

September 29, 2008

Mr. Hampton Newsome
U.S. Federal Trade Commission
Office of the Secretary, Room H-135 (Annex N)
600 Pennsylvania Avenue, NW
Washington, D.C. 20580

Re: Lamp Labeling, Project No. P084206

Dear Mr. Newsome:

This letter comprises the joint comments of the Pacific Gas and Electric Company (PG&E), Southern California Edison (SCE), and Sempra Energy Utilities (Southern California Gas Company and San Diego Gas and Electric Company) (Sempra), along with PG&E's technical consultant for this proceeding, Ecos Consulting, to the request for comments on the United States Federal Trade Commission (FTC) lamp labeling proceeding.

The utility signatories of this letter represent some of the largest utility companies in the Western United States, serving over 40 million customers. As energy companies, we understand and respect the power and potential of appliance efficiency standards and labeling to cut costs and reduce consumption while maintaining or increasing consumer utility of the products by improving the information available to help consumers make the best choices.

In the recent years, the undersigned California utilities and our consultants have actively participated in the state and federal processes for establishing mandatory efficiency standards for energy-using equipment. We have over 20 years of experience promoting high efficacy lighting through consumer information, education, and rebate programs. Better lamp labeling practices can improve the influence of these programs. Our active involvement within the standards setting process has included technical analysis, test procedure development, product measurement, drafting of proposed regulatory language and savings estimates, and advocacy for those regulations. The resulting energy savings are partially credited to California utilities by our regulators, become part of the energy savings we count on in meeting future resource needs, and have already saved our customers millions of dollars on their energy bills.

This effort made it possible for the California Energy Commission to adopt the first general service lighting efficiency standards in the nation, as well as new standards for certain categories of reflectorized incandescent lamps. We proposed general service lighting standards in 2003-2004, which were adopted in December 2004 and further strengthened in 2006 by the California Energy Commission. They became the policy blueprint for the mandatory standards that energy efficiency advocates and utilities negotiated with industry and ultimately codified in Energy Independence and Security Act (EISA) of 2007, including the new labeling requirements directed at FTC.

During the California standards rulemaking process, numerous utility, industry, and environmental stakeholders raised concerns about the amount of energy savings that would occur as long as light bulbs continue to be marketed and labeled as they currently are. The current emphasis on wattage leads consumers to believe that power consumption is an actual measure of light output or a reasonable proxy for it, when neither is in fact true with the range of lighting technologies currently available. Because the California and federal standards employ fixed wattage caps across broad lumen "bins," they can actually exacerbate this problem. Two lamp models can differ in light

output by 10 to 20%, but still fall in the same lumen bin and be sold at identical wattage under the new standards. Most consumers would not understand that one of those models is more energy efficient than the other.

Similarly, we are deeply concerned that consumers will simply shift to the next closest wattage when purchasing lamps under the new federal standards (72 watts instead of 75, for example, when the lamp with equivalent light output to an old 75 watt model might only consume 53 watts). As LED products, enhanced incandescents, and new CFL technologies enter the market, the notion of wattage equivalence will be increasingly complex and difficult to explain to the consumer. Therefore, we make the following recommendations to FTC regarding its new labeling approach:

- All omnidirectional screw-based light bulb types and shapes should be labeled under a single, common system, rather than creating special scoring criteria for decorative vs. general service, for example.
- Mandatory, categorical labeling of efficiency is essential, both to help consumers readily identify the most efficient products, and to help them know which products are the least efficient. This should be the most visually prominent element of the label. Employing 1 to 5 stars for that categorical label has been shown in market research with U.S. consumers to convey that efficiency message most simply and effectively. A 5-star categorical labeling system is fully compatible with the ENERGY STAR labeling. Within the National Resources Defense Council (NRDC)/Ecos Consulting draft label, a physical space has been reserved so that this symbol can be included, as appropriate.
- Categories should be defined by equations that relate efficiency levels to light output (as Canada has done in its mandatory standards for general service lighting), rather than by fixed lumens/watt values across the board or fixed wattage requirements across broad lumen bins. Incandescent and fluorescent sources tend to get more efficient as they get brighter, and the equations need to reflect that to ensure that a particular star rating represents a particular relative level of efficiency across all light output levels.
- It is vital that FTC both define what is *required* to appear inside of a federal label, but also specify the rules by which manufacturers can make other claims outside of that label space. In particular, it does no good to use the label to promote lumens and efficiency if manufacturers, in much larger and more attractive type, promote product wattage as if it were a measure of light output. Similarly, FTC should establish standardized electric rates and usage assumptions for calculating annual operating costs or the dollar value of energy savings relative to standard incandescents, if a manufacturer chooses to make such a claim.
- FTC may choose to split the label into two smaller elements – essentials that must appear on the front side of the package, and other elements that may be placed on the side or back panel (but not top or bottom). We propose that light output with wattage equivalence (in a form similar to that proposed by NRDC) appear on the front panel at a minimum. Also, we propose it be required that lumen output be printed on the light bulbs themselves, to ensure that consumers can find a product of equivalent light output when returning to the store to replace a burned out bulb.
- Standardized indication of lamp color and dimmability is also warranted, but may need to occur in the space where manufacturers optionally disclose product features, as opposed to within the mandatory label space.

Thank you for the opportunity to provide comments, and we look forward to participating in future discussions with FTC regarding the specifics of label content, format and size, along with any market research that may be conducted with consumers to assess the effectiveness of each proposed approach. We view this new labeling effort as fundamental to the success of our standards program and the more traditional programs we operate in retail stores to encourage customers to purchase the most efficient products with associated rebates.

Sincerely,

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