

May 14, 2010

Hampton Newsome, Esq.
Federal Trade Commission
Office of the Secretary, Room H-135 (Annex T)
600 Pennsylvania Avenue, NW
Washington, DC 20580

Re: Consumer Electronics Labeling, Project No. P094201

Dear Mr. Newsome:

The Consortium for Energy Efficiency (CEE) respectfully submits the following comments on consumer electronics labeling in response to the notice of proposed rulemaking (NOPR) published in the March 11, 2009 *Federal Register*. CEE is a nonprofit organization that works with its efficiency program administrator members in the United States and Canada to promote energy efficient products, technologies, and services. These comments were developed by the CEE Consumer Electronics Committee (Committee). The organizations listed at the end of this letter have chosen to indicate their strong individual support for these comments.

CEE strongly supports energy disclosure labeling for televisions and other electronics products. In our review of the NOPR, we were pleased to see the Commission's proposal to require EnergyGuide labels on televisions and the thorough examination of the issues related to requiring energy use disclosures for several other electronics products.

CEE appreciated the opportunity to participate in the Commission's public meeting on April 16. That meeting provided a wealth of information from a variety of stakeholders on the practical implications of the proposed rule. It also highlighted the areas that would most benefit from additional input. Our comments are organized in two categories: 1) those related to the proposed rule for television labeling, and 2) those related to other electronics products.

EnergyGuide Labels for Televisions

CEE recognizes that the issues associated with the location, format and content of television labels are complicated and that the Commission's decisions will have impacts on manufacturers, retailers, and consumers. The following comments are based on the Committee's logical assessment of what

would best serve the purpose of consumer energy use disclosures and on Committee members' individual experience in running energy efficiency programs that include retail point of purchase displays. CEE recognizes that the FTC must also consider many other factors in concluding how energy use labeling should best be applied in the consumer electronics market. Those factors may include costs to manufacturers and other factors that are outside of CEE's members' of experience.

Location

CEE assumes that the more visible the EnergyGuide label on the television, the more likely it will be taken into account in consumer purchasing decisions. Therefore, to achieve the purpose set forth by the Commission, CEE recommends that the FTC require the label to be located on the front side of the television, where consumers can easily see it when they are contemplating a purchase in a retail setting. In addition, it is logical to assume that consistency in label placement would be important to the FTC as it would allow consumers to compare models' energy use at a glance. Therefore, CEE recommends that the label be placed on the same front-facing location for all televisions. Given the variety in television designs, we recognize that this recommendation could be challenging to implement. CEE encourages the Commission to carefully consider how consistency can best be achieved in the face of these challenges.

Given that: 1) labels can fairly easily be detached from a product on display for sale and 2) some big box retailers have boxed products available for sale on the sales floor, CEE believes there is value to the Commission requiring the label to be placed on the product's box as well as on the product itself. At the April 16 public meeting, industry stakeholders raised concerns about this recommendation, citing high costs to implement it. While the Committee considered the question of additional costs for manufacturers, it does not have access to any data on the magnitude of these costs. CEE therefore encourages the Commission to explore this issue further and to require on-box labeling, unless the costs are found to be unduly burdensome.

Format

CEE does not have specific input on the issue of label size or shape. Our primary interest is that the annual energy consumption figure can be easily read by the consumer when the product is on display at retail settings.

In online retail settings, CEE supports displaying the actual image of the EnergyGuide label rather than allowing the vendor to summarize this information. Given consumer recognition of the EnergyGuide label, CEE believes that the relevant information will be more effectively conveyed in this format.

Content

CEE encourages the FTC to require the label to indicate when a television includes additional functions, such as integral DVD players, and to state that the annual energy cost for the television does not include those additional functions. Due to the size of the market for these products (6.2% of

television factory sales in 2009, according to the Consumer Electronics Association (CEA), CEE is concerned that failing to note this additional functionality on the label could cause consumers who compare two devices with the same estimated yearly energy cost—one with an integral DVD player and one without—to conclude that the DVD player doesn't add to the energy use of the device and to underestimate the total energy use of the product.

Should the FTC require the use of television size bins for comparative purposes, CEE believes it is important that those bins are consistent with consumer purchasing tendencies. In CEE's comments last year on the advanced notice of proposed rulemaking (ANOPR), we asked the Commission to research how consumers shop for televisions. For example, do consumers typically arrive at retail settings already knowing that they want a 42 inch television and thus, have an interest in comparing the energy use of just that size of television? Or, do they want a "large screen" television, which they define as anything from a 32 inch to a 50 inch model, and thus, have an interest in comparing the energy use across a wide range of models? Since comments on the ANOPR were submitted, the Commission proposed size ranges in the NOPR and the CEA proposed a different set of size ranges at the April 16 public meeting. Without a more explicit basis for either proposal, CEE is unable to determine that either approach is valid, or that one approach is better than the other. However, based on CEE members' work, the Committee's general impression is that the Commission's proposal may not reflect the performance of comparable sizes of televisions well, and the CEA's proposal may be too granular, which could lead consumers to compare models within an unnecessarily small field of substitutes and fail to realize energy savings that could be achieved by purchasing a differently sized unit.

Timing

CEE supports the Commission's proposed six-month period between the adoption of the rule and its effective date. Since several industry stakeholders at the April 16 meeting supported this time period, our understanding is that it is not unduly burdensome.

Other Consumer Electronics

CEE thanks the Commission for its thorough assessment of the appropriateness of EnergyGuide labels for other electronics products and for clearly identifying the questions that must be answered before labeling is required. As previously indicated, CEE supports labeling of all of the products the Commission examined in detail in the proposed rule. However, given the questions raised by the Commission and the stakeholder input at the April 16 meeting, CEE believes that two electronics products are particularly strong candidates for energy use disclosures in the near term: personal computers and PC monitors (also known as displays). The benefits to pursuing energy use disclosures for each of these products are described below, as are the challenges that would need to be overcome before the FTC finalizes labeling requirements for them.

Personal computers

As noted in the NOPR, personal computers are strong candidates for energy use disclosures due to their energy use (from 72 kWh/yr for laptops and 237 kWh/year for desktops according to a 2007 CEA study), and the fact that ENERGY STAR data suggest a range in energy use exists.

The Commission has asked stakeholders to evaluate whether existing test procedures are sufficient to serve as a basis for labeling. The Committee has considered this question for computers, drawing upon input from a research scientist from Lawrence Berkeley National Laboratory. It is the Committee's understanding that the current ENERGY STAR test procedure for personal computers does not measure active mode consumption. The Committee also understands that the active operational mode of a computer accounts for only 3% of typical desktop annual energy use and is directly correlated with idle mode. Assuming this information is correct, it appears that, though limited, the current ENERGY STAR procedure may be sufficient for FTC's purposes. CEE encourages the FTC to consider whether relying on the ENERGY STAR procedure would aid consumers in comparing products and making purchasing decisions.

Given the significant energy consumption differences between laptop/notebook and desktop computers noted by the Commission in the NOPR, CEE suggests that the FTC develop separate categories for laptop and desktop models. This approach would be similar to the feature bins used in the EnergyGuide refrigerator labeling.

Aside from the test procedure question noted above, another challenge to implementing energy use disclosure labeling for computers is the fact that they can be differently configured, e.g., with different processors and components. The Committee does not have access to information about those configuration options, the variation in energy consumption between them, or the sales associated with them. To the extent that there is a "typical" configuration for computers sold in a brick-and-mortar retail setting, it would seem reasonable to use that configuration as the basis for performance testing and EnergyGuide labeling.

PC monitors (Displays)

Like personal computers, PC monitors (displays) have been shown to have notable energy use (85 kWh/year according to a 2007 CEA study) and a range in energy use among models. These two factors bolster the case for energy use disclosures for these products.

However, one challenge to implementing energy use disclosures for PC monitors (displays) relates to test procedures. The Committee understands that the current ENERGY STAR test procedure for PC monitors (displays) uses a static image test. The Committee also understands that there is another test procedure (IEC 62087) that uses a moving image. The Committee is not aware of any side by side comparison of the two test procedures and therefore is unable to comment on whether the ENERGY STAR test procedure provides an accurate estimate of the total energy use for a PC monitor (display). CEE therefore recommends that the FTC research this question and evaluate whether there is any downside to using the static image test procedure before implementing labeling for this product.

Other electronics

The consumer electronics market is fast-moving; new information is being collected and test procedures are being developed and revised on a rapid cycle. As a result, CEE encourages the Commission to annually revisit whether any of the electronics products addressed in its March 11 notice (and others that emerge as strong candidates for labeling in the future) meet the criteria for labeling (i.e., assist consumers in purchasing decisions, technically and economically feasible, etc.), taking into account new market or technical developments.

Thank you for your consideration of these comments. Please contact CEE Program Manager Margie Lynch at (617) 337-9277 with any questions.

Sincerely,

Marc Hoffman
Executive Director

Supporting Organizations

Avista Utilities
Cape Light Compact
DTE Energy
Efficiency Vermont
Northeast Energy Efficiency Partnerships
Pacific Gas and Electric Company
Puget Sound Energy
San Diego Gas and Electric Company
Seattle City Light
Southern California Edison