

# Appliance plan follows Clunkers program

## Federal money may help you buy new fridge, stove.

Published online on Monday, Aug. 31, 2009

By Mark Glover / The Sacramento Bee

Did you recently trade in that old clunker for a new car?

OK, so how are you fixed for a new refrigerator? Or maybe a new dishwasher or heat pump?

Brace yourself. A federal "cash for appliances" program is likely on its way to a store near you before the end of the year.

Comparatively unnoticed in the economic stimulus package approved by Congress earlier this year was a \$300 million program offering rebates to buyers of more energy-efficient appliances and other products with the the Energy Star label.

The Energy Star conservation program was created in 1992 by the U.S. Environmental Protection Agency and evolved into an international standard for energy-efficient consumer products. Products with the Energy Star seal -- they can range from a building to central air conditioners to computers -- typically are 10% to 30% more energy efficient than comparable products.

Just like the recently completed Cash for Clunkers program, the more modest cash for appliances program is designed to boost the U.S. economy through consumer spending and take less energy-efficient products out of circulation.

Yet, it differs from Cash for Clunkers on key points. The individual states will run their own appliance rebate programs, and consumers will not have to haul their bulky appliances to a store in exchange for new ones.

State and federal officials, including those at the Department of Energy, which is overseeing appliance rebate funds, stressed last week that they still are working on the details. States and some U.S. territories have until Oct. 15 to present DOE with a plan for how they want to implement their cash for appliances programs.

That's one of the concerns.

Different states likely will propose varying products that qualify for varying rebate amounts, expected to range from \$50 to \$200.

DOE spokeswoman Jen Stutsman said DOE expects the state programs to allow "piggybacking." In other words, if you buy an energy-efficient refrigerator that qualifies for a \$100 rebate from Pacific Gas & Electric Co., you would get that on top of the federal rebate.

### Sales lagging

Through the first six months of this year, home appliance sales nationwide totaled \$7.6 billion, compared with \$8.5 billion in the year-ago period, according to the U.S. Census Bureau's retail trade survey.

The possibility of a boost in appliance sales appeals to big-box retailers.

"We're very excited about the program. We're looking forward to participating in it," said Kathryn Gallagher, a spokeswoman for Home Depot's western division.

"We think this might prompt people to buy appliances who might otherwise wait a couple years to buy," Gallagher said.

Cash for appliances has been endorsed by the Washington, D.C.-based Association of Home Appliance Manufacturers, which said shipments of new appliances are off about 15% this year compared with 2008.

Not everyone, however, is pleased with the concept.

Republican critics have charged that the Obama administration is setting a dangerous precedent by offering "free government money" in troubled industries that need to operate more efficiently.

Major appliance makers like General Electric, Whirlpool and Electrolux have grumbled that the program is too small.