

COMMISSIONERS PRESENT

Jeffrey D. Byron

Anthony Eggert

Robert Weisenmiller

STAFF PRESENT

Melissa Jones

Michael Levy, Chief Counsel

Peter Strait

Gabe Herrera

I N D E X

	Page
Proceedings	4
Items	
1. STATE ENERGY EFFICIENT APPLIANCE REBATE PROGRAM. Possible adoption of changes to Program Guidelines to expand the list of qualifying products and address severe supply chain issues present in the appliance marketplace. The proposed changes would provide for regular updates of the list of qualifying products, extend the time required for submitting an application after the date of purchase from 30 to 120 days and make other conforming changes; and extend the program rebate offer period beyond May 23, 2010, to whenever the funds are depleted.	4
Adjournment	9
Certificate of Reporter	10

P R O C E E D I N G S

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

MAY 27, 2010

9:06 a.m.

COMMISSIONER BYRON: Good morning everyone and welcome to the May 17th, 2010 [sic] Business Meeting of the California Energy Commission.

Please join me in the Pledge.

(Whereupon, the Pledge of Allegiance was received in unison.)

COMMISSIONER BYRON: Thank you, Commissioner; it looks as though I may have said the wrong date. This is the 27th of May, 2010 Meeting. We have one item on the agenda this morning, Commissioners.

Item 1. State Energy Efficient Appliance Rebate Program. Possible adoption of changes to Program Guidelines to expand the list of qualifying products and address severe supply chain issues present in the appliance marketplace. Peter Strait, good morning.

MR. STRAIT: Good morning, Commissioners. I have prepared a script for myself so I do not forget anything. First, let me thank you all for holding this Special Business Meeting to consider this item. Last week, at the May 19th Business Meeting, you approved a set of amendments for the Cash for Appliances Program Guidelines that allowed us to update our lists of qualified clothes washer, refrigerator, and room air conditioners models for the program on a weekly basis. We have added 37 new

1 refrigerators and 38 new clothes washers to the program, as
2 a result, expanding the lists by 20 percent and 40 percent,
3 respectively, and representing the absolute latest and most
4 advanced appliance models available to consumers to date. Today,
5 we are asking you to adopt a second set of proposed amendments to
6 the guidelines that further address the severe supply chain issues
7 that have kept many of California's consumers from participating
8 in the program. Ideally, we would have considered both sets of
9 amendments at the same time, however, the only way to do so, while
10 observing the required public comment period, would have been to
11 hold back the update of the qualified model lists until now, to
12 the detriment of consumers, retailers, and manufacturers.

13 The proposed amendments we are asking you to consider
14 today do two things, first, they remove the original May 23rd end
15 date for the Cash for Appliances Program. This makes the program
16 open ended and allows us to continue to offer the rebates to
17 consumers until the program funds are exhausted. Second, they
18 extend the deadline for consumers to submit the rebate materials
19 from 30 days after they make their purchase to 120 days after the
20 purchase. This change is to directly address the six to eight-
21 week delivery lead times that consumers and retailers are facing
22 in the marketplace. In addition to the above, it is worth noting
23 that we are also streamlining the program in several ways allowed
24 within the current guidelines. For example, to account for cases
25 where the Energy Guide Label and UPC Code are absent, we will also

1 be accepting letters from the retailers that state the
2 model was delivered to and received by the customer. We are also
3 expanding the requirements for a current utility bill to allow for
4 a wider set of items the customer can submit to verify their
5 residential address.

6 With these changes to the Guidelines, more consumers
7 will be able to participate in the Cash for Appliances Program,
8 and the extension of the program will come just in time for
9 retailers hosting Memorial Day promotions. Legal needs to make
10 some comments on the record, but afterwards, if you have any
11 questions about the amendments, I will be happy to answer them for
12 you.

13 COMMISSIONER BYRON: Yes, and I note, Mr. Herrera is
14 with you. Would you like to add your comments now?

15 MR. HERRERA: Thank you, Commissioners. I would. Gabe
16 Herrera with the Commission's Legal Office. When the Commission
17 proposes an adoption of guideline revisions such as these, the
18 Legal Office reviews the revisions to determine whether the act of
19 adoption constitutes a project under CEQA, and is thereby subject
20 to an environmental review under California Environmental Quality
21 Act. In this case, these guideline revisions do not constitute a
22 project under CEQA because the guidelines fall within a list of
23 excluded activities under Title 14 of the California Code of
24 Regulations, Section 15378(B)(iv), in that the activity relates to
25 the creation of a government funding mechanism, which do not

1 involve any commitment to any specific project which may
2 result in a potentially significant physical impact on the
3 environment. In addition, the adoption of the guideline revisions
4 is exempt from CEQA under what is commonly referred to as the
5 "Common Sense Exception" pursuant to Title 14, California Code of
6 Regulations Section 15061(B)(iii). This section indicates that
7 CEQA only applies to projects that have a "significant effect on
8 the environment" which is defined in Public Resources Code
9 Sections 21068 and Title 14 of the California Code of Regulations,
10 Section 15382, as being a substantial adverse change in the
11 environment. Thank you.

12 COMMISSIONER EGGERT: Thank you, Commissioners. I just
13 want to make a couple of comments. I think, as we had discussed a
14 little bit briefly in the last meeting when we made the changes to
15 expand the offerings, I want to just say that I think this is
16 another good example of adapting a program as we learn new
17 information. You know, at the outset of this, we were not sure
18 how quickly these rebates would be taken up and I think what we
19 have seen is significant interest in the program. We have seen a
20 significant amount of retail activity, but we have also now seen
21 sort of a pace of rebates that allows us to extend this program
22 beyond the May 23rd date, to be able to accommodate the money that
23 we have left available in the account. I also would note that
24 some of these changes are specifically trying to make it even more
25 easy to consumers in terms of some of the paperwork, but the one

1 thing that we have not done is we have not compromised on
2 our efficiency criteria with respect to the specifics of the
3 eligible appliances. They still have to meet the California
4 standards and the toughest of the Energy Efficiency Standards
5 through Energy Star and the Council on Energy Efficiency. And I
6 think what that has done now, that we now have a longer program in
7 place, is it has created a new incentive of sorts for
8 manufacturers to get their products on those lists. I would also
9 note that the pace at which these rebates are being provided is
10 generally consistent with other rebate programs that have been
11 administered by utility programs in the past at these level of
12 rebates. So, to the extent that retailers want to get their
13 product on these lists, they have an ongoing incentive to do so
14 because the program allows for them to come on the list as they
15 qualify. So I just wanted to offer those observations.

16 COMMISSIONER BYRON: Thank you, Commissioner.

17 COMMISSIONER WEISENMILLER: I think this is a good
18 program, I think it is very good and, again, on a lot of these
19 programs, we will need to refine those over time. Certainly, I
20 would be happy to move this item.

21 COMMISSIONER BYRON: Thank you, we have a first.

22 COMMISSIONER EGGERT: I will second.

23 COMMISSIONER BYRON: Thank you. Any further discussion?
24 None. Gentlemen, all in favor, please say "aye."

25 (Ayes.)

