

Consumer Electronics Association

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April 29, 2013

Representative Jules Bailey Chair, House Committee on Energy and Environment Oregon State Legislature 900 Court St. NE, H-274 Salem, OR 97301

RE: Testimony <u>In Support of Amendment to Senate Bill 692</u> for hearing before House Committee on Energy and Environment on April 30, 2013

Dear Chairman Bailey and Members of the House Committee on Energy and Environment:

The Consumer Electronics Association® (CEA) appreciates the opportunity to comment on SB 692. CEA supports the amendment proposed on this legislation, which will make SB 692 more market-oriented and promote the purchase of the latest, most energy-efficient televisions by Oregon agencies. By doing so, the amendment will foster the development and deployment in Oregon of the most energy efficient televisions that are on the market. The amendment would also avoid the undesired effect of establishing unnecessary and wasteful state-specific energy efficiency standards for televisions that could harm innovation, competition and consumer choice.

CEA is the preeminent trade association promoting growth in the \$209 billion U.S. consumer electronics industry. CEA represents more than 2,000 corporate members, including both large and small manufacturers and retailers in Oregon, involved in the design, development, manufacturing, distribution and integration of high tech consumer electronics.

For many years, we have been on the vanguard of energy efficiency for the consumer electronics industry. CEA has supported and advanced energy efficiency with initiatives related to public policy, consumer education, research and analysis, and industry standards. One of these initiatives, industry's involvement in the successful ENERGY STAR program, is now more than 20 years old.

The latest televisions are among the most energy efficient products in the home today. Specifically, from 2003 to 2010, on-mode power consumption for LCD TVs decreased 63 percent and standby-mode power consumption decreased 87 percent. During this same period, on-mode power consumption for plasma TVs dropped 41 percent and standby-mode power consumption dropped 85 percent. We are not aware of any household appliance or equipment category that comes close to these accomplishments, which are driven by competition, consumer demand, and the federal ENERGY STAR program. More details about these trends are included in the attached white paper.¹

¹ "Power Consumption Trends in Digital TVs Produced Since 2003," D. King and R. Ponoum, TIAX LLC, February 2011.





Oregon should avoid following a flawed and backward-looking California regulation. SB 692 is based on California regulations that utilized flawed analyses and overestimated energy savings to justify an unnecessary regulatory approach to TVs back in 2009. Independent analyses, as well as a peer-reviewed article in the *California Journal of Politics and Policy*, discovered the use of old data, math errors and exaggerated energy savings in California's TV regulation, all of which culminated in the development of unnecessary regulation. Despite repeated meetings, testimony and public comments, the California Energy Commission (CEC) refused to acknowledge these flaws or correct the public record. No other state has followed California on its unjustified regulation for televisions.

All other states, including the U.S. Department of Energy, have recognized that the voluntary and national ENERGY STAR program for televisions has been extremely successful, leaving no reason to pursue regulations based on artificial energy use limits. The national, voluntary and very successful ENERGY STAR program, recognized by 75 percent of consumers,³ has been the public policy of choice for supporting and advancing energy efficiency in televisions. In fact, TVs have become so energy efficient that the U.S. EPA, which oversees the ENERGY STAR program, has had to substantively revise its specification for televisions no less than three times during the past three years.

ENERGY STAR Specifications Move with the Market

| ENERGY STAR Specification for Televisions | Effective Date of Revised Specification |
|---|---|
| Version 4.1 | May 2010 |
| Version 5.1 | May 2012 |
| Version 6.0 | June 2013 |

² "A Review of the 2011 and 2013 Digital Television Energy Efficiency Regulations Developed and Adopted by the California Energy Commission," C. Paul Wazzan and Dawn E. Eash, *The California Journal of Politics and Policy*, Volume 3, Issue 1, 2011.

³ EPA Office of Air and Radiation, Climate Protection Partnerships Division. *National Awareness of ENERGY STAR® for 2011: Analysis of 2011 CEE Household Survey.* U.S. EPA, 2012.

The allegation that California or other states or industry will "dump" less efficient TV products in Oregon is unfounded. Consumer electronics, including televisions, are not designed and marketed on a state-by-state basis. At the early stages of product design, if a product or model is proven compliant with any existing mandatory requirements, it is sold throughout the entire United States. If the product or model is not compliant, it is removed from the list models to be sold in the U.S.

Creating an unnecessary and unjustified energy mandate for televisions does nothing to push forward energy efficiency and environmental innovation in Oregon or elsewhere. To the contrary, onerous and unnecessary regulations and related compliance burdens can hurt consumers and local businesses, waste taxpayer money, and shift manufacturers' attention and resources away from creating innovative, sustainable products.

If Oregon would like to support energy efficiency in televisions, a superior, forward-looking approach is to recognize government procurement as a market driver. We applaud the sponsors and supporters of SB 692 in their focus on energy efficiency. However, instead of following an outmoded, unjustified and unnecessary regulation in California, we urge Oregon to take a step forward and instead adopt a stronger and more targeted state government procurement policy regarding purchases of energy efficient televisions. By amending the TV-related provisions in SB 692 to focus instead on procurement, Oregon can avoid backward-looking measures, focus on a more progressive policy, take a real step ahead of California, and make a meaningful difference supporting energy efficiency in this product category.

By focusing on procurement, Oregon would be joining many other government jurisdictions that have developed and bolstered their procurement programs to better support energy efficiency and overall environmental sustainability. While consumers represent a large share of the market for televisions, government purchasers are active users and purchasers of televisions for many purposes, including visual presentations in meeting rooms, video conferencing, television viewing and information displays in public areas.

Specifying ENERGY STAR in procurement makes sense, as ENERGY STAR is used as the leading energy efficiency criterion for government procurement of products covered in the EPEAT program, a system conceived and developed through the collaboration of stakeholders from the business, advocacy, government and academic arenas ⁴

CEA and its members are strongly committed to energy efficiency across the consumer electronics industry. CEA appreciates this opportunity to support the amendment to the television-related provisions in SB 692 and looks forward to continuing to work with policy makers and interested stakeholders to address our members' concerns and determine the most cost-effective, pro-innovation and consumer-friendly approach to our shared goal of increased energy efficiency.

If you have any questions, please contact Doug Johnson at 703-907-7686 or <u>djohnson@ce.org</u>, or Allison Schumacher at 703-907-7631 or <u>aschumacher@ce.org</u>.

Sincerely,

/s/

Douglas Johnson Vice President, Technology Policy

Allison Schumacher Sr. Manager, Environmental Policy and Sustainability

Attachment

⁴ http://www.epeat.net/