

May 15, 2007

Dear Mr. Karney,

I am writing on behalf of QuNano, Inc., which is one of the recent new members of the NGLIA.

I attended an NGLIA / DOE meeting in Washington on Tuesday, where the NGLIA comments to the latest draft SSL ENERGY STAR requirements were discussed. In the course of that discussion, it was pointed out that the draft, as currently proposed, includes a "freeze" on qualifying products under Category B until at least three years after the initial effective date of the requirements. Since the SSL requirements may not be "effective" until early 2008, this could mean that Category B qualification could not possibly start until sometime in 2012.

We are very concerned with this hiatus. Although in the conference call it was explained as something to "bring order" to the whole shift to SSL, we view it instead as something that could likely inhibit ongoing innovation toward ever more advanced, more efficient SSL products.

In our own case, we are pursuing high brightness white LED development using novel heterostructure nanowires that we believe will yield very high efficiency and flux at very attractive cost, and that we believe we can produce for the market beginning in 2008. We are afraid this sort of ENERGY STAR Category B "moratorium" may make upstream partners such as lamp or luminaire manufacturers reluctant to depart from established supply chains in favor of innovative entrants since there can be no recognition of superior performance by DOE potentially for several years. By this time there could be entrenched relationships from the Category A years that effectively act to limit market opportunities for new players.

We would urge that DOE rethink this element of the proposed draft. We believe "order" in the market introduction of SSL in the country can be achieved in other ways rather than withholding the potential for qualifying Category B products if they can be developed sooner than 2012. If you still believe that there has to be such a moratorium, we would urge that it be shortened to one year, at most.

Thank you for your consideration of our comments.

Sincerely,

Russ Mortenson  
QuNano Inc.

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