



****IN CASE YOU MISSED IT****

Consumer Electronics Daily:

California Moves to Adopt Regulations to Limit TV Energy Use

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EXCERPT: California published the final draft of its specification that limits the energy use of TVs, becoming the first state to regulate the devices. The California Energy Commission (CEC) issued a "notice of proposed action" Friday that starts a 45-day public review process. The commission's action comes despite intensified efforts by industry to block the regulations and a hearing called by state lawmakers to look into the regulation's economic impact on the state.

The proposal will cover the first phase of the regulations that would impact new TVs for sale beginning 2011. They cover TVs with a screen sizes up to 58 inches. The second phase would address larger TVs, said a CEC official. After phase two kicks in, the state expects to cut energy use of TVs by up to half, according to the commission. After the 45-day comment period, the commission can either adopt the regulations or initiate another review if changes are proposed, the official said. The commission is expected to start a rulemaking on the second phase in late December or early January, the official said.

The heads of three committees in the California legislature said they want to hold a hearing on the TV standard in September to address concerns about the "potential economic impact to the California General Fund" and the regulation's potential to hurt innovation. Mary Hayashi, chairman of the Assembly Business & Profession Committee, Felipe Fuentes, chairman of the Assembly Utilities & Commerce Committee, and Alex Padilla, chairman of the Senate Energy, Utilities & Communications Committee, wrote the commission urging it not to proceed with the standard until lawmakers completed their review.

Asked if the commission's issuance of a notice of proposed action would conflict with the legislature's intent, the CEC official said the commission got a clarification from Fuentes' office that "it was not the intent of the letter to stop the process." What the lawmakers wanted was "for us not to adopt any standards until they have their hearing," she said. "They said go right ahead and post the standards." The commission will hold hearings Oct. 13 and Nov. 4 in Sacramento to get public comment on the final draft, the official said. The California legislature is planning a hearing Oct. 14, the official said. All written comments must be marked Docket No. 09-AAER-1C. Deadline for comments is Nov. 2...

CEA said it was "extremely disappointing" that the commission chose to "carelessly rush forward with these proposed regulations despite grave concerns from manufacturers, retailers, legislators and consumers." Millions in tax revenue and thousands of jobs are at stake, and California residents "deserve a measured, thoughtful process that considers the impact on its various stakeholders," said Douglas Johnson, senior director of technology policy. But by releasing the draft language before the proposed hearing in the legislature, "the CEC demonstrates its utter disregard for legislative input, as well as the impact to thousands of business owners across California who will be devastated by this proposal," he said.

"We support the CEC's goal of energy efficiency and have tried to work with them throughout this process to develop a workable solution," Johnson said. The CEA spent considerable time and resources in developing and researching a list of alternatives that "we are confident will achieve the same or better energy efficiency goals, yet do not kill jobs, rob consumers of choice, or thwart innovation," Johnson said. But by insisting on regulation, the CEC has "chosen to ignore those alternatives and make small businesses and consumers in California pay the price," he said.

Other CE industry groups also expressed disappointment with the CEC's announcement. "The Plasma Display Coalition is pouring through the voluminous public posting today from the California Energy Commission, which includes more than

80 pages of documents supporting their plans to regulate," said Jim Palumbo, PDC president. "We still have concerns about the desire to regulate new products as the primary method of reducing energy use."

California AV retailers were equally vocal about the CEC's draft. "We all believe in the importance of energy efficiency, but the CEC's proposed regulation is simply bad policy that will do little to achieve energy efficiency and a lot to destroy California jobs," said Charlie Martinez of Elk Grove Home Theater in Sacramento, a spokesman for the coalition Californians for Smart Energy. That group comprises independent AV retailers and chains that operate in California, as well as consumer groups. "The consumer electronics industry has been trying to work with the CEC since Day-One on alternatives that would help achieve energy efficiency without causing undue harm on California's economy. But time and time again, we have been disappointed with the CEC's approach and process," Martinez said.

Among others expressing dismay about the CEC's announcement was Jim Richards, principal of Futurehome Systems & Design in Fresno. "The CEC is treating this like a foregone conclusion, sending a strong signal that they could care less about how small business owners and consumers would be impacted," Richards said. "In a state that is facing nearly 12 percent unemployment -- the highest since WWII -- it's inexcusable that the state is pursuing an approach that would destroy thousands of jobs and put many small retailers out of business. Especially when alternatives exist that would achieve the same goals without the negative impacts," Richards said.

Also weighing in on the CEC mandates was the long-time and venerable AV specialty retailer Ken Crane's in Los Angeles. "Democratic Assembly Members Mary Hayashi, Felipe Fuentes and Alex Padilla have announced their intentions to hold a legislative hearing this month," said Crane's executive Steve Caldero. "Why is the CEC moving forward on this regulation when the legislature hasn't had a chance to examine the full economic impacts? What's the rush?" Caldero asked. "Thousands of jobs and millions of tax revenue are at stake. Californians deserve a thoughtful and judicious process." ...

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Comprised of consumers, small businesses, trade groups and associations, Californians for Smart Energy (www.CASmartEnergy.com) is a growing coalition dedicated to having a real discussion about meeting California's energy needs – without job-killing regulations that are harmful to California's economy. You can also find us on Twitter (www.twitter.com/casmartenergy) and Facebook (www.facebook.com/pages/Californians-for-Smart-Energy/118950385329) and YouTube (www.youtube.com/casmartenergy).