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Ms. Katharine Kaplan
ENERGY STAR for Consumer Electronics
U.S. Environmental Protection Agency
Washington, DC
televisions@energystar.gov

cc: Ms. Ann Bailey

Dear Ms. Kaplan:

On behalf of Sony Electronics Inc, I respectfully submit the following comments on the proposed change in effective date of Version 5 in the Televisions Program Requirement and the proposal to include Power Overhang requirements.

The July 1, 2011 proposed effective date for version 5 is about one year earlier than the original scheduled date of May 1, 2012 set by ENERGY STAR. The accelerated date will negatively impact television manufacturers in various different areas. The proposed date falls right in the middle of the year when production lines face high production demands and engineering teams are in the initial stages of 2012 model developments. The timing could not be worse for a manufacturer. In addition, Sony believes that advancing the effective date of version 5 will create confusion in the market. Customers will see both compliant and non-compliant models in the retail space since manufacturers do not control first-in first-out inventories at the retail level and after containers have left the factories. The proposed earlier effective date will definitely reduce execution of the incentive programs administered by public utility companies. Consumers may associate the ENERGY STAR with reluctance to incentivize energy performance.

One Year Time Reduction and Impacts

The proposed earlier date removes the one year allowed originally for manufacturers to optimize and improve energy efficiency for television that utilize CCFL panels and for televisions with screen sizes larger than 1400 square inches. Manufacturers require sufficient time to continue to implement changes and new technologies that become available on a regular basis. These technologies must undergo rigorous testing before the final product can be robust and ready to be released on the market. The one year reduction removes any possibility for manufacturers to implement such technologies that may allow products to continue to qualify under version 5.

Sony and other manufacturers have pointed out in several occasions that product development lead time ranges from 12 to 18 months. For manufacturers to be able to design a product with energy requirements as one of the several key elements of the product, six months do not provide the necessary time to accomplish the goal. The proposed effective date negates manufacturers continued compliance for televisions that do not use LED panels.

Timing in Version Introduction

The proposed July 1, 2011 date will create the troubling production disruptions that manufacturers work so hard to avoid. In July 1, 2011, all models that will not meet version 5 will require all ENERGY STAR information to be removed from boxes, instruction manuals, websites, other literature, and from the product software which provide messages to consumers about ENERGY STAR and the selections they make that affect energy consumption.

Purchase of printed materials must carefully be synchronized with production demands which vary from day to day. Any scrapping or wasting of materials translates to cost to manufacturers, and ultimately

consumers. As stated by Sony and other manufacturers, purchase orders for printed materials are placed months in advance. Timing future purchases to avoid unnecessary cost is extremely difficult.

Software changes to remove any informational messages are prohibitive once the product has been released on the market (i.e. Your TV is Energy Star qualified in the Home). Such changes require a new and dedicated software engineering team to modify the existing software in order to remove the on-screen messages ENERGY STAR requires in versions 4 and 5. Sony has already qualified v4.1 compliant products and will continue to do so for the next months. A great number of those models will not meet version 5. At this time, the feasibility to carry out such changes with such short notice is in doubt.

Market Place Confusion

Advancing the effective date to the middle of the year when production volumes are high for all 2011 models will lead to retailers' inventories comprised of both compliant and non-compliant products of the same model name. Televisions produced on June 30, 2011 (v4.1 compliant) are highly likely to be shipped in containers with televisions produced on July 1, 2011 (v5 non-compliant). The result will be that both compliant and non-compliant models will be at retailers' locations. Customers actively looking to purchase an ENERGY STAR qualified TV (as displayed on the retail floor) may receive a non-compliant boxed unit. Sony has absolutely no control on how retailers deplete their inventories. ENERGY STAR will be confusing the customer more than providing appropriate and useful information to make a well-informed purchasing decision.

Currently qualified televisions may be identified as non-efficient. Most televisions with CCFL panels have been optimized to produce the best picture quality while being as energy efficient as they will ever be.

Power Overhang

Sony had previously recommended to ENERGY STAR that if a power overhang limit is adopted, considerations should be taken to ensure products were evaluated taking into account the total energy consumed rather than setting a time limit based on similar power levels observed in the on-mode. As discussed in the December 1, 2010 meeting with stakeholders, the net economic impact to consumers for products which have an overhang mode is extremely small (20 cents/year). Televisions which have a power overhang mode require a short time to be able to close applications and to be able to operate correctly the next time the TV is turned on. The net energy used in this mode does not justify a power or time requirement as part of the specifications. Sony recommends ENERGY STAR not to include such requirements in version 5.

Sony feels adding a definition of Power Overhang in the program requirements may be necessary. The definition may help consumers identify the presence of this mode on applicable models. The definition may clear confusion and differentiate DAM from Power Overhang.

Sony also believes that if the Power Overhang feature is user selectable (typically known as Instant-on or Quick Start), such feature must be disabled by default. In addition, the manufacturer should provide language indicating this feature will consume more energy. The language should be provided in the Instruction Manual or in the preset window where the feature is selected.

Closing Comments

Sony would like to thank the ENERGY STAR for the opportunity to participate in the stakeholders meeting and for the opportunity to submit comments. We would like to ensure that ENERGY STAR has a deep grasp and complete understanding of the impact associated with the earlier proposed date. The sudden announcement from ENERGY STAR will disrupt manufacturing, engineering, purchasing and logistical operations to a degree that may not be understood by

people unfamiliar with these operations. We ask the ENERGY STAR to exercise leniency when making sudden and impacting announcements.

As previously pointed out, the months of December and January define the beginning of new model launches. Production plants are less affected in the months of October and November when production demands are typically lower. We respectfully request ENERGY STAR to preferably keep the original date of May 1, 2012 as the effective date. The additional time will allow manufacturers to continue to invest in newer technologies to improve energy efficiency while maintaining continued participation in the program.

The implications resulting in accelerating the effective date as previously mentioned bring about undesired and costly consequences. The product development process for future compliance can be managed and executed as part of the normal process for any company. The proposed earlier effective date reverses the normal product development process and cycles. If the earlier proposed effective date is implemented, manufacturers will be required to continue to execute the new product development process AND the reversed process originated as of result of accelerating the effective date. We ask that ENERGY STAR exercise prudence and extreme caution when making decisions primarily as a result of suggestions from special interest groups and other outside entities not involved in manufacturing. They are motivated by a desire to see future regulations implemented without regard to consequences imposed upon manufacturers.

Should an earlier effective date be absolutely necessary, Sony would like to request the ENERGY STAR to entertain the months of October and November as potential time frames to implement a new effective date.

Alternatively, rather than requiring televisions manufactured from July 1, 2011 to comply with v5, careful consideration should be given to requiring that only Televisions planned for market launch after July 1, 2011 be subject to version 5 requirements. This option will provide manufacturers enough lead time to coordinate purchase orders of energy star printed materials for televisions anticipated to comply with v5. For televisions anticipated not to comply with v5, purchase orders can be stopped immediately while engineering and production areas remain unaffected. Additionally, this option may provide ample opportunity to direct all engineering resources for products to be launched from July 1, 2011 as manufacturers normally do based on product planning schedules. It is evident this option will not eliminate the fact that compliant and non-compliant televisions will be found at retail locations. However, it will eliminate the harsh impact to all departments within the organization (i.e. purchasing, engineering, production, and marketing). This method in theory demands grandfathering to delist models and to remove ENERGY STAR associated materials from products. Considering the negative impacts the earlier effective date will create, grandfathering is of high importance. Sony perfectly understands grandfathering is not granted for regulations with future implementations.

To avoid any misunderstanding in the comments submitted, Sony welcomes continued dialogue with ENERGY STAR. Our lines of communication are open. The staff will be happy to make the necessary arrangements to conduct follow-up meetings in efforts to help the ENERGY STAR draft language that reflects current technologies and realistic design and production cycles.

Thank you in advance for your careful consideration of our comments.

Sincerely,



Timothy McGowan
Vice President, Service Engineering
Sony Electronics, Inc.