



Pacific Gas and Electric Company®



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May 15, 2012

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) and San Diego Gas and Electric (SDG&E) in response 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 represent some of the largest utility companies in the Western United States, serving over 21 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. The following items below serve to outline our support for some of FTC’s proposed amendments and to provide recommendations for further improving the availability of labels and web site disclosures.

1. DOE should prohibit EnergyGuide hang tags and require adhesive EnergyGuide labels for covered products.

Evidence gathered by the FTC and the Government Accountability Office (GAO) showed that approximately 38 percent of appliances in an examination of 8,500 appliances across 89 retail locations were missing EnergyGuide labels (FR Doc No: 2012-4865). Products labeled with hang tags were more likely to be missing than products with adhesive labels. For these reasons, we strongly support requiring adhesive labels in lieu of hang tags for all products. With this requirement, FTC and DOE should also require that the adhesive on the label leave no or minimal adhesive residue when peeled directly off the appliance. In all situations, the adhesive residue should be easy to clean using common household goods. This is particularly important for appliances like dishwashers, clothes washers, and refrigerators for which

the consumer is likely to want to remove the label upon use of the product. Labels that leave a difficult-to-clean sticky film or residue could taint a positive perception of the labeling program.

2. EnergyGuide labels should be placed in a location readily visible to consumers during the decision-making process of purchasing a covered product.

In terms of label placement, we believe the objective is to place the label in a location that is visible to the consumer, prior to the consumer's purchasing decision, so that the consumer has the opportunity to consider the information displayed on the label. The most fail-safe solution to meeting this objective would be to require that an EnergyGuide label be placed on both the unit itself and the unit's packaging to cover instances in which some retailers display products inside product packaging. This solution also reduces confusion and complexity around requiring a label to go on the unit of some covered products, and the box/packaging of other covered products. We propose that a conventional EnergyGuide label be displayed directly on units in a place visible to consumers if the product were to be showcased on a showroom floor. For the EnergyGuide label that would go on the box/packaging, the manufacture could have creative leniency in how the EnergyGuide label is displayed (e.g. placement and medium) so long as it appears to be a carbon copy of the label displayed on the unit itself.

As an alternative, although less effective method, we recommend that FTC require that labels be placed directly on products (as opposed to packaging) that are typically delivered to the home by the distributor, retailer, or by third-party delivery. For products that consumers typically take home themselves, the label should go on the packaging. We also propose a few modifications to this labeling scheme for three specific products. For room air conditioning (AC) units, we concur with FTC that the label should go directly on the box, since retailers often display these products in boxes on the showroom floor or on shelves (FR Doc No: 2012-4865). Alternatively, FTC could require two labels for these products – one for the unit and one for the box. These recommendations would support the statutory requirement that FTC ensures labels are “displayed in a manner ... likely to assist consumers with purchasing decisions.” 42 U.S.C. § 6294(c)(3).

3. FTC and DOE should require that manufacturers display the energy factor (EF) and seasonal energy efficiency ratio (SEER) values on the packaging of shipped water heaters and central AC units, respectively.

We believe the addition of efficiency metrics on water heaters and central AC units will provide consumers with valuable information in relation to the energy usage of their equipment. Moreover, we believe that the disclosure of these metrics on the label will aide in compliance with state building code standards, which would be applicable to the large majority of states.

4. Clothes washer capacity should be included on the EnergyGuide label for clothes washers.

Given the wide range in clothes washer capacity for “standard” clothes washers, we recommend that FTC require that clothes washer capacity be displayed on the EnergyGuide label. We believe that this information could prompt consumers to think more critically about the utility of different sized washers, and also its associated energy and water requirements.

5. For room air conditioners (ACs), disclosure of usage assumptions (e.g. use in hours per year (or days per year and hours per day) should be included on the label so that consumers can more accurately gauge their anticipated energy-use.

EnergyGuide labels for room air conditioners should disclose the usage assumptions that form the basis of the estimate annual operating cost figure that appears on the label. These underlying assumptions are

useful in helping consumers evaluate their own energy consumption, relative to the anticipated energy expenditure and cost of room AC units in question. This in turn could assist consumers in purchasing decisions and/or help consumers determine the effects of their actions on energy consumption. Moreover, to our knowledge, room ACs are the only products with labels that fail to disclose usage assumptions underlying the estimated annual operating costs. Thus we strongly urge FTC to require that the EnergyGuide label disclose usage assumptions for Room ACs.

6. Quick response (QR) codes should be used in tandem with EnergyGuide labels, which could facilitate innovative practices for communicating useful information to consumers about covered appliances.

We are highly supportive of FTC’s proposal to include quick response codes on the EnergyGuide labels. We see this as an excellent opportunity to be able to provide more readily available information to consumers, which could assist them with their purchasing decisions. This would also compliment a growing market trend in consumers using smart phones to conduct on-the-go research to inform their purchasing decisions, as evidenced by the growing use of applications such as Google Goggles and the NeoReader.

Additionally, there is ample opportunity for utility programs and third-party rebate programs to leverage QR codes to inform interested buyers about rebate availability for more efficient products. To this end, FTC could partner with “Database of State Incentives for Renewables and Efficiency”, (DSIRE at www.dsireusa.org). DSIRE is a comprehensive source of information on state, local, utility, and federal incentives and policies that promote renewable energy and energy efficiency. Established in 1995 and funded by DOE, DSIRE is an ongoing project of the North Carolina Solar Center and Interstate Renewable Energy Council (IREC).

7. FTC should require retailers and manufacturers to display the full EnergyGuide label on listings of covered products. To improve compliance, FTC and DOE should work together to create a database to store all EnergyGuide labels in one location.

We support FTC’s proposal to require retailers and manufacturers to post the full EnergyGuide and Lighting Facts label online on product pages on their respective web sites. We believe a link to the label is not as sufficient as having the full label displayed since customers may not choose to click the link due to inconvenience, lack of awareness that the EnergyGuide icon is a link, or general lack of interest. Placing the full EnergyGuide label on the product page is the solution with the greatest likelihood in ensuring that consumers consider the information presented on the label.

To improve compliance of EnergyGuide labels on retail websites, FTC and DOE should work together to create a repository for all EnergyGuide labels that can be accessed by the general public. A repository or database of this nature could also contain other data or labeling requirements as developed in DOE rulemakings or federal legislation. Moreover, a public database would also allow interested consumers to more quickly and easily compare products, especially with the aide of QR codes.

8. FTC should work with DOE to provide consumers with information about the broad energy impacts and greenhouse gas emissions of covered products and display this information on the EnergyGuide label.

We are highly supportive of FTC’s proposal to work collaboratively with DOE to provide consumers with information about the broad impacts and greenhouse gas emissions of covered products. We are supportive of DOE including full fuel-cycle impacts of the primary fuels involved in powering covered

home appliances. We believe that empowering consumers with more information about the full fuel-cycle of energy used to power products will help them to contextualize their own energy impact and influence their product purchasing, use, and replacement decisions.

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