

Subject: Warranties and Product Failures

Purpose: To describe the required warranty information for installed products and to present a “best practice” approach to addressing product failures (specifically compact fluorescent lights and refrigeration appliances)

---

## Compact Fluorescent Lights (CFLs)

The newest generation of compact fluorescent lamps (CFL) are well suited for low-income households. They are smaller, lighter and easier to retrofit into the types of lighting fixtures that are typically found in apartments and older homes. More and more shapes and sizes are becoming available to the public for retrofitting different lighting situations. The local provider (or the auditor) should have a large array of bulbs to fit most situations. It is **no longer** acceptable to use spiral or tube type compact fluorescent bulbs in all situations. Spiral or tube bulbs should not be sticking out from ceiling fan light fixtures or be installed on bathroom lightbar fixtures. There currently are bulbs manufactured for these situations that are readily available.

Auditors should carefully assess hours of use and customer preferences as well as lamp compatibility to identify cost-effective CFL installations. Generally, lights that operate more than 2 hours per day will be cost-effective. When the auditor is replacing incandescent light bulbs with compact fluorescent lights, the incandescent bulbs shall not be left at the residence, but must be removed and discarded.

### **Minimum warranty**

- The provider of service must guarantee the compact fluorescent light (CFL) for a minimum of one (1) year.

The projected savings of electricity that was calculated based upon the replacement of the CFL, will not be achieved if the bulb prematurely fails within the first year. It is imperative that a replacement bulb be installed to allow the projected savings to continue.

All Energy Star™ designated compact fluorescent lights are rated for 6,000 hours or more. If a 6,000 hour bulb is on 2 hours per day, then the bulb should last approximately 3,000 days (or 8.2 years). Since it is not realistic for the bulb (or the light fixture) to last 8.2 years, the cutoff for cost-effectiveness (in SMOC~ers and in other spreadsheets) has been 7.0 years. For a 6,000 hour bulb to operate 6,000 hours in one year or less, the bulb must be on for 16.5 hours a day, every day. This would be a total of 6,022 hours. If this is the case, it is recommended that a bulb with a higher hour rating (possibly 10,000 hours) be installed.

**“Best Practice”**

The following recommendations are “best practices” that may be considered by the local provider to be implemented to address callbacks due to failed bulbs.

- During the procurement process, discuss with your vendor what steps should be taken to return compact fluorescent lights that have prematurely failed. Ideally, the local provider should replace failed bulbs of customers and all old, failed bulbs are returned to the vendor. The vendor replaces all the old, failed bulbs provided by the local provider at no cost. The vendor then works with the manufacturer (or the manufacturer’s sales representative) to obtain replacement bulbs for the old, failed bulbs. This process will provide feedback:
  - to the vendor (on the quality of the compact fluorescent bulbs being sold) and,
  - to the manufacturer (on the actual performance of the compact fluorescent lights being manufactured).
- During the audit process, the auditor should mark the date of installation on the base of each bulb. This can be accomplished with an indelible marker (such as a Sharpie™). This not only can be valuable within the one year warranty period, but may assist the customer after the warranty period.

If the customer calls the local provider office and states that a bulb (or bulbs) has failed, the auditor should visit the residence when they are next in the area. If the date on the bulb(s) is beyond the one year period, the customer can be given a 1- (800) number for the customer service department of the manufacturer. NOTE: It may be a very tedious process to reach some customer service departments. Also, each customer service department may request specific information on the old, failed bulbs to be provided by the customer prior to obtaining any replacement bulbs. The customer should be made aware of this information.

## **Refrigeration Appliances**

The targeted population for Electric Partnership Program (Percentage Income Payment Plan (PIPP) eligible customers) often have very inefficient refrigeration appliances. The appliances tend to be fairly old or have worked well for the customer for many years. This is why it is imperative to address the issue of product failure as rapidly as possible.

### **Minimum warranty**

- The provider of service and the appliance vendor must guarantee the refrigeration appliances have a full manufacturer’s warranty of one (1) year on the appliance and a minimum of five (5) years on the compressor.

Since the need for an operating refrigeration appliance is a necessity of life, the premature failure of these appliances should not be taken lightly. The auditor and the local provider should have plans in place to address the situation when it arises.

Within the first sixty (60) days of the delivery of the appliance, the Vendor shall monitor the manufacturer's warranty and shall furnish emergency switch out of appliances, in the event that refrigeration operations can not be restored or if the customer is not able to transfer food items into another appliance. The customer should have refrigeration operations restored within 24 hours, or on the next business day if the failure occurs during a weekend or holiday. Beyond the 60 day period, the local provider shall monitor the manufacturer's warranty.

### **"Best Practice"**

The following recommendations are "best practices" that may be considered by the local provider to be implemented to address callbacks due to failed refrigeration appliances.

- During the procurement process, discuss with your vendor what steps should be taken regarding service on failed or improperly operating refrigeration appliances.
  - Ideally, the customer should be contacting a 1- (800) number for direct contact to notify the vendor of problems / concerns or to schedule a time for repairs. The vendor and the local provider shall document all calls received (at a minimum, the customer name and date of call) regarding failed or improperly operating appliances. This is to ensure that customers are not "falling through the cracks".
  - Discussion should involve the issue of the "service visit charge". Even though the appliance may be warranted for one (1) year and the compressor for five (5) years, a "service visit charge" may be requested of the customer, at the time of the visit. NOTE: Due to the targeted population not having an excessive amount of disposable income, this "service visit charge" may be a charge that can not be met by the customer. Negotiations between the vendor and the local provider (as a representative of the customer) should allow for a first visit to inspect the unit at no charge to the customer. The customer should be made aware of the "service visit charge" and the expectation of their payment for this activity, for subsequent visits.
  - Discuss with the vendor the possibility of an extended warranty period on the refrigeration appliances and make this extended warranty available to the customer.