

# HOUSE BILL REPORT

## 2SHB 1444

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### As Amended by the Senate

**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.

#### **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.
- 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

**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.

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*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.*

**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.

#### **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 must meet both the state standard for tub spout diverters and the state standard for showerheads.

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;
- high color rendering index fluorescent lamps; and
- residential electric storage water heaters.

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);
- water coolers; and
- residential electric storage water heaters.

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.

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 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.

#### **EFFECT OF SENATE AMENDMENT(S):**

The amended bill:

- removes definitions for "computer," "computer monitor," "faucet," "showerhead," "showerhead tub spout diverter combination," "urinal," and "water closet;"
- removes reference to "residential" electric storage water heaters in the definition for electric storage water heaters;
- requires plumbing fixtures and fittings to meet the requirements in the California Code of Regulations, Title 20, section 1605.3 in effect as of January 1, 2018;
- modifies provisions pertaining to electric storage water heaters;
- authorizes the Department of Commerce (Commerce) to establish a later effective date or suspend enforcement of requirements for electric storage water heaters if the Department determines that doing so in the public interest;
- requires that private and proprietary customer information collected, stored, conveyed, transmitted, or retrieved by an electric storage water heater equipped with a modular demand response communications port be subject to retail electric customer privacy and consumer protection requirements;
- prohibits an electric utility from altering the usage of electricity or water relating to an electric storage water heater on the basis of information collected by the electric storage water heater without first obtaining the customer's affirmative consent to participate in a program that allows such alternation;
- requires the Department to consult with the Office of the Attorney General in developing its report to the Legislature on federal standards that preempt state standards; and
- adds a severability clause.

**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.