

November 2, 2009

Via E-Mail & U.S. Postal Service  
The Honorable Karen Douglas  
Chairman  
California Energy Commission  
1516 Ninth Street, Mail Station 4  
Sacramento, CA 95814-5504

**DOCKET**

**09-AAER-1C**

DATE NOV 02 2009

RECD NOV 04 2009

Re: Docket No. 09-AAER-1C

Dear Chairman Douglas:

As a global leader in the design and manufacture of high-performance, energy-efficient flat panel televisions, Panasonic appreciates the opportunity to comment on the California Energy Commission's ("CEC") proposed regulation of TV on-mode power consumption and additional operational requirements, as well as its proposed product labeling.

By way of background, approximately 1,700 Panasonic employees live and work in key facilities throughout California—among them, our TV design center in San Diego; video optical disc mastering and replication plant in Torrance; Panasonic Hollywood Laboratory; broadcast and TV systems offices in Los Angeles; aircraft communications and entertainment systems assembly in Lake Forrest; as well as R&D laboratories in the San Jose area and elsewhere working on telecommunications, software, integrated circuits, batteries and more. Panasonic is also highly rated by many independent organizations for its environmentally sound sourcing, manufacturing, transportation and operating activities, as well as its emphasis on energy efficiency across its consumer, industrial and commercial product lines. See our company's comprehensive disclosures at [www.panasonic.net/eco](http://www.panasonic.net/eco) and, for one example of third-party critiques, see Claremont McKenna College's annual assessments at [www.roberts.cmc.edu/PSI/pdf/Electronics2008.pdf](http://www.roberts.cmc.edu/PSI/pdf/Electronics2008.pdf).

We share the Commission's goals of energy efficiency in televisions, as clearly demonstrated in our current television models (see attachments). We regret, however, we cannot support many of the CEC's regulatory proposals in its September 18, 2009, Notice of Proposed Action. Specifically, we believe the Commission should not set essentially arbitrary power limits, but instead continue to monitor and report publicly on the ever-improving energy efficiency of TVs. In an industry where ever-improving energy efficiency is already being made without regulation, consumer awareness and rejection of low-end performers is becoming the norm, as manufacturers, retailers, and analysts all emphasize energy efficiency. In fact, despite the assertions by some that bigger TVs means bigger power, actually the opposite is more often true: Today's larger screen sizes, with vastly better, HDTV picture quality, typically draw one-half the power of smaller, older tube-type TVs. Indeed, no less

authority than the independent “Consumer Reports”, in its December 2009, issue (pages 23-28), cites TV power improvements, as it describes performance differences among technologies, plus the pros and cons of various TV set design choices and operating features—including some aimed at energy savings.

In addition, we believe even if the Commission were to adopt energy limits, its proposed detailed technical requirements on how manufacturers achieve such limits is entirely inappropriate and very likely counterproductive. With respect, the Commission’s staff are neither TV designers nor manufacturers; and in this highly competitive, extremely cost-conscious and intensely quality-performance-oriented industry, such requirements may only cripple innovative solutions to further energy improvements. Therefore, we urge the Commission to set aside altogether the power factor, luminance ratio and related requirements of TV design, and permit manufacturers to achieve improvements with the technologies and design trade-offs they deem appropriate. Under separate cover we have filed detailed comments on these matters, and appreciate the CEC staff’s discussion of them with us last month.

Also, we support the comments of the Consumer Electronics Association overall, and in particular highlight those which call for enhanced consumer outreach, including uniform and informative labeling of products. We do believe the best venue for this is the ongoing proceeding at the Federal Trade Commission, and would prefer CEC urge the FTC to act promptly. But with regard to the Commission’s own proposal to require the size of energy labels on TVs to be the same as the largest font in the on-screen menus, we respectfully disagree. The Commission has indicated it believes consumers are ‘in the dark’ about TV power; therefore, we urge the CEC to work with retailers, manufacturers and the advertising community, to find truly effective ways of getting the message out in general and the specifics of individual models in particular. We believe that there are better ways than putting information on the back of a product—there is no physical room on the front of TVs which is safe for durable and substantial-size labels—and better ways to help consumers compare product performance. In fact the CEC’s “Consumer Energy Center” at <http://www.consumerenergycenter.org/> is a popular tool already, and it can become an even more effective one, inside and outside the state. Panasonic also supports the creation of a consumer-friendly, on-line database providing detailed TV energy use information.

Given the relatively lower energy efficiency of most of the older tube-type TVs, we were sorry to learn that California did not include replacement of such televisions in its new energy efficiency appliance trade-in/rebate program, as industry had recommended. To be sure, the TV industry would gain with the sale of more televisions, although we suspect that would follow the natural replacement cycle; but replacements would be efficient ones, and the newer, flat panel TVs are certainly much ‘greener’ overall, too.

Panasonic also agrees with comments in the record which indicate that energy efficiency improvements are not cost-free, and that such costs will be reflected in the retail

price of TVs to consumers. We are grateful the Commission visited Sony's television facility in San Diego; and we would be pleased to host the CEC at our own operations there in order to demonstrate the reality of this situation. This is not, as some have said, because 'manufacturers focus Energy Star-type improvements at the high end of their models.' Once again, this is a false assumption. When one reviews the Energy Star data base used to develop the next more rigorous Version 5.0 specifications, one will see that the great majority of qualifying televisions will be the smaller, less expensive ones. The fact is, as the Commission's staff report acknowledges, "Typically the market transformation comes at a premium. In most cases more efficient technologies and appliances come with an associated incremental cost." Yet CEC staff mysteriously, frankly, somehow then deduce that "televisions are generally an exception to this rule", and staff further asserts—apparently based on information from third-party proponents of proprietary, therefore not cost-free, technologies—that "...there are many efficiency measures for TV that have zero or negative costs." The only no-cost option we know of at this time is proper adjustment to the TV picture settings, which could be effectively addressed through greater consumer education.

Another concern is the unintended consequences which often come with regulation, and which may well come in the case of TV energy consumption regulation. The Commission's staff report describes the TV industry's "furious competition, lightning-fast evolution and astonishing innovation." Yet, the Commission, despite this recognition, discounts the impact of innovation on product development, including in the arena of energy efficiency. Although the proposed regulation asserts that popular, energy-consuming features (*e.g.* internet connectivity, i-Pod<sup>®</sup> docks, direct movie downloads, 3D, etc.) need not be measured for purposes of compliance, in reality it may be nearly impossible to segregate the power consumption attributed to some of these integrated features. For example, despite the assertions by at least one commenter, it is not likely that 3D capability will be a 'free-standing, external box' for future TVs. Consequently, the imposition of absolute power limits, as proposed in the regulation, potentially will impede the introduction and availability of exciting new features and functionality, despite the Commission's intention to 'measure the display only.'

Finally, as we have recommended in another filing, we urgently request that the Commission not apply these regulations at this time to televisions and display monitors sold specifically for commercial and government purposes. We urge further investigation into the implications of all elements of the purposed regulations on the wide variety of such commercial and government products. Panasonic does sell some of these products; but please know there are many companies that focus solely on these markets with highly specialized products for highly specialized applications. We believe there are such products which would neither practically nor reasonably be able to comply with at least some of the proposed technical regulations. For our part we stand ready to support such investigation as quickly as possible.

Panasonic remains strongly committed to the design and marketing of truly energy efficient TVs. And we remain hopeful the Commission will allow us to proactively continue on the path toward even greater energy efficiency rather than imposing unnecessary and technologically punitive regulations that can hurt the interests of consumers and businesses in California. As per our comments above, as the Los Angeles Times opined in its October 3, 2009, editorial, "The consumer electronics industry is fiercely competitive and responsive to consumer demand. The commission should take advantage of those forces, rather than imposing mandates that it hasn't justified."

Thank you for your consideration of our views, and we would be pleased to answer questions you may have about them or other issues before the Commission in this proceeding.

Sincerely,



Peter M. Fannon  
Vice President  
Corporate & Government Affairs

Attachments

cc: Commissioner Julia Levin  
Commissioner Arthur Rosenfeld  
Commissioner James Boyd  
Commissioner Jeffrey Byron  
Senator Alex Padilla  
Assemblyman Felipe Fuentes  
Assemblywoman Mary Hayashi  
Mr. Dan Pellissier, Deputy Cabinet Secretary for Resources and Environment,  
Office of the Governor

**2009 Models -- Panasonic Plasma Television Power Consumption**

<b>CONSUMER TV SERIES</b>	<b>MODEL NUMBER</b>	<b>ON-MODE POWER (WATTS)</b>	<b>CEC TIER 1 PROPOSED LIMITS</b>
<b>X1</b>	<b>TC-P42X1</b>	<b>155</b>	<b>179.7</b>
	<b>TC-P42X1X</b>	<b>155</b>	<b>179.7</b>
	<b>TC-P50X1</b>	<b>210</b>	<b>244.3</b>
	<b>TC-P50X1X</b>	<b>210</b>	<b>244.3</b>
<b>X14</b>	<b>TC-42PX14</b>	<b>155</b>	<b>179.7</b>
	<b>TC-50PX14</b>	<b>210</b>	<b>244.3</b>
<b>C1</b>	<b>TC-P42C1</b>	<b>155</b>	<b>179.7</b>
	<b>TC-P42C1X</b>	<b>155</b>	<b>179.7</b>
	<b>TC-P50C1</b>	<b>210</b>	<b>244.3</b>
<b>S1</b>	<b>TC-P42S1</b>	<b>173</b>	<b>179.7</b>
	<b>TC-P46S1</b>	<b>207</b>	<b>212.5</b>
	<b>TC-P46S1X</b>	<b>207</b>	<b>212.5</b>
	<b>TC-P50S1</b>	<b>269</b>	<b>244.3</b>
	<b>TC-P50S1X</b>	<b>269</b>	<b>244.3</b>
	<b>TC-P54S1</b>	<b>293</b>	<b>282.1</b>
<b>S14</b>	<b>TC-42PS14</b>	<b>173</b>	<b>179.7</b>
	<b>TC-50PS14</b>	<b>269</b>	<b>244.3</b>
	<b>TC-54PS14</b>	<b>293</b>	<b>282.1</b>
<b>G10</b>	<b>TC-P42G10</b>	<b>173</b>	<b>179.7</b>
	<b>TC-P46G10</b>	<b>207</b>	<b>212.5</b>
	<b>TC-P50G10</b>	<b>269</b>	<b>244.3</b>
	<b>TC-P50G10X</b>	<b>269</b>	<b>244.3</b>
	<b>TC-P54G10</b>	<b>293</b>	<b>282.1</b>
<b>G15</b>	<b>TC-P42G15</b>	<b>173</b>	<b>179.7</b>
	<b>TC-P46G15</b>	<b>207</b>	<b>212.5</b>
	<b>TC-P50G15</b>	<b>269</b>	<b>244.3</b>
<b>U1</b>	<b>TC-P42U1</b>	<b>142</b>	<b>179.7</b>
	<b>TC-P46U1</b>	<b>170</b>	<b>212.5</b>
	<b>TC-P50U1</b>	<b>221</b>	<b>244.3</b>
<b>V10</b>	<b>TC-P50V10</b>	<b>269</b>	<b>244.3</b>
	<b>TC-P54V10</b>	<b>293</b>	<b>282.1</b>
<b>Z1</b>	<b>TC-P54Z1</b>	<b>293</b>	<b>282.1</b>

As of 11/2/2009

**2009 Models -- Panasonic LCD Television Power Consumption**

<b>CONSUMER TV SERIES</b>	<b>MODEL NUMBER</b>	<b>ON-MODE POWER (WATTS)</b>	<b>CEC TIER 1 PROPOSED LIMITS</b>
<b>G1</b>	<b>TC-L37G1</b>	<b>113</b>	<b>148.6</b>
	<b>TC-L32G1</b>	<b>95</b>	<b>116.7</b>
<b>S1</b>	<b>TC-L37S1</b>	<b>108</b>	<b>148.6</b>
	<b>TC-32S1</b>	<b>88</b>	<b>116.7</b>
<b>X1</b>	<b>TC-L37X1</b>	<b>119</b>	<b>148.6</b>
	<b>TC-L32X1</b>	<b>86</b>	<b>116.7</b>
	<b>TC-32LX14</b>	<b>86</b>	<b>116.7</b>
	<b>TC-L26X1</b>	<b>61</b>	<b>90.1</b>
	<b>TC-26LX14</b>	<b>61</b>	<b>90.1</b>
<b>U12</b>	<b>TC-L42U12</b>	<b>146</b>	<b>179.7</b>
<b>C12</b>	<b>TC-L32C12</b>	<b>86</b>	<b>116.7</b>

As of 11/2/2009