

Comments Prepared For Presentation Before The Assembly  
Planning and Land Use Committee Regarding AB1575 (Warren)  
As Amended On May 29, 1973 - Hearing of June 11, 1973

My name is Robert Jordan, representing the General Electric Company. As a major supplier of power generating and distribution equipment, and a leading manufacturer of home appliances, we have great interest in AB1575. In addition, we operate quite a few important manufacturing facilities in California and employ some 11,000 people. An adequate and continuing supply of electrical power to these facilities and to our employees and their families is of major concern.

Time has not allowed us to make an in-depth analysis of AB1575. However, our review of it indicates quite a few serious problems, many of which will be discussed by others today. In the interest of avoiding duplication, I will touch on only one major problem we see with the bill, which may not be covered by others at this hearing.

Referring to page 22, Section 25402 (c), starting at line 32, it is mandated that a minimum level of operating efficiency be prescribed for all appliances whose use, as determined by the commission, require a significant amount of electrical energy on a state wide basis. In passing on to the most serious problem of this provision, let me just point out that the phrase "significant amount of electrical energy" is very nebulous and can have many interpretations. Also, there is no way that I know of to determine with any degree of accuracy, how much energy is being consumed on a state wide basis by each kind of appliance, short of putting metering devices on each appliance used in every home.

But the major problem with this provision is the concept of appliance operating efficiency. By definition, the term "efficiency" implies a quotient obtained by dividing a measurable output by a measurable input. With all appliances, the

input is easily determined in terms of watts consumed. However, the output, with the exception of the room air conditioner, is not subject to practical measurement. For example, how would one measure the output of a dishwasher - or a garbage disposer - or a clotheswasher, in meaningful terms. So there really is no such thing as a meaningful and practical measure of operating efficiency for appliances, except the room air-conditioner. In this one case, the heat removed in an hour by an air-conditioner can be measured in terms of B.T.U./hour. Dividing this figure by the watts input during the period gives a factor called the Energy Efficiency Ratio which can be and is used to compare room air-conditioners. Senator Alquist has a bill-SB357-moving along on the Senate side without opposition, which deals with this concept and will be an asset in conserving energy when it becomes law.

The idea of comparing appliances based on operating efficiency is not new though it has recently come to the forefront because of the energy problem. The Association of Home Appliance Manufacturers to which almost all major U.S. manufacturers belong has studied this idea and developed the Energy Efficiency Ratio for room air-conditioners but was not able to apply the concept in a practical way to other appliances. Several other states have considered legislation such as we are discussing now. Senator Tunney has introduced a similar bill in the Senate this year. All of these legislative attempts have finally faced the reality of this problem and I believe are now dormant.

On June 5, the U.S. Department of Commerce announced in the Federal Register plans to issue procedures for the labeling of appliances sold nationally in order to promote energy conservation. Such labels would show product efficiency. Appliance manufacturers are asked to comment on these plans by July 5. I suggest that this approach provide the answer to the problem in AB1575.

If the Department of Commerce concludes after this thorough consideration of the matter that the operating efficiency approved is not valid, then it would not make sense to ignore those conclusions and continue these provisions in AB1575. On the other hand, should the Commerce Department find an equitable and useful answer, the procedure would go into effect nationally and cover all appliances sold in California; so there would be no need to duplicate this in AB1575. This, incidentally, would be the preferable solution since the consistency of application in all states would eliminate many problems for consumers, manufacturers and for State Administration of AB1575.

With all the important tasks assigned to <sup>the</sup> Commission by AB1575, it just doesn't make sense for the Commission to expend time, money and staff pursuing an activity which all evidence indicates cannot be fruitful or which, if it can somehow be worked out, will be provided for at the Federal level.

I have then, three suggestions:

- (1) Delete from AB1575, Section 25402(c) and any other references to the subject matter of that section.
- (2) Give favorable consideration to SB357 (Alquist) dealing with efficiencies of air-conditioners, if and when this bill reaches the Assembly.
- (3) Substitute for Section 25402(c) the requirement that the Department of Consumer Affairs, working with qualified representatives of the home appliance manufacturing industry, develop a "How To Save Money and Energy" manual for home appliance users and work out a consumer educational program built around the

manual. Incidentally, General Electric home economists and engineers are putting such a book together now for national distribution about September 1. It will be available to anyone who wants a copy.

Here, in our opinion, lies the greatest potential for real energy conservation in the home-educating users how to properly use the appliances they have. There is no major difference, for example, in the energy consumed in one operating cycle of the various brands of dishwashers on the market. They all have about the same size motor. But energy consumption of any dishwasher can vary markedly depending on whether the user operates it only when fully loaded or three or four time a day, following every meal or snack.

We are wholly supportive of reasonable energy conservation in California and for measures which will insure energy supply to meet reasonable demand. These suggestions are made with those two goals in mind.

I thank you for this opportunity to present these views.

Robert L. Jordan  
General Electric Company  
Manager - Public Affairs Operation  
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Sacramento, California 95814  
Phone AC916 443-1460



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PMS HONORABLE ALFRED ALQUIST

SENATOR STATE OF CALIFORNIA

STATE CAPITOL SACRAMENTO CALIFORNIA 95814

WE ARE SERIOUSLY CONCERNED ABOUT CHAPTER 5, SECTION 25402 (C) OF A.B. 1575. ENACTMENT OF THIS LEGISLATION WILL NOT SIGNIFICANTLY REDUCE ENERGY CONSUMPTION IN CALIFORNIA, BUT IT WILL DISRUPT THE DISTRIBUTION SYSTEM OF THE APPLIANCE INDUSTRY THIS LEGISLATION IS VIRTUALLY OPEN-ENDED IN GIVING AUTHORITY TO SET DESIGN AND PERFORMANCE STANDARDS. THE LEGISLATION AS WRITTEN COULD PLACE CALIFORNIA IN THE APPLIANCE RESEARCH AND ENGINEERING BUSINESS, THUS REQUIRING A COSTLY AND EXTENSIVE NEW DEPARTMENT.... A DEPARTMENT WHICH IS ONLY CAPABLE OF ACHIEVING MINIMAL ENERGY SAVINGS AS APPLIANCES ONLY ACCOUNT FOR ABOUT FIVE PERCENT OF THE

FIVE  
1575

NATION'S TOTAL ENERGY CONSUMPTION.

DUE TO PRODUCTIVITY IMPROVEMENTS, THE APPLIANCE INDUSTRY HAS BEEN ONE OF THE MOST SUCCESSFUL INDUSTRIES IN THIS COUNTRY IN MAINTAINING A COMPETITIVE POSITION WITH FOREIGN IMPORTS. A FRAGMENTED STATE-BY-STATE APPROACH TO A NATIONAL PROBLEM REQUIRING DIFFERENT STANDARDS OF EFFICIENCIES, LABELING AND PERFORMANCE WOULD IMPAIR THIS TREND.

AS AN ALTERNATIVE, THE APPLIANCE INDUSTRY AND THE U.S. DEPARTMENT OF COMMERCE ARE CURRENTLY DEVELOPING A PROGRAM TO LABEL APPLIANCES TO INFORM CONSUMERS OF THE ENERGY REQUIREMENTS OF APPLIANCES, AND METHODS OF CONSERVING ENERGY IN THEIR PURCHASE AND USE. APPLIANCE LEGISLATION, BECAUSE OF NATIONAL DISTRIBUTION, SHOULD ONLY BE CONSIDERED ON A NATIONAL BASIS

WE URGE DELETION OF CHAPTER 5, SECTION 25402 (C).



**Telegram**

ANDREW J TAKACS DIRECTOR, PUBLIC AFFAIRS  
WHIRLPOOL CORPORATION BENTONHARBOR MI 49022

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western union

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PMS SENATOR ALFRED E ALQUIST

SENATE FINANCE COMMITTEE ROOM 5031 STATE CAPITOL

SACRAMENTO CA 94814

WE STRONGLY URGE DELETION OF SECTION 25402 (C) OF ASSEMBLY BILL  
1575 LETTER WILL FOLLOW

J D BOWMAN VARING PRODUCTS RT 44 NEW HARTFORD CT 06057

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FILE

6055 EAST WASHINGTON BOULEVARD / LOS ANGELES, CALIFORNIA 90040 / TELEPHONE: (213) 724-4314

April 2, 1974

Senator Alfred Alquist  
MEMBER, SENATE FINANCE COMMITTEE  
Capitol Building, Room 5031  
Sacramento, California 95814

Dear Senator Alquist:

SUBJECT: AB1575 - Warren - Energy Resources -- Opposition to

As representatives of a regional trade association representing some 1000 member companies in Southern California, we are greatly concerned about Assemblyman Warren's AB1575, which enacts the State Energy Resources Conservation and Development Act. We are particularly concerned with Section 25402 (c) on Page 23, which calls for minimum standards for operating efficiency for home appliances. We most vehemently oppose enactment of such a measure. Minimum efficiency standards would be neither productive nor practicable.

Our reasons for opposition are many:

1. Standards are technically not possible at present because no industry-wide measurement of energy efficiency usage has been devised for any appliance except room air conditioners. The industry is working diligently to educate dealers and the public about high efficiency room air conditioners. Work is now underway on developing measurements for refrigerators and freezers. Developing meaningful measurements is slow and difficult and may be impossible for some appliances.
2. Should standards ever be set, it should be done only at the national level to enable manufacturers to work to one standard.
3. High efficiency appliances are better quality and more expensive, thus the choice of available products would be reduced, costs would be higher, and those on limited budgets might be unable to buy appliances they need.
4. Minimum standards tend to become maximum standards.

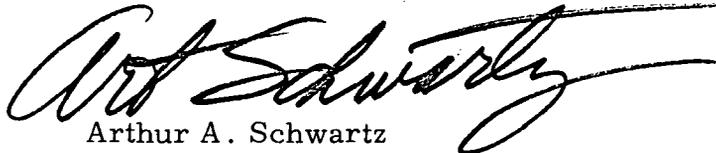
April 2, 1974

5. The energy that might possibly be saved through such standards appears to be minimal. One industry projection indicates that requiring all consumers to purchase the most efficient room air conditioners and refrigerators (two of the highest energy using appliances), would only result in a reduction in total energy consumption of less than 2/10 of 1% a year after 15 years. Such a minimal saving does not seem to warrant forcing the public to buy more expensive appliances.

Our hope is that you, as a member of the Senate Finance Committee, will consider deleting Section 25402 (c) through committee amendment when AB1575 is heard on Monday, April 15th. Your consideration of our request will be greatly appreciated.

Sincerely yours,

ELECTRICAL INDUSTRIES ASSOCIATION



Arthur A. Schwartz  
Executive Vice President

AAS: st  
cc: Governor Reagan

April 2, 1974

TO: Members of the Senate Finance Committee

SUBJECT: AB 1575 (Warren) - Warren-Alquist State Energy Resources  
Conservation and Development Act

Gentlemen:

The subject bill will be heard by the Senate Finance Committee on Monday, April 15. It is my understanding that negotiations between the author, the Administration, and the utilities have resulted in an amended bill which all three of these interests now support.

However, the entire appliance industry - including General Electric Company remains strongly opposed to the provision of Section 25402, Paragraph (c), which require the establishment of minimum standards of operating efficiency for new appliances purchased in California. We urgently request that the Senate Finance Committee in the hearing on April 15, adopt a Committee amendment deleting this paragraph. Then the bill can go forward without opposition, a most desirable situation in obtaining full public support for this most important bill and greatly simplifying its implementation through the critical energy-shortage period ahead.

There are two acceptable substitutes for this paragraph:

(1) Provision that the State conduct a far-reaching program of education of consumers in the proper use of appliances to conserve energy. This program would produce energy conservation results immediately and to a far greater extent than Section 25402, Paragraph (c), because it would affect appliances now in use. Any conservation effects from the appliance efficiency provisions now in the bill will not be markedly evident until these new units have substantially replaced those now in use - at least 10 years in the future.

(2) Provision that the Commission established by the bill assess the progress and results of voluntary and federal programs affecting appliance energy consumption which are now underway and, if progress is not deemed adequate by October 1, 1975, recommend appropriate legislation to the Legislature after that date. This approach gives the appliance industry a chance to prove by action its earnest desire to respond to the need for energy conservation in the products it manufactures, without the adverse effect on consumers and the economy now inherent in the present provision of AB 1575.

Our request for deletion of Section 25402, Paragraph (c), is based on three points:

- (1) Minimum standards of operating efficiency actually can be counterproductive in terms of improving appliance efficiency as quickly as possible and to the maximum extent that is technically feasible.
- (2) Any such regulation or legislation is much more effective, less costly to administer, and serves the public better if carried on at the Federal level.
- (3) These provisions are not needed with today's public awareness of the necessity for energy conservation as a major factor in the appliance buying decision.

I expand on these three points as follows:

(1) AB 1575 provides for establishment of minimum standards of operating efficiency. We suggest that this approach will work against the conservation of energy. Applying this to the air-conditioner, for example, it is presumed that the Commission would set an energy efficiency ratio of perhaps 7 (the present range is from about 4 to 11) as the minimum efficiency standard. Any air-conditioner with a lesser ratio would be banned from sale in California markets. Bearing in mind that generally the portability of room air-conditioners decreases as efficiency increases and retail price increases as efficiency increases, it will be helpful to analyze what would probably result in sequence.

First, lower-income people, who generally live in substantial rental accommodations or poor neighborhoods where homes are badly insulated and close together, and who need air-conditioning the most would be precluded from its purchase because of increased price and lack of portability. Migrant farm workers would also fall in this category.

Second, manufacturers who make only the lower priced units would be forced out of the California market. Other manufacturers would find their product lines considerably diminished. In sum, there would be a tendency to concentrate a smaller market among fewer competitors, with increased unit cost to the lesser number of persons who could afford the product.

Third, manufacturers would be competing against the minimum standard instead of with each other. Manufacturers of the most efficient units would have no incentive to improve efficiency farther. In fact, they might decide to lower efficiency in order to be more competitive in price, knowing they could always reverse that action if necessary. Manufacturers of units at or near

the minimum efficiency standard would have incentive to develop improved efficiency but not introduce it, hoping to forestall an increase in the minimum standard which might put them out of business and to be certain they had some breathing-space, if and when the standard was raised.

In contrast, with no minimum standard to harass appliance manufacturers, they will turn full attention to competing fiercely with each other, to meet customer needs and demands for energy conservation. New developments will be introduced as quickly as possible. Full competition from a maximum number of competitors will remain and all consumers, all income groups, will have an opportunity to purchase more efficient appliances in all price ranges.

(2) The appliance industry, in a spirit of cooperation, has agreed to compliance with the voluntary appliance efficiency labelling program proposed by the Department of Commerce. The Department of Commerce has published proposed labelling requirements for room air-conditioners in the Federal Register. Soon final regulations will be issued and as soon as practical thereafter, all room air-conditioners sold nationally will bear a single tag indicating energy information. Activity is underway for similar labelling of refrigerators and home freezers as quickly as meaningful and equitable standards can be adopted, to be followed by the other major appliances which consume substantial energy. The Jackson Bill, now in the legislative process in Washington, contains appliance labelling provisions and, it is understood, strong pre-emptive provisions. President Nixon, in his recent energy message to Congress, promised introduction of legislation to require labelling of both autos and appliances as to energy usage.

With all this activity underway by appliance manufacturers and at the Federal level, nothing is served by starting similar activity in the future at the State level. In fact, additional unnecessary problems could only result. The Department of Commerce has estimated that the research necessary to establish the room air-conditioner labelling program would have cost one and one-half million dollars if the industry hadn't already completed that work a few years ago. This gives some indication of what a State program could cost the taxpayer. It is better to spend this money in pursuit of other provisions of AB 1575. Also, having various State standards and labelling programs would result in an administrative, production, packaging, and warehousing nightmare for manufacturers who sell in many states, with the resultant increase in costs to the consumer gaining him little or nothing as compared to the Federal activity.

(3) Since the appliance industry deals with products used by people in the home, it has been characterized by its sensitivity to people's needs and desires, as evidenced by the great growth of the industry's dollar volume

April 2, 1974

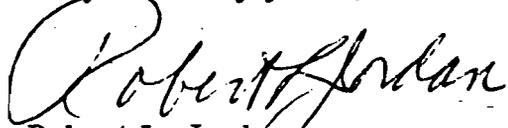
and proliferation of products and models. In contrast to only a few years ago, when electrical energy was both inexpensive and seemingly inexhaustible, today's appliance customer - faced with the possibility of a finite allocation of relatively expensive power - puts energy conservation high on the list of buying motives. It is a certainty, therefore, that the appliance industry - as always, sensitive to customer demands - is focusing top priority on maximizing appliance efficiency. For any appliance manufacturer to ignore this new customer need would be to court loss of market position, if not disaster in the marketplace. But it takes time to translate these demands through engineering, design, production, distribution, and into products available to the consumer. In the interim, there is little or no dialog going on as to what is taking place, because no manufacturer wants to publicly divulge his product innovations until he is in a position to exploit them in the free market. So we sometimes become impatient and erroneously conclude that legislative action is necessary to bring about that which is already underway. Then, too, appliance manufacturers realize that with a limited and finite amount of electric power available for appliance operation, the only way to keep unit sales increasing and dollar volume growing, is to reduce the power consumption of each unit produced - and the one who does the best job in this regard will sell the most units in the long run. So with this extremely strong pressure from the marketplace, no legislative prodding is necessary, nor will its existence speed up the process or make it more effective.

In the long run, the cause of energy conservation will be best served under today's conditions and public attitude by a minimum of Government regulation of the appliance business - particularly at the State and local levels. Interestingly, Los Angeles late last year debated the merits of appliance efficiency labelling and standards and concluded that this activity should only be done at the Federal level, if at all.

If you are motivated - as I'm convinced you are - to provide the best possible energy legislation in AB 1575 to serve the people of California, I feel confident this necessarily over-long letter will provide ample reasons for the removal of Section 25402, Paragraph (c) by Senate Finance Committee amendment on April 15.

In behalf of the General Electric Company, I express our sincere thanks for your consideration of these suggestions.

Very sincerely yours,



Robert L. Jordan  
Manager, Public Affairs Operation  
General Electric Company  
1500 7th Street, Apt. 11E  
Sacramento, California 95814

RLJ: mo

cc: Robert Hampton  
Committee Consultant

**SUES, YOUNG & BROWN, INC.**

Telephone (213) 724-2400

*wholesale distributors: radios \* television \* electrical appliances*

OFFICES AND WAREHOUSE: 2200 SAYBROOK, COMMERCE, CALIF.

MAILING ADDRESS: P.O. BOX 54542, LOS ANGELES, CALIF. 90054

April 4, 1974

The Honorable Alfred Alquist  
State Senate  
Capitol Building  
Sacramento, California 95814

Dear Senator:

We are one of the largest independent distributors in Southern California doing business with approximately 3,000 appliance and television dealers.

On Monday, April 15th, there will be a hearing regarding Bill AB1575. We would appreciate your co-operation in deleting Section 25402 from this bill. In our opinion, adopting this section would create a series of difficult problems for appliance dealers. Section 25402 calls for mandatory energy efficiency standards for home appliances.

If adopted, there is no question that appliance costs would increase in price. It would also create difficulties for the manufacturer, who would have to produce products with different local standards. This would mean a limited choice of products and higher costs. We also estimate that the reduction in total energy consumption could be less than 2/10th of 1% per year. This is very minimal in face of the projected additional cost if these efficiency standards should be adopted.

Many appliance dealers and distributors we have contacted are strenuously opposed to Section 25402. We respectfully ask that you do your utmost to have this section excluded when the hearing takes place.

Very truly yours,



Ed J. Dymek  
Vice President

EJD:rm

cc: Governor Ronald Reagan  
Ms. Anne Ewing

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HON ALFRED E ALQUIST  
SENATE FINANCE COMMITTEE  
ROOM 5031, STATE CAPITOL  
SACRAMENTO CA 95814

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THE ASSOCIATION OF HOME APPLIANCE MANUFACTURERS, REPRESENTING THE PRODUCERS OF MOST HOME APPLIANCES SOLD IN THE U. S., RESPECTFULLY SUGGESTS THAT IS IN THE BEST INTEREST OF CALIFORNIA CONSUMERS TO DELETE SECTION 25402(C) FROM A.B. 1575.

THIS PROVISION WILL NOT ACCOMPLISH ITS LAUDATORY OBJECTIVE, BUT WOULD ADVERSELY AFFECT CALIFORNIA CONSUMERS BY INCREASING GOVERNMENT COSTS, INCREASING PRODUCT COSTS, DEPRIVING THEM OF MEANINGFUL PRODUCT BENEFITS, AND RESTRICTING PRODUCT CHOICE.

WE BELIEVE OTHER AVENUES OFFER GREATER OPPORTUNITY TO REDUCE THE RELATIVELY SMALL AMOUNT OF ENERGY (ABOUT 5.3 PERCENT OF THE NATIONAL TOTAL) REQUIRED TO OPERATE ALL HOME APPLIANCES AT LESS COST AND WITH LESS DISRUPTION. LETTER FOLLOWS.

GUENTHER BAUMGART, PRESIDENT  
ASSOCIATION OF HOME APPLIANCE MANUFACTURERS

1604 EDT

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April 5, 1974

The Honorable Alfred E. Alquist  
Senator of California  
Senate Finance Committee  
State Capitol, Room 5031  
Sacramento, California 95814

Subject: Assembly Bill 1575

Dear Senator Alquist:

Try to imagine your reaction if you were faced with the requirement to rid yourself, and your wife too, of your standard size automobile within the next 18 month period.

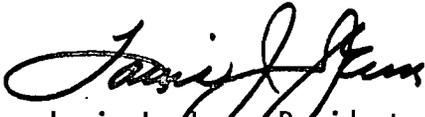
Most legislators, and their constituents, would come right out of their chairs in justifiable indignation for this intrusion on their personal freedoms. Their second thought would likely be that it can't happen here, but can't it? Bill #1575, under consideration in the California legislature, proposes to set minimum levels of operating efficiencies for all appliances with the stated purpose being energy savings. Applying the same logic, couldn't your wife, and mine and everyone else as well, by similar legislation be required to scale down to a compact automobile? The potential savings, in energy, based upon the difference in efficiency for transporting people, between the compact and the full size automobile, is many many times that offered by appliances in the home. Further, the most efficient use of energy is very frequently a squanderer in the area of cost and productivity. As an inventor, designer, and manufacturer, I find many justifiable alternatives to efficiency in almost every endeavor. A sample of some basic ones in the non-appliance field are, for example, the postal service letter versus the telephone, and the radio versus television in the communications field. Similar efficiency considerations fail in the reasonableness test in every part of our everyday life.

In the product area, in which I am directly concerned as a designer, and a manufacturer, we build indoor electric Bar-B-Q Grill/ranges which use high intensity heat to grill a steak over coals which sears the meat quickly and prevents the juices from escaping. The intense heat also creates a smoke which imparts that savory outdoor charflavor. This is the only known way to

get a well browned exterior and a juicy pink, medium-rare inside. On the other hand, it is possible to find an appliance with a lower wattage element, which would take twice as long to broil, but wouldn't give you that quality and flavor that most people want. Using our grill five times per week would use electricity costing about 12 cents per week. Using a lower wattage type product would increase cooking time, eliminate smoke... and flavor too, substituting a cooked-through gray appearance in place of the well browned steak with juicy pink inside and for an overall grand saving of approximately 3 cents per week in electricity.

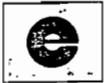
Mr. Alquist, this is progress, which you, I and our 600 California dealers, and their customers, find missing the target and we ask your kind attention be directed toward eliminating Section 25402(C) from Assembly Bill #1575.

Sincerely,



Louis J. Jenn, President  
JENN-AIR WESTERN, INC.  
Division of Jenn-Air

LJJ:db  
encl.



SPEED QUEEN

a McGraw-Edison Company Division

Ripon, Wisconsin 54971

*Handwritten scribbles and initials*

*Handwritten initials 'B'*

April 5, 1974

Senator Alfred E. Alquist  
Senate Finance Committee  
State Capitol Room 5031  
Sacramento, California 95814

Dear Senator Alquist:

Speed Queen, A McGraw-Edison Company Division, manufactures and distributes household appliances internationally. We are strong supporters of energy conservation measures which will produce positive results without major disruption in manufacturing costs and distribution.

It is our opinion that Chapter 5, Section 25402 (c) in Assembly Bill 1575 will not achieve the desired end results and will place an undue burden on industry.

The Association of Home Appliance Manufacturers estimates that requiring all consumers to purchase the most efficient room air-conditioners and refrigerators (two of the highest energy using appliances in the home) as compared to appliances they are presently using, would result in a reduction of total energy consumption of less than 1/2 of 1% a year after 15 years.

We have been working with the Department of Commerce and the U. S. Congress on meaningful legislation on energy conservation. Results appear to be within sight. However, there are dangers in oversimplification.

Examples: A simple efficiency ranking of automatic washers (which use very little electricity) without considering water consumption and energy required to heat it, could be very deceptive, or at best meaningless. Likewise, a ranking of clothes dryers without considering ambient air temperature, humidity, primary air and venting would be an exercise in futility.

Finally, we believe the consumer's interest is seldom, if ever, served by limiting his choice in the marketplace, while asking him to pay the increased cost of products built according to government mandate.

Sincerely,

*Handwritten signature of Lee Stoddard*

Lee Stoddard  
Manager, Service & Customer Relations

mb



Quality Laundry Equipment

Phone (414) 748-3121 • TWX 910 269-1081 • TELEX 262-738



**Gibson**  
PRODUCTS CORPORATION

*One of the White Consolidated Industries*  
WCI

GIBSON APPLIANCE CENTER  
GREENVILLE, MICHIGAN 48838  
(616) 754-5621

April 5, 1974

C. J. GIBSON, JR.  
PRESIDENT

Senator Alfred E. Alquist  
Room 5031  
Senate Finance Committee  
State Capitol  
Sacramento, California 95814

Dear Senator

Although we are in sympathy with the purpose and objectives of Assembly Bill 1575, currently being considered before the Senate Finance Committee, we urge you to delete Chapter 5, Section 25402(c) requiring the establishment of standards of minimum levels of operating efficiency for appliances.

We believe the implementation of this provision would fail to accomplish a significant reduction of energy use, retard the completion of energy conservation programs by industry and the Federal and state governments already undertaken that offer far greater potential, and disrupt efficient and economical distribution of appliances, while limiting the choice and increasing the cost of products to California consumers. We believe further that a fragmented approach to a national problem is an obstacle to its solution.

Although all citizens should be acutely conscious of the desirability of conserving energy, reduction of energy in the use of home appliances will not have problem-solving impact on the energy question because of the relatively small amount of energy they consume. The Association of Home Appliance Manufacturers estimates that requiring all consumers to purchase the most efficient room air conditioners and refrigerators (two of the highest energy-using appliances in the home) as compared to the appliances they are currently purchasing would result in a reduction in total energy consumption of less than one-half of one percent a year after 15 years.

To make consumers aware of the necessity and desirability of conserving energy, President Nixon earlier last year asked appliance manufacturers to cooperate with the Federal government to inform consumers of the energy-consuming characteristics of their appliances and methods of conserving energy in their purchase and use. Appliance manufacturers are pursuing a program independently and in cooperation with the U. S. Department of Commerce to fulfill the President's request. Appliance manufacturers are also advocating passage of a

Senator Alfred E. Alquist  
Page Two  
April 5, 1974

national energy consumption labeling law, and supporting state actions which augment national proposals. In addition our company -- and I'm sure most other appliance manufacturers -- is developing more efficient appliance products and working to reduce energy consumption in our manufacturing process. The passage of Section 25402(c) would have a disruptive influence on all these activities.

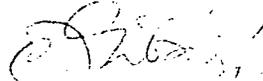
Other states and even municipalities, including Michigan, New York, Massachusetts and Florida, have passed or are currently considering legislation relating to the energy consumption of home appliances. Others are expected to consider similar measures in the near future. Enactment of a variety of labeling and minimum performance regulations would play havoc with the appliance industry's efficient manufacturing and distribution system, which would not only adversely affect American consumers, but foreign trade activities as well.

Finally, we believe the consumer's interest is seldom served by limiting his choice in the marketplace, while asking him to pay the increased cost of products built according to government fiat.

Thank you for your consideration of this matter.

Very truly yours,

GIBSON PRODUCTS CORPORATION



C. J. Gibson, Jr.  
President

/vr



THE ELEGANT DIFFERENCE.

5119 DISTRICT BLVD. LOS ANGELES, CALIFORNIA. 90040

Telephone (213) 588-6131 Telex No. 067-4633

April 9, 1974

Senator Alfred Alquist  
Room 5031  
Capitol Building  
Sacramento, California 95814

Senator Alquist:

Subject: Pending Bill AB 1575 Warren - Opposition To

I am strongly opposed to Section 25402 (c) setting standards of efficient energy usage on all appliances for the following reasons:

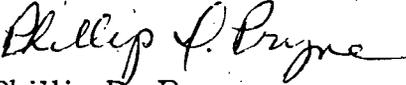
It would eliminate lower priced appliances because high efficiency appliances are better quality units and are more expensive.

Standards are not technically possible at this time of more appliances.

The choice of available products will be limited.

Sincerely,

THERMADOR DIVISION OF NORRIS INDUSTRIES

  
Phillip D. Pryne  
President

PDP:lm

cc: Governor Reagan





Armin E. Allen  
Vice President, Consumer Affairs

Philco-Ford Corporation  
Union Meeting Road  
Blue Bell, Pennsylvania 19422

April 9, 1974

Senator Alfred E. Alquist  
Senate Finance Committee  
Room 5031, State Capitol  
Sacramento, California 95814

Dear Senator Alquist:

On behalf of Philco-Ford Corporation I urge you to delete Section 25402(c) of Assembly Bill 1575. Philco-Ford has made a major investment toward more efficient use of energy in appliances and we intend to continue in this area. Energy resources conservation is a problem that should be attacked in an orderly manner. We believe that the provisions contained in Section 25402(c) are not the proper approach to the problem by its prohibiting sales of products in the State of California. Constructive legislation should take all aspects into account including freedom of choice for both consumers and manufacturers under our economic system. We respectfully urge you to delete Section 25402(c) from AB 1575.

Sincerely,

em/2B/05

The Honorable Alfred Alquist

April 10, 1974

Page 2

Higher prices limit consumer choice. The worst effect will be on the lowest income consumers who may, in turn, be deprived of the benefits of appliances which they cannot afford or who may continue to use older products which may be very inefficient in their use of energy.

The section applies only to new products. Thus it offers little or no immediate reduction of appliance energy use. Because of the long life and relatively slow replacement rate of appliances, significant reduction in energy consumption will not, in fact, be realized for a decade or more. Higher prices which limit production replacement will further reduce the potential long-term benefits of the legislation.

Manufacturers, government, educators and others are actively engaged in nationwide programs to conserve energy. Fragmentary approaches which are widely different from those being conducted nationally may severely interfere with these efforts.

Moreover, national manufacturers may find it impractical to meet individual state requirements applicable to only a portion of their total market. This would give unfair advantage to smaller producers and importers who may find it economical to do so in order to achieve product distribution in California. While their products may meet state minimum performance levels there would be little assurance that they would serve consumers adequately or that they would meet industry and national requirements in such other important areas as safety, service, performance, etc. Such limitations would not serve the best interests of California consumers or the appliance industry.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "G. B. Boyd". The signature is written in dark ink and is positioned to the right of the typed name "G. B. Boyd".

GB/re

April 9, 1974

MAYTAG

The Honorable Alfred E. Alquist  
Senate Finance Committee  
State Capitol, Room 5031  
Sacramento, California 95814

Dear Senator Alquist:

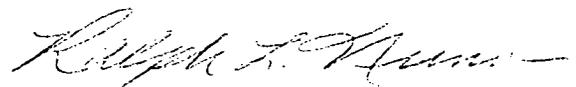
We at The Maytag Company share the concern for energy conservation which underlies Assembly Bill 1575. We feel, however, that legislation of minimum operating efficiency standards, as provided in Chapter 5, Section 25402(c), may work to the consumer's disadvantage.

The Association of Home Appliance Manufacturers estimates that purchases of the most efficient household appliances would, at best, result in extremely small overall household energy savings. Further, the adoption of different state and municipal efficiency standards will seriously disrupt manufacturing and distribution systems. This will serve only to increase the cost of appliances to consumers. Finally, much more significant energy savings can be accomplished through more efficient appliance usage than from designation of currently feasible minimum operating efficiency standards.

Appliance manufacturers are concerned about intelligent conservation of energy. In light of the disadvantages of establishing such standards at the state level, however, we would request your careful attention to possible deletion of Section 25402(c) from Chapter 5 of Assembly Bill 1575.

Thank you for your consideration of this matter.

Very truly yours,



RLN:vj



**MARKEL** ELECTRIC PRODUCTS INC.

ELECTRICAL MANUFACTURERS SINCE 1920

601 AMHERST STREET • BUFFALO, N. Y. 14207 U.S.A. • PHONE 716 875-7660

April 9, 1974

Alfred E. Alquist  
Room 5031  
Senate Finance Committee  
State Capital  
Sacramento, California 95814

Subject: Assembly Bill 1575  
Section 25402 (C)

Dear Senator:

On behalf of our distributors, their dealers and the consumers of the State of California we urge you to delete Chapter #5, Section 25402 (C) requiring the establishment of standards of minimum levels of operating efficiency of appliances.

Our request is based on the provision being arbitrary and without statistical foundation. It is unfair and could result in interference to Interstate Commerce. It lacks in the solution to a national energy problem.

This provision would tend to stimulate increased costs of products to residents of the State of California and limit their choices. It would further retard the completion of energy conservation programs by industry and the Federal Government. Citizen consciousness of energy conservation is desirable. But reduction of energy in the use of home appliances will not have problem - solving impact on the energy question because of the relatively small amount of energy they consume. In estimation, requiring all consumers to purchase the most efficient room air conditioners and refrigerators (two of the highest energy using appliances in the home) as compared to the small appliances the consumer currently purchases, would result in a reduction in total energy consumption of less than one-half of one percent a year after 15 years.

Appliance manufacturers are pursuing programs independently and in cooperation with the U. S. Department of Commerce to fulfill the Federal request.

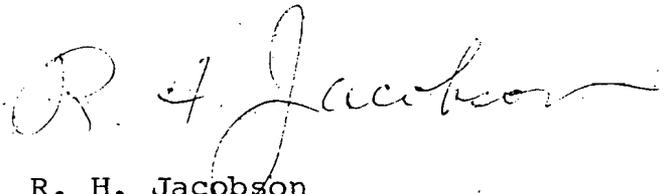
The passage of Section 25402 (C) would have a disruptive influence on the activities of the individual manufacturers, the associations of manufacturers and Federal programs and projects.

(Continued)

The consumers interest would seldom be served by limiting his choice in the market-place while asking him to pay increased cost of products built according to State Government fiat. Your consideration of this matter will be appreciated.

Sincerely,

MARKEL ELECTRIC PRODUCTS, INC.

A handwritten signature in cursive script, reading "R. H. Jacobson". The signature is written in dark ink and is positioned above the typed name and title.

R. H. Jacobson  
Director of Marketing  
Portable Products

RHJ/to

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ZIP 95814

**W U Mailgram**  
western union



ROBERT J LAGOMARSINO AND ALFRED E ALQUIST  
STATE FINANCE COMMITTEE STATE CAPITAL  
SACRAMENTO CA 95814

*we support*

ALTHOUGH WE ARE IN SYMPATHY WITH THE PURPOSE AND OBJECTIVE OF  
ASSEMBLY BILL 1575, CURRENTLY BEING CONSIDERED BEFORE THE STATE  
FINANCE COMMITTEE, WE URGE YOU TO DELETE CHAPTER FIVE SECTION  
25402 (C) REQUIRING THE ESTABLISHMENT OF STANDARDS OF MINIMUM  
LEVELS OF OPERATING EFFICIENCY FOR APPLIANCES

WE BELIEVE THAT IMPLEMENTATION OF THIS PROVISION WOULD FAIL  
TO ACCOMPLISH A SIGNIFICANT REDUCTION OF ENERGY USE, RETARD  
THE COMPLETION OF ENERGY CONSERVATION PROGRAMS BY INDUSTRY AND  
THE FEDERAL AND STATE GOVERNMENTS ALREADY UNDERTAKEN THAT OFFER  
FAR GREATER POTENTIAL, AND DISRUPT EFFICIENT AND ECONOMICAL  
DISTRIBUTION OF APPLIANCES, WHILE LIMITING THE CHOICE AND INCREASING  
THE COST OF PRODUCTS TO CALIFORNIA CONSUMERS. WE BELIEVE FURTHER  
THAT A FRAGMENTED APPROACH TO A NATIONAL PROBLEM IS AN OBSTACLE  
TO ITS SOLUTION

F J BERKENKAMP PRESIDENT APPLIANCE GROUP ROPER CORP 2207 WEST  
STATION ST KANKAKEE ILLINOIS 60901

1146 EDT

MGMSACB SAC



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Telegram

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PMS SENATOR ALFRED ALQUIST

ROOM 5031 STATE CAPITOL

SACRAMENTO, CALIFORNIA

*we support  
Senate  
Finance  
committee  
4/25  
ask  
Pearman*

IT IS OUR UNDERSTANDING THAT THE SENATE FINANCE COMMITTEE WILL SHORTLY CONSIDER AT PUBLIC HEARINGS ASSEMBLY BILL 1575, THE PROPOSED ENERGY RESOURCES CONSERVATION AND DEVELOPMENT ACT. WESTINGHOUSE CONSUMER PRODUCTS COMPANY IS FULLY IN ACCORD WITH THE BILL'S LONG-RANGE GOAL OF ENERGY CONSERVATION. WE NEVERTHELESS ARE CONCERNED THAT APPLIANCE PURCHASERS IN CALIFORNIA WOULD BE ADVERSELY AFFECTED BY SECTION 25402C OF THE BILL, CALLING FOR MINIMUM STANDARDS OF OPERATING EFFICIENCY FOR APPLIANCES. THIS PROVISION OF THE BILL WOULD NOT RESULT IN SIGNIFICANT ENERGY SAVINGS AND WOULD PENALIZE CALIFORNIA CONSUMERS IN THE FORM OF PAYING HIGHER

INITIAL COSTS FOR NEW APPLIANCES THAN WOULD OCCUR OUT OF STATE WHERE THE STANDARDS ARE NOT IN EFFECT. THE HIGHER PRODUCT COSTS ARISE IN BOTH THE DESIGN PROCESS WHERE MORE EXPENSIVE COMPONENTS ARE NECESSARY AND IN THE FACT THAT A LARGER PHYSICAL SIZE OF THE APPLIANCE IS USUALLY REQUIRED TO ACHIEVE THE SPECIFIED EFFICIENCY. ALSO, THE BENEFIT TO CALIFORNIA CONSUMERS OF HIGH VOLUME MANUFACTURING ECONOMIES WOULD BE PRECLUDED BY THE FACT THAT APPLIANCES MADE FOR SALE IN CALIFORNIA WOULD LIKELY REPRESENT UNECONOMICAL PRODUCTION RUNS. FURTHER EXPENSE WOULD ALSO OCCUR IN DISTRIBUTING THE APPLIANCES BECAUSE OF THE GENERALLY GREATER WEIGHT AND PHYSICAL VOLUME.

THE CURRENT PROGRAM OF THE U.S. DEPARTMENT OF COMMERCE AND PROPOSED LEGISLATION BEFORE THE U.S. CONGRESS BOLSTER OUR

GUENTHER, EAUMGART  
PRESIDENT

ASSOCIATION OF HOME APPLIANCE MANUFACTURERS  
20 NORTH WACKER DRIVE · CHICAGO, ILLINOIS 60606  
TELEPHONE 312-236-2921

April 10, 1974

The Honorable Alfred E. Alquist  
Senate Finance Committee  
State of California  
Room 5031, State Capitol  
Sacramento, California 95814

Dear Senator Alquist:

The appliance industry is deeply concerned over Section 25402(c) of A.B. 1575 now before your Committee. Individual manufacturers and their national trade organization -- the Association of Home Appliance Manufacturers -- have repeatedly urged deletion of this section.

The following points support our recommendation, already noted in my telegram to you. I sincerely hope you will not hesitate to contact me for further comment on this issue before a final decision is made.

The section requires the State of California to establish and maintain costly programs to assure compliance and enforcement. However, such programs would apply to products -- i.e., household appliances -- which use only about 5% of the energy total.

The standards and enforcement machinery must be comprehensive and technically sound -- and must be different for each of several hundred different and extremely complex appliance products. This is necessary to assure that each measurement is applied to each product in the same way.

Manufacturers would be required to maintain such facilities, too. This will interfere with the efficient and economical production and distribution of appliances. Such distribution may lead to higher appliance prices -- not only in California but nationwide.



**Telegram**

CONVICTION THAT INFORMATIVE APPLIANCE LABELING ALONG WITH CONTINUING EFFORTS TO PROMOTE PERSONAL ENERGY CONSERVATION HABITS OF CONSUMERS WILL DO FAR MORE TO ACHIEVE ENERGY CONSERVATION THAN WILL MANDATORY EFFICIENCY STANDARDS. HOWEVER, SECTION 25402C GIVES NO RECOGNITION TO THE VOLUNTARY EFFORTS AND PROGRESS MADE BY THE APPLIANCE INDUSTRY IN THESE AREAS. WE THEREFORE SUGGEST -- IN THE INTEREST OF ACHIEVING ENERGY CONSERVATION AND PRECLUDING UNNECESSARY EXPENSE TO CALIFORNIA CONSUMERS -- THAT SECTION 25402C BE DELETED IN FAVOR OF SUBSTITUTE LANGUAGE PROVIDING FOR A REVIEW OF THE SUCCESS OF INDUSTRY EFFORTS IN THESE AREAS BY THE CALIFORNIA ENERGY CONSERVATION COMMISSION OR OTHER APPROPRIATE PUBLIC BODY. AFTER A REASONABLE PERIOD OF REVIEW, THE COMMISSION COULD THEN MAKE SUCH RECOMMENDATIONS AS MIGHT BE APPROPRIATE TO THE LEGISLATURE. WESTINGHOUSE PLEDGES ITS



**Telegram**

COOPERATION WITH THE STATE OF CALIFORNIA IN SUCH A REVIEW PROGRAM  
AND ITS CONTINUING INTEREST IN ACHIEVING ENERGY CONSERVATION.  
WE ARE CONFIDENT THAT OTHER APPLIANCE MANUFACTURERS WOULD SIMILARLY  
COOPERATE.

CHARLES E. HAMMOND  
PRESIDENT, CONSUMER PRODUCTS COMPANY  
WESTINGHOUSE ELECTRIC CORP.  
GATEWAY CENTER  
PITTSBURGH PA.  
NNNN.





Telegram

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TLX SCOVILL WBY

ZCZC 003 PD WATERBURY CONN 4/15/74

PMS SENATOR ALFRED E. ALQUIST, ROOM 5031

STATE CAPITOL, SACRAMENTO CALIF

DEAR SIR:

ALTHOUGH WE AT THE HAMILTON BEACH DIVISION, SCOVILL MFG CO. ARE IN SYMPATHY WITH THE PURPOSE AND OBJECTIVES OF ASSEMBLY BILL 1575, WE BELIEVE THE IMPLEMENTATION OF THIS PROVISION WOULD FAIL TO ACCOMPLISH A SIGNIFICANT REDUCTION OF ENERGY USE, RETARD THE COMPLETION OF ENERGY CONSERVATION PROGRAMS BY INDUSTRY AND THE FEDERAL AND STATE GOVERNMENTS ALREADY UNDERTAKEN THAT OFFER FAR GREATER POTENTIAL, AND DISRUPT EFFICIENT AND ECONOMICAL DISTRIBUTION OF APPLIANCES, WHILE LIMITING THE CHOICE AND INCREASING THE COST OF PRODUCTS TO CALIFORNIA CONSUMERS. WE BELIEVE FURTHER THAT A FRAGMENTED APPROACH TO A NATIONAL PROBLEM

*B*

*FILE  
1575*



IS AN OBSTACLE TO ITS SOLUTION.

REDUCTION OF ENERGY IN THE USE OF HOME APPLIANCES WILL NOT HAVE PROBLEM-SOLVING IMPACT ON THE ENERGY QUESTION BECAUSE OF THE RELATIVELY SMALL AMOUNT OF ENERGY THEY CONSUME.

FINALLY, WE BELIEVE THE CONSUMER'S INTEREST IS SELDOM SERVED BY LIMITING HIS CHOICE IN THE MARKETPLACE, WHILE ASKING HIM TO PAY THE INCREASED COST OF PRODUCTS BUILT ACCORDING TO GOVERNMENT FIAT.

GUS W WALLIN, MANAGER OF ENGINEERING. HAMILTON BEACH DIV.  
SCOVILL MFG CO. SCOVILL SQUARE, WATERBURY CONN 06720.

NNNN

April 16, 1974

To: Members of the Senate Finance Committee

Subject: AB 1575 (Warren) - Warren-Alquist State Energy Resources  
Conservation and Development Act

Gentlemen:

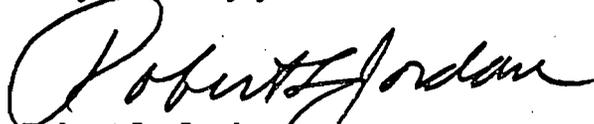
The subject bill has been scheduled for a full-scale hearing by the Senate Finance Committee on April 25, at 2:00 PM in Room 5007.

In my letter to you of April 2, I advised you the reasons for our strong opposition to Section 25402, Paragraph (c), which would establish minimum standards of operating efficiency for new appliances purchased in California. I'm certain you are aware from other correspondence on this matter that the entire appliance industry is opposed to this section and would appreciate a Finance Committee Amendment to remove it from the bill on April 25, if the entire bill isn't killed in that hearing.

You may have wondered why this section remains in the bill at this late date. I can assure you every attempt has been made to remove it as the bill has progressed through the Legislature, but to no avail.

The attached letter to me of April 15, from Governor Reagan is of interest in this regard. In addition to his general comments on the latest amended version of the bill (dated April 4), he verifies the desirability for a Finance Committee amendment to remove this onerous section and his personal support for this action, if the bill does not die in Committee.

Very sincerely yours,



Robert L. Jordan  
General Electric Company  
1500 7th Street, Apt. 11E  
Sacramento, California 95814

RLJ: mo

attach.

RONALD REAGAN  
GOVERNOR

State of California  
GOVERNOR'S OFFICE  
SACRAMENTO 95814



April 15, 1974

Mr. Robert L. Jordan  
Manager, Public Affairs Operation  
General Electric Company  
1500 7th Street  
Sacramento, California 95814

Dear Mr. Jordan:

Thank you very much for your letter of April 3 concerning your continuing problems with AB 1575. Please let me assure you that both Don Livingston and I made personal requests of Assemblyman Warren to amend his bill substantially as it affected appliance standards, and we were rebuffed at each suggestion. I still have some difficulties with certain provisions of the legislation including the section you referred to in your letter to me. However, we were very successful in making substantial improvements in the legislation in almost every area. Those improvements make the overall legislation much more satisfactory than the bill I vetoed last year.

I would encourage you to continue your pursuit of amendments to AB 1575 but want you to understand that your assumption that upon our request the Assemblyman would accede to our concerns regarding the appliance section is not correct. We made substantial requests in that regard and were turned down.

I hope that as the bill is further discussed it can be improved. Thank you for writing to me.

Sincerely,

A handwritten signature in cursive script that reads "Ronald Reagan".

RONALD REAGAN  
Governor