerce to install and maintain these appliance efficiency standards. These standards have a very large consumer benefit and

will provide Washington consumers with about \$2 billion dollars of energy and water savings over the next 15 years. This is the cheapest form of clean energy because it actually saves consumers money. If consumers buy appliances that use more energy and water than they actually need, that adds up over time.

(Opposed) None.

**Persons Testifying (Environment & Energy):** (In support) Representative Morris, prime sponsor; Glenn Blackmon, Department of Commerce; Amy Wheelless, Northwest Energy Coalition; Leah Missik, Climate Solutions; Bruce Wishart, Sierra Club; Elyette Weinstein, Washington League of Women Voters; Bruce Bassett, City of Mercer Island; Megan Smith, King County; Nancy Tosta, City of Burien; and Matt Larson, City of Snoqualmie.

(Opposed) Charlie Brown, National Electrical Manufacturers Association.

(Other) Mark Johnson, Washington Retail Association.

**Persons Testifying (Appropriations):** Glenn Blackmon, Washington Department of Commerce and State Energy Office; and Amy Wheelless, Northwest Energy Coalition.

**Persons Signed In To Testify But Not Testifying (Environment & Energy):** None.

**Persons Signed In To Testify But Not Testifying (Appropriations):** None.