

December 15, 2010

VIA E-MAIL ([Kaplan.Katharine@epa.gov](mailto:Kaplan.Katharine@epa.gov))

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Comments on Version 5.3 Effective Date

Dear Ms. Kaplan:

Panasonic Corporation of North America (“Panasonic”), a leader in the manufacture and sale of all leading flat panel television technologies, appreciates the opportunity to comment on EPA’s proposal to move the ENERGY STAR TVs version 5.3 specification date to July 1, 2011. As a longtime ENERGY STAR Partner and supporter of the TVs program, Panasonic has a strong interest in the program’s continued vibrancy and public acceptance. Unfortunately, we cannot support the current proposal to move up the effective date by 10 months. By imposing a mid-model year effective date, and unfairly distorting the marketplace dynamics, the current proposal will likely foster retail disruption and consumer confusion.

We do recognize and support the importance of keeping the ENERGY STAR TVs Version 5.3 specification robust and representative of current market trends. Consistent with the objective of building consumer support and the protection of program integrity, Panasonic recommends the specification be modified for larger size TVs during the July through December 2011 period and the current EPA proposal become fully effective in January 1, 2012. There are several fundamental reasons why a six-month delay in the current proposal is warranted and would prove beneficial to the ENERGY STAR TVs program.

**Avert Consumer Dissatisfaction with ENERGY STAR**

Consumers look to the ENERGY STAR logo as a trusted, convenient, and simple source of product energy efficiency information. The significance of the ENERGY STAR logo in aiding consumer purchase decisions, however, will be diminished if a July 2011 effective date for Version 5.3 is imposed. A mid-year transition in the specification requirements will create chaos in retail store environments while concurrently placing manufacturers at risk of consumer wrath, even potential litigation.

The current production cycle of virtually all TV manufacturers is at odds with a mid-year change in the ENERGY STAR specification as most new models are introduced in the February through May time frame. To accommodate new model introductions, product packaging, collateral materials, and owner’s instruction manuals must be printed well in advance of product shipment. Thus, a product

available through a retailer in June probably was manufactured and labeled by April and the collateral materials associated with its packaging and shipment prepared at least several months earlier.

Even exercising careful inventory controls, it is virtually impossible to reliably forecast the exact date of sale for a given unit. Yet the mid-production year change in the specification holds manufacturers and retailers responsible for ensuring the proper use of the ENERGY STAR logo as no grandfathering of products is allowed. The result will be many models properly qualified to ENERGY STAR 4.2 specifications will become “mislabeled” or improperly marked overnight on June 30, 2011, when the specification criteria changes to version 5.3.

Adhering to the proper ENERGY STAR marking requirements may actually compound confusion among consumers. A very plausible scenario could find two units of the same model, one manufactured prior to July 1, 2010, and a second unit manufactured after that date at the same retail point of sale. One unit would carry the ENERGY STAR marking (attendant to Version 4.2 compliance); the other unit (failing to meet Version 5.3) would not. Consumers looking to the ENERGY STAR logo for guidance will be confused and could potentially either ignore the marking or attempt to hold the retailer and/or manufacturer accountable for what may be perceived as a product “misrepresentation.”

This unfortunate outcome could largely be avoided through a January 2012 effective date, which more closely aligns with manufacturer production schedules. A 6-month delay combined with a modification to the Version 5.3 specification could largely avoid unnecessary marketplace disruption.

**Recommended Modifications to Version 5.3 Would Enhance Brand Equity**

In order to facilitate a smoother transition at retail, Panasonic proposes that ENERGY STAR modify the Version 5.3 on-mode criteria for TVs as detailed in the chart below.

<b>Version 5.3: Effective July 1, 2011</b>		
<b>Screen Area</b>	<b>Maximum On-Mode Power Consumption in Watts (A expressed in square inches)</b>	<b>Maximum On-Mode Power Consumption in Watts (A expressed in square centimeters)</b>
A < 275 square inches (1774 square centimeters)	$P_{Max} = 0.130 * A + 5$	$P_{Max} = 0.020 * A + 5$
$A \geq 275$ square inches (1774 square centimeters)	$P_{Max} = 0.084 * A + 18$	$P_{Max} = 0.013 * A + 18$
<b>Version 5.4: Effective January 1, 2012</b>		
<b>Screen Area</b>	<b>Maximum On-Mode Power Consumption in Watts (A expressed in square inches)</b>	<b>Maximum On-Mode Power Consumption in Watts (A expressed in square centimeters)</b>
A < 275 square inches (1774 square centimeters)	$P_{Max} = 0.130 * A + 5$	$P_{Max} = 0.020 * A + 5$
$275 \leq A \leq 1068$ square inches (6890 square centimeters)	$P_{Max} = 0.084 * A + 18$	$P_{Max} = 0.013 * A + 18$
A > 1068 square inches (6890 square centimeters)	$P_{Max} = 108$	

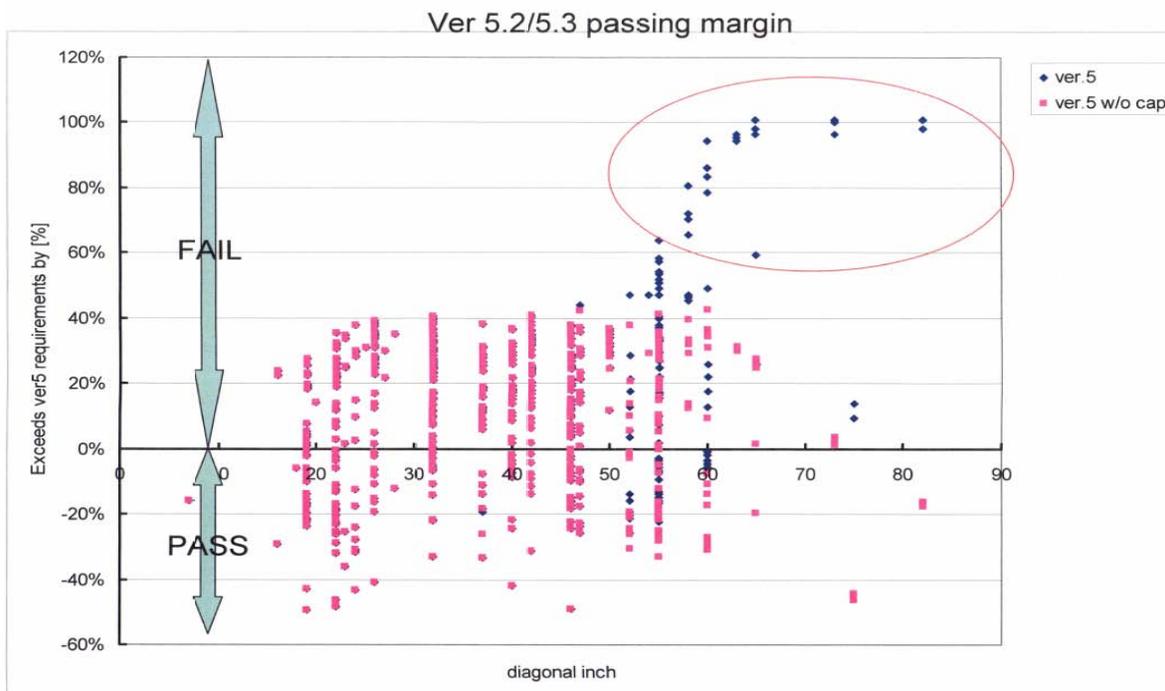
By delaying implementation of the 108-watt limit on TVs with displays measuring 50 inches and larger and instead applying the “mid-size” TVs qualifying formula to all sizes above 1068 square inches, EPA would remove some of the marketplace turmoil and provide manufacturers with a reasonable bridge to the more aggressive levels in Version 5.3. The delay, however, would not adversely impact the TV qualification rate.

Panasonic has calculated the qualification rates using the December 1, 2010, ENERGY STAR qualified products listing for TVs. Based upon our calculations, delaying the cap implementation will increase the overall qualification rate by less than 3%. By providing a modest additional power allowance to TVs larger than 1068 square inches, EPA will help to ensure consumers have more than a single choice in high performance TV technologies. Energy efficient plasma display models (which are only available in 42 inch sizes and larger) are particularly sensitive to any non-variable limits on power consumption.

S	108w cap			w/o 108w cap		
A<274	150	69	46.00%	150	69	46.00%
274<A<1068	448	97	21.65%	448	97	21.65%
A>1068	159	44	27.7%	159	66	41.5%
Total	757	210	27.7%	757	232	30.6%

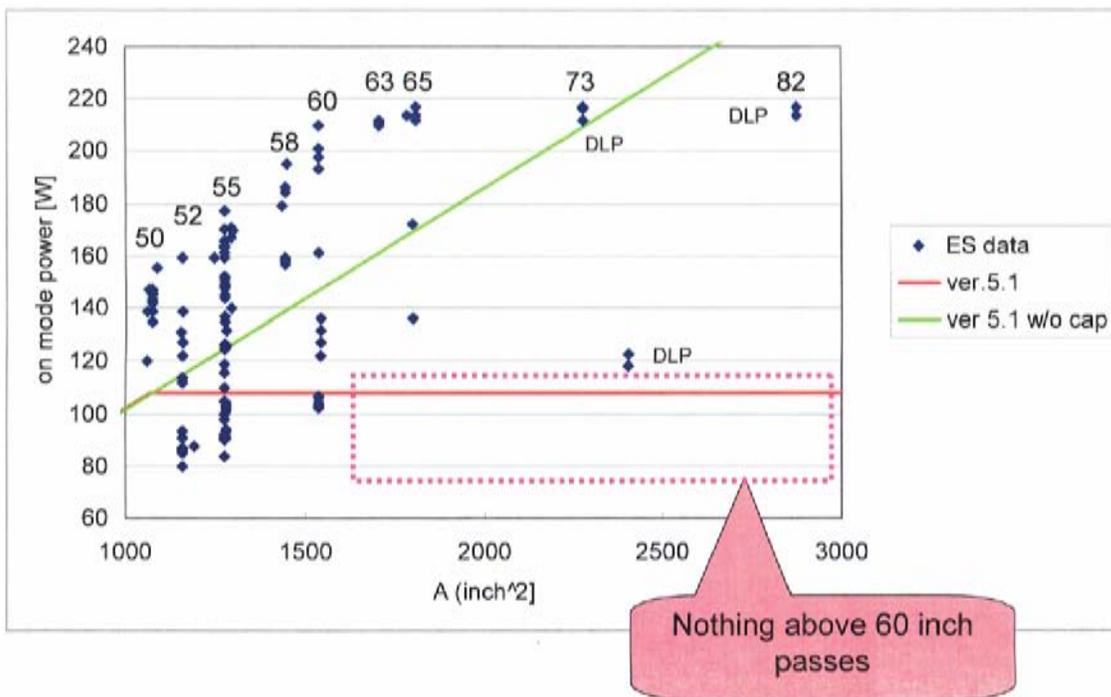
EPA’s own analysis of its current ENERGY STAR TVs dataset, as discussed in the December 1<sup>st</sup> call with stakeholders, showed Version 5.3 will greatly limit the availability of qualifying models above 1068 square inches. The above 1068 square inch models that do qualify are concentrated in the 50-60 inch grouping and exclusively comprised of the LED-backlit LCD technology. This clearly violates one of ENERGY STAR’s Guiding Principles that “Specifications do not unjustly favor any one technology.”

During the call with stakeholders, the passing margins of TVs exceeding the Version 4 and Version 5 specifications were repeatedly cited as evidence the specification did not need any modification.



However, there was no analysis of the “failure” margins, which are particularly acute among TVs 54 inches and larger. Most of the models in the dataset failed to meet Version 5 by more than 60%. By removing the specification’s cap at 1068 inches, a good number of these models would qualify, thus offering consumers a choice of efficient larger size TVs across multiple technology designs.

Upon closer examination, it is clear that the 108-watt cap penalizes the larger displays, which must operate at a far more efficient level than their smaller size counterparts in order to meet the specification. By removing the cap for a six-month period, the qualification rate would only nominally increase but consumer choices in larger TVs would be preserved.



Ultimately, it is incumbent upon TV manufacturers to produce efficiently designed products with the performance and price attributes sought by consumers. Panasonic recognizes that ENERGY STAR specifications are not intended to cover all energy efficient models but instead to help consumers identify the most efficient designs available. We do, however, believe that consumer choice should be preserved and that the universe of ENERGY STAR qualified TVs should not be constricted to sets smaller than 55 inches or of a single technology type.

By accelerating the effective date of Version 5.3 without an absolute cap beginning at 1068 square inches, and delaying implementation of the 108-watt limit until January 1, 2012, Panasonic believes EPA will preserve a meaningful specification with positive consumer impact upon the entire market for TVs.

**Power Overhang Discussion:**

Panasonic agrees with many December 1st EPA conference call participants that there is no real need to complicate the test procedure with a Power Overhang measurement. The energy anticipated by this function is very small; on the order of 0.006 Kw-Hr per occurrence of a 42-inch TV being switched off. Accordingly, there is no real need to consider the definitions, measurement procedures, and requirements for the Power Overhang function, which may or may not be incorporated in TVs. Therefore we recommend not including a Power Overhang requirement.

However, if it is determined that the Power Overhang will be measured, then we recommend that ENERGY STAR consider making the actual requirement more adaptable in order to accommodate various power consumptions that might be needed during Power Overhang. This need was identified by various participants in earlier written comments and during the December 1st EPA conference call.

Our recommended flexible requirement would allow a maximum Total Energy to be consumed during the Power Overhang. This would be based on the TVs Draft V4.2 original requirement of 3 minutes at less than the maximum On Mode power.

In the case of a 42-inch TV, this maximum Total Energy requirement would be 3 minutes (0.05 hours) times 115 watts (maximum On Mode power) which would equal about 0.006 Kw-Hrs.

Again, Panasonic deeply values the strong partnership with the ENERGY STAR program that has evolved over many years and looks forward to working with the EPA to develop progressive new product specifications going forward.

Sincerely,

Mark J. Sharp  
Group Manager  
Corporate Environmental Department  
Panasonic Corporation of North America

cc: D. Cronin  
D. Thompson

