

**Before the
SENATE ENERGY AND ENVIRONMENT COMMITTEE
Hawaii State Legislature
Honolulu, HI**

February 17, 2009

**COMMENTS OF THE
CONSUMER ELECTRONICS ASSOCIATION
ON
S.B. 555**

The Consumer Electronics Association (CEA) represents more than 2,200 companies involved in the design, development, manufacturing, distribution, sale and integration of audio, video, in-vehicle electronics, wireless and landline communications, information technology, home networking, multimedia and accessory products, as well as related services that are sold through consumer channels. CEA also produces the nation's largest annual trade event, the International Consumer Electronics Show.

CEA is a strong supporter of energy efficiency in the consumer electronics sector and works with its members on energy efficiency initiatives related to public policy, industry standards, market research and analysis, and consumer education. While CEA agrees with the spirit of S.B. 555 and the importance of energy efficiency, CEA is concerned about the proposed approach in S.B. 555 that would require the State of Hawaii to adopt California regulations wholesale without careful consideration by the legislature of the technical and economic justifications for, or impacts of, such regulations.

Appliance energy efficiency standards and regulations are neither appropriate nor necessary for consumer electronics.

Consumer electronics are vastly different by design and function than the residential, industrial and commercial appliances which are typically the focus of appliance efficiency regulations, including those in California. The market for consumer electronics is dynamic, highly competitive and characterized by rapid innovation, significant time-to-market pressures, rapid rates of market penetration, and rapid transition from one technology to another. In addition, there are significant design, performance and use differences between consumer electronics and the electro-mechanical equipment typically covered by appliance efficiency regulations. CEA believes it is inappropriate and economically and technologically damaging for Hawaii to burden consumers, retailers and manufacturers of high tech products with mandatory state regulations for energy efficiency—especially when

better alternatives exist that are already working to save energy, such as the national ENERGY STAR program described below.

California's approach to electronics has been problematic

California's approach to appliance efficiency standards for consumer electronics has been problematic, and consequently Hawaii's government should not be directed to adopt wholesale California's regulations without careful consideration and review by the Hawaii legislature. In addition, most states have not followed California on mandating energy efficiency standards for consumer electronics.

In developing its regulations for standby power for consumer audio and video products (namely, compact audio products, DVD players and recorders, and televisions), California relied on studies that contained older energy use values that did not represent the performance of products in those categories at that time, which consequently led to an overestimation of the future energy savings to be achieved by California regulations for those products. With regard to digital-to-analog television converter boxes, California developed and promulgated a regulation for a product that did not actually exist, although consultants for a state agency argued that there were tens of thousands of such converter boxes already in California homes.

In developing regulations for external power supplies, California promulgated a standard based on the ENERGY STAR specification developed the previous year and made it mandatory without adequate dialogue with the impacted industries or manufacturers, and without fully exploring and considering cost, product development, and marketplace impacts. In addition, the original analysis used in the California's proceeding for external power supplies relied on a data set that was not representative of external power supplies on the market at that time, which consequently led to an overestimation of the future energy savings to be achieved by a California regulation.

Market-oriented programs such as ENERGY STAR are already in place for consumer electronics, which has resulted in significant energy savings and a reduction in greenhouse gas emissions.

The consumer electronics industry is a strong supporter of the voluntary, market-driven and national approach to saving energy represented by the federal ENERGY STAR program (www.energystar.gov). This successful government-industry effort, which benefits from strong participation by manufacturers and retailers, captures a broad range of consumer electronics and creates a competitive incentive for energy savings. The ENERGY STAR program, coupled with the natural trends toward energy efficiency in electronics design, provides consumers with the products and features they demand, along with a logo recognized by more than 70 percent of consumers. The ENERGY STAR program for consumer electronics is an energy efficiency success story. According to the U.S. Environmental Protection Agency's most recent annual report, the ENERGY STAR program for consumer electronics saved more than 23 billion kilowatt hours of electricity in 2007 and avoided 4.4 million metric tons of carbon emissions.

CEA respectfully urges the Committee to oppose S.B. 555 as introduced, as it would require the State of Hawaii to adopt California regulations wholesale without careful consideration by the legislature of the technical and economic justifications for, or impacts of, such regulations.

Respectfully submitted,

CONSUMER ELECTRONICS
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On behalf of the Air-Conditioning, Heating, and Refrigeration Institute, I am writing to you about Senate Bill 555. This is legislation that would adopt the California, Code of Regulations, Title 20: Division 2, Chapter 4, Article, 4, Sections 1601-1608, as amended.

The Air-Conditioning, Heating and Refrigeration Institute (AHRI) is the national trade association of manufacturers of residential and commercial HVAC equipment. AHRI's 310 member companies account for more than 90 percent of the residential and commercial air-conditioning, space heating, water heating and commercial refrigeration equipment manufactured and sold in North America and over 130,000 American jobs.

Our concern with Hawaii SB 555 is that it includes the reporting requirements of Title 20. California, and now other states, utilize the Multi-State Appliance Standards Collaborative, a website (<http://appliancestandards.org/>) which provides access to the testing and reporting information required by California law. We hope that the state of Hawaii will utilize this tremendous resource and eliminate the reporting requirement.

It would create an enormous burden for the State to collect, process and put together a coherent tool for contractors and architects to use when complying with Title 20. Further, it would double the work for manufacturers wishing to sell products in Hawaii, in that they already submit this information to California. The cost of this program to the state would be large and it is an avoidable cost since manufacturers are already required to submit the same information to California and it is available to everyone through the Multi-State Appliance Standards Collaborative.

We strongly suggest that Hawaii eliminate the reporting requirements of Title 20 as it would be duplicative, burdensome and cost prohibitive.

If I can be of any further assistance please do not hesitate to contact me at, 703.600.0303 or rhelminiak@ahrinet.org.