

SENATE BILL REPORT

SB 5115

As Reported by Senate Committee On:
Environment, Energy & Technology, January 31, 2019
Ways & Means, February 25, 2019

Title: An act relating to appliance efficiency standards.

Brief Description: Concerning appliance efficiency standards.

Sponsors: Senators Carlyle, Palumbo, Wellman, Hunt, Saldaña, Lias and Kuderer; by request of Department of Commerce.

Brief History:

Committee Activity: Environment, Energy & Technology: 1/17/19, 1/23/19, 1/31/19 [DPS-WM, DNP].

Ways & Means: 2/12/19, 2/25/19 [DP2S, DNP, w/oRec].

Brief Summary of Second Substitute Bill

- Removes federally preempted efficiency and testing standards.
- Amends the state efficiency and testing standards for certain state-covered products.
- Establishes new minimum efficiency and testing standards for certain products.
- 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.

SENATE COMMITTEE ON ENVIRONMENT, ENERGY & TECHNOLOGY

Majority Report: That Substitute Senate Bill No. 5115 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Carlyle, Chair; Palumbo, Vice Chair; Billig, Das, Hobbs, Lias, McCoy, Nguyen and Wellman.

Minority Report: Do not pass.

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.

Signed by Senators Fortunato, Assistant Ranking Member, Environment; Sheldon, Assistant Ranking Member, Energy & Technology; Brown and Short.

Staff: Angela Kleis (786-7469)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Second Substitute Senate Bill No. 5115 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair, Operating, Capital Lead; Mullet, Capital Budget Cabinet; Billig, Carlyle, Conway, Darneille, Hasegawa, Hunt, Keiser, Liias, Palumbo and Pedersen.

Minority Report: Do not pass.

Signed by Senators Braun, Ranking Member; Brown, Assistant Ranking Member, Operating; Honeyford, Assistant Ranking Member, Capital; Bailey, Becker, Schoesler, Van De Wege, Wagoner, Warnick and Wilson, L..

Minority Report: That it be referred without recommendation.

Signed by Senator Rivers.

Staff: Claire Goodwin (786-7736)

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, it will preempt existing state standards unless the state is granted a waiver of federal preemption.

Federal efficiency and testing standards have been established for the following products: automatic commercial ice makers, commercial refrigeration and freezing equipment, pool heaters, and incandescent reflector lamps.

Washington law sets minimum efficiency and testing standards for several categories of appliances sold, offered for sale, or installed in the state. The Department of Commerce (Commerce) may recommend updates to the efficiency and testing standards for certain products and recommend establishing state standards for additional non-federally covered appliances.

Voluntary Consensus Standards. The American National Standards Institute (ANSI) is a not-for-profit organization that develops and publishes voluntary consensus standards and conformity assessment systems for a variety of industry sectors. These standards become mandatory under certain circumstances, such as being referenced by the government.

Summary of Bill (Second Substitute): Federally Preempted Efficiency and Testing Standards. The following state standards have been federally preempted and are repealed:

- automatic commercial ice cube machines;
- commercial refrigerators and freezers;

- pool heaters;
- state-regulated incandescent reflector lamps; and
- wine chillers

Existing Minimum Efficiency and Testing Standards. State standards are amended, including:

- portable electric spas must meet ANSI standards beginning January 1, 2020; and
- state standards for hot water dispensers, bottle-type water dispensers, and point-of-use water dispensers expire on January 1, 2020.

New Minimum Efficiency and Testing Standards. State standards are established for certain products such as computers and computer monitors; urinals and water closets; and residential electric storage water heaters. The majority of products covered under the new state standards, if manufactured on or after January 1, 2021, may not be sold or offered for sale, lease, or rent in the state unless the efficiency of the new product meets or exceeds the state's efficiency standards.

Department of Commerce. Commerce may adopt rules that incorporate, by reference, federal efficiency standards for federally covered products only as the standards existed on January 1, 2018. In addition, Commerce may adopt by rule a more recent version of any standard or test method established in this act in order to maintain consistency with other comparable standards in other states. Commerce, in consultation with the Attorney General, must regularly submit a report to the Legislature on federal standards that preempt the state appliance efficiency and testing standards.

Water Conservation Performance Standards. Certain water conservation performance standards are repealed.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (Second Substitute):

- Authorizes Commerce to adopt by rule more recent versions of appliance standards or test methods established by this act to maintain consistency with comparable standards in other states.
- Delays the effective date for the efficiency standard for high color rendering index fluorescent lamps from January 1, 2021, to January 1, 2023.
- Allows Commerce to establish by rule an earlier effective date under certain conditions.
- Specifies that manufacturers of general service lamps are not required to place a compliance label on each individual lamp offered for sale or installation in the state.

EFFECT OF CHANGES MADE BY ENVIRONMENT, ENERGY & TECHNOLOGY COMMITTEE (First Substitute):

- Removes efficiency standards for wine chillers.
- Modifies the definition of air compressor.
- Removes kitchen range hood from the definition of residential ventilating fan.

- Modifies the efficiency standards for residential pool pumps and portable electric spas.
- Changes the effective dates for new air compressors, new portable air conditioners, and general service lamps.
- Authorizes Commerce to rely on, rather than coordinate with, certification programs of other states and federal agencies with similar standards when establishing rules governing product certification.
- Authorizes Commerce to rely on, rather than coordinate with, product testing results performed by other governmental jurisdictions with comparable standards.
- Removes the requirement for Commerce to receive test results in paper form.
- Requires Commerce to consult with the Attorney General when assessing and reporting federal standards that preempt state standards.
- Makes technical changes.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony on Original Bill (Environment, Energy & Technology): *The committee recommended a different version of the bill than what was heard.* PRO: Strong state standards make money saving appliances accessible to homeowners and renters providing resilience to all regardless of income levels. There are products easily found in our economy meeting the efficiency standards included in the bill. State standards give local governments the ability to try to change the future for their residents. It is important to have the standards align across states. We are working with stakeholders to address concerns.

CON: It is important to align with other states to help reduce business costs. The certification and reporting requirements would be burdensome on companies already having to report to multiple entities. The data is already available. We are concerned with the inclusion of high CRI lamps and general services lamps.

OTHER: Appliance efficiency standards are a critical component to meet efficiency and cost goals. Additional research needs to be done on appliance cost and the most effective ways businesses can transition to energy efficient products.

Persons Testifying (Environment, Energy & Technology): PRO: Kraig Stevenson, International Code Council; Nancy Tosta, Burien City Councilmember; Bruce Bassett, Mercer Island Councilmember; Rachel Brombaugh, King County; Charlie Stephens, Senior Codes & Standards Engineer, Northwest Energy Efficiency Alliance; David Mendoza, Front & Centered; Amy Wheelless, Northwest Energy Coalition; Leah Missik, Climate Solutions; Elyette Weinstein, Washington League of Women Voters; Bruce Wishart, Center for Environmental Law & Policy, Sierra Club; Glenn Blackmon, Commerce, State Energy

Office.

CON: Peter Godlewski, Association of Washington Business; Kevin Messner, Association of Home Appliance Manufacturers; Charlie Brown, citizen.

OTHER: Carolyn Logue, Washington Food Industry Association; Tina Jayaweera, Northwest Power and Conservation Council; Mark Johnson, Washington Retail Association.

Persons Signed In To Testify But Not Testifying (Environment, Energy & Technology):

PRO: Vlad Gutman-Britten, Climate Solutions; Sarah Vorpahl, Commerce.

Staff Summary of Public Testimony on First Substitute (Ways & Means): *The committee recommended a different version of the bill than what was heard.* PRO: This policy allows us to achieve a reduction in carbon emissions at a low cost. We appreciate your willingness to consider an amendment regarding high-coloring index lamps. We brought this bill to you from the Department of Commerce because of the consumer protection aspect of it and its positive climate impact. These measures will reduce costs for consumers. There is an amendment we wish you to consider. The few highest dollar savings appliances are faucets and showerheads and the body of an irrigation sprinkler. Those devices make modest change in efficiency, but because they are used so much, the savings aggregate. This is an important step forward for energy conservation and water savings. The bill would save 149 billion gallons of water would be saved in the first 15 years and ratepayers would save about \$2 billion over first 15 years. This presents a nice balanced approach to energy efficiency on common household appliances and establishing standards across states. Appliance efficiency will help us create a 100 percent green economy. This is an important consumer protection issue and will save money for consumers.

Persons Testifying (Ways & Means): PRO: Senator Reuven Carlyle, Prime Sponsor; Charlie Brown, National Electrical Manufacturers Association; Bruce Wishart, CELP, Sierra Club; Glenn Blackmon, Washington Department of Commerce; Peter Godlewski, Association of Washington Business; Leah Missik, Climate Solutions.

Persons Signed In To Testify But Not Testifying (Ways & Means): No one.