



Pacific Gas and Electric Company®



Sempra Energy utility®



Sempra Energy utility®



SOUTHERN CALIFORNIA EDISON®

An EDISON INTERNATIONAL® Company

March 4, 2013

Mr. Hampton Newsome
Attorney, Division of Enforcement, Bureau of Consumer Protection
Federal Trade Commission
Room H-135, (Annex A)
600 Pennsylvania Avenue, NW.
Washington, DC 20580

Docket Number: 16 CFR PART 305
RIN: 3084-AB15

Dear Mr. Newsome:

This letter comprises the comments of the Pacific Gas and Electric Company (PG&E), Southern California Gas Company (SCGC), San Diego Gas and Electric (SDG&E), and Southern California Edison (SCE) to the Federal Trade Commission’s (FTC’s) Notice of Proposed Rule (NOPR) regarding energy consumption and water use disclosures of certain home appliances and other products required under the Energy Policy and Conservation Act (“Appliance Labeling Rule”).

The signatories of this letter, collectively referred to herein as the California Investor Owned Utilities (CA IOUs), represent some of the largest utility companies in the Western United States, serving over 35 million customers. As energy companies, we understand the potential of appliance efficiency to cut costs and reduce consumption while maintaining or increasing consumer utility of the products. We also understand the importance of appliance labeling in providing transparent information to customers about products they use. We have a responsibility to our customers to advocate for standards and labeling practices that accurately reflect the climate and conditions of our respective service areas, so as to maximize these positive effects.

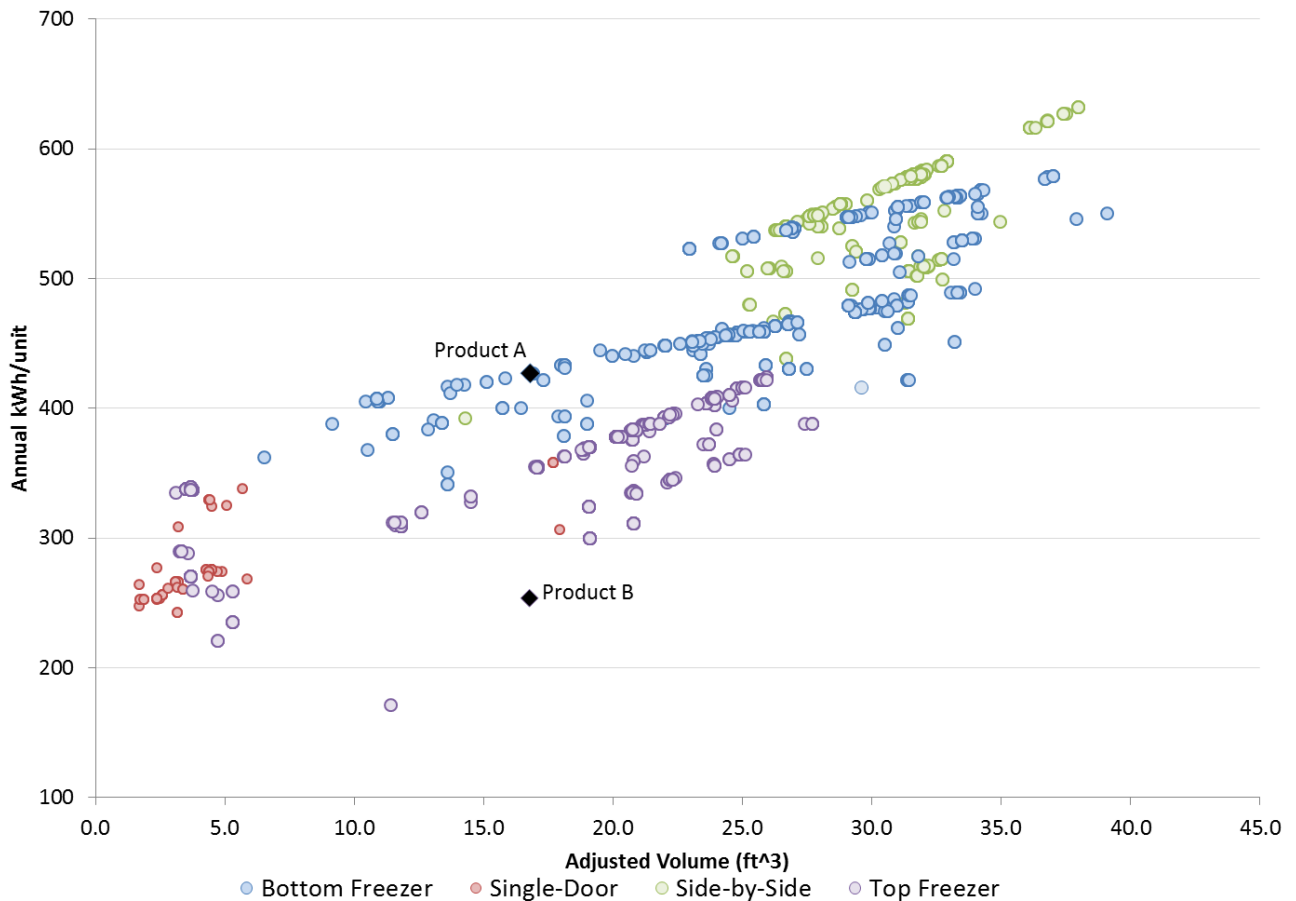
We commend FTC and the Department of Energy (DOE) in their efforts to improve the availability of labels for consumers, improve current web site disclosures, and eliminate duplicative reporting requirements for manufacturers. However, we have identified three outstanding issues that should be addressed in order to improve the meaningfulness and utility of labels for customers who use them to inform their decisions.

- 1. We recommend the use of two comparison ranges on refrigerator labels that reflect (1) the subset of the market reflecting a given configuration type, and (2) the whole market, independent of configuration type.**

We believe that two ranges would provide the most meaningful information to consumers to enable them to make the most informed decisions. We understand that many customers may continue to purchase refrigerators with a configuration reflective of their previous purchasing decisions. Therefore, continuing to provide customers with range information that is indicative of the subset of the market of a given configuration is important since this will help customers understand a unit’s energy cost relative to similarly configured products.

However, we also think it would be highly beneficial to include a second range on the label that would indicate the unit's energy cost relative to the whole market of refrigerators. This range would serve to educate the consumer about his/her potential buying choices, and would contribute to a more informed decision-making process. We believe the first range obscures the differences in energy efficiency, and that the second range would serve to correct this issue. As illustrated in Figure 1 below, which depicts annual energy consumption of ENERGY STAR listed refrigerator-freezer models by configuration, the differences in energy consumption across configurations can be significant for a given adjusted volume. For example, Products A and B are bottom-freezer and top-freezer configurations, respectively, of roughly equal volume, but Product A consumes roughly 175 kWh more on an annual basis.

Figure 1. Annual Energy Consumption of ENERGY STAR Listed Residential Refrigerator-Freezer Products by Configuration



Moreover, this label would cater to a growing body of consumers that are interested in sustainable consumer choices, as indicated by Deloitte's study "Finding the Green in Today's Shoppers: Sustainable Trends and New Shopper Insights".¹ The study indicated sustainability considerations either drive or influence the buying decisions of 54 percent of the 6,500 shoppers interviewed in the study. Without this second range, it would be difficult for a consumer to understand the full impact of their purchasing decisions since configuration type and range are not treated as independent factors.

We strongly urge FTC to consider our recommendation for including 2 ranges for refrigerators.

¹ <http://www.gmaonline.org/downloads/research-and-reports/greenshopper09.pdf>

- 2. We recommend that FTC use the most up to date energy-cost range information each time a label is printed, publish the years associated with best & worst products in the range, or at the very least update every 2 years for a given covered appliance type in order to ensure that these labels provide meaningful comparisons.**

The Commission issued the Appliance Labeling Rule in 1979,² which among other things established a five-year schedule for updating range of comparability and annual energy cost information for refrigerators, freezers, clothes washers, dishwashers, and room air-conditioning (AC). We believe that product/model turn-over in the market happens at a much faster pace than five years and that it is highly likely that the least energy efficient product-benchmark in the range is no longer available on the market after a couple of years. Likewise, the most energy efficient product-benchmark in the range likely does not reflect the most energy efficient product on the market.

To correct this issue, the best solution would be to require that market's current "best" and "worst" performing units are always used to establish the range. It is our understanding that FTC is highly interested in developing a central repository for these labels and product information, according to the previous NOPR document³ on the Appliance Labeling Rule; this repository could greatly facilitate this real-time documentation of label ranges. Additionally, we recommend that the years associated with the "best" and "worst" models be printed on the label, so that consumers know when this information was last updated. This is also important for scenarios in which old products are sitting next to newer products on the floor, and the ranges on the label may reflect different "best" and "worst" products.

Finally, at the very least, we suggest that these ranges be updated at least every two years. We believe this would help reduce the issue of obsolete information being printed on labels.

- 3. We support FTC's proposal to include more information on the Room Air Conditioning (AC) label by disclosing operating hours, however, we propose an alternative approach that would be more meaningful to the consumer and aid in his/her decision-making.**

We are supportive of the Commission's proposal to include more information on the label for Room AC products, since more information about energy-cost and operating hours is better than less. However, we recommend that FTC consider an alternative approach to just including the 750 operating hours assumption on the label. In order to help consumers more directly gauge a unit's energy cost in the context of their own use, we suggest printing a table like the one below on Room AC labels.

² R 66466 (Nov. 19, 1979) (Rule's initial promulgation).

³ Docket Number: 16 CFR PART 305, RIN: 3084-AB15, Date published: April 14, 2012


Table 1. Sample Label for Room AC Energy Cost Disclosure


Annual Operating Costs				
Utility Rates (\$/kWh)	Operating Hours			
	600	700	800	900
\$ 0.05				
\$ 0.10				
\$ 0.15				
\$ 0.20				


Ultimately, we agree that whatever change is made should enable more informed decision-making made by the consumer.


In conclusion, we would like to reiterate our support to FTC for improving appliance labeling and compliance. We thank FTC for the opportunity to be involved in this process and encourage FTC to carefully consider the recommendations outlined in this letter.

Sincerely,


 Rajiv Dabir
 Manager, Customer Energy Solutions
 Pacific Gas and Electric Company


 Lance DeLaura
 Southern California Gas Company
 San Diego Gas and Electric Company


 Michael Williams
 Manager, Design & Engineering Services
 Southern California Edison


 Chip Fox
 Residential Programs and Codes & Standards
 Manager
 San Diego Gas and Electric Company