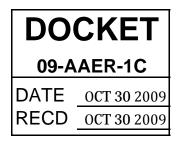


Philips Electronics North America Corporation

October 30, 2009

California Energy Commission Docket No. 09-AAER-1C Docket Unit 1516 Ninth Street, Mail Station 4 Sacramento, California 95814-5504



RE: Docket No. 09-AAER-1C

Dear Commissioners:

Philips Electronics has historically been one of the largest manufacturers of televisions sold in the United States. Philips Electronics exited the consumer television business in 2008. We remain, however, one of the largest manufacturers of televisions sold to the business sector, primarily to the hospitality industry. We also are members of the Consumer Electronics Association.

Philips Electronics has a long history of making energy efficiency products. We have testified before and worked with the Commission extensively over the years to promote the use of more efficient lighting. We also have been a leader in energy efficiency of televisions. At the 2008 Consumer Electronics Show, before we exited the consumer television business, CNET awarded the Philips Eco FlatTV the "Best in Show" award. This television included several power saving features to reduce power consumption without compromising picture quality. Philips televisions sold to the hospitality and business sector contain these and other energy savings features.

The CEC's Notice of Proposed Action appears to apply to all televisions sold in California, whether to households or to the business sector. Unfortunately, the CEC NOPA ignores the unique application of its proposal to the hospitality sector or other applications using a network or other control system. As a result, it appears that the NOPA would ban the sale of televisions to the hospitality and potentially other sectors that use a network or other control system. The Energy Star program acknowledged this concern by making a special requirement for hospitality televisions to allow for the higher standby energy use of these televisions. The CEC NOPA ignores this concern. The NOPA also includes marking and labeling requirements that make no sense to sales in the business setting because the user of the television will not be the purchaser and will have no interest in the information.

We request that the CEC not finalize this NOPA unless it exempts such televisions or addresses the unique characteristics of such televisions.

1300 I Street NW, Suite 1070 East Washington, DC 20005 Tel: 202-962-8550 Fax: 202-962-8560 1. The NOPA inappropriately establishes the same efficiency requirements for business televisions using a network or other control system as it does for residential televisions

The NOPA applies to all televisions sold to consumers. We understand that the term "consumer" has a very broad application. CEC staff has confirmed that the intent of the NOPA is to include televisions sold to businesses.

Most hospitality and hospital televisions and other business televisions are connected to a network or other control system. As a result, even when a television in this situation is turned off so there is no active mode energy use, the system is always in standby active mode. It never goes into standby passive mode, which would result in disconnecting the television from the system.

The Energy Star program recognized this issue in Version 4.0 of its television specification. In section 3E the specification includes a requirement for Demand Acquisition Mode (DAM) energy requirements. Subparagraph 1, however, establishes a special DAM requirement for hospitality TVs. The specification includes a definition of "hospitality TV" and specifically exempts hospitality TVs from the sleep mode requirement. Instead, recognizing the higher sleep mode energy use of such televisions, the specification establishes a total energy use requirement.

The CEC NOPA includes no such special provision for hospitality TVs or other business televisions connected to a network or other control system. Without a special provision, these business televisions connected to a network or other control system would have to automatically enter TV standby-passive mode standby-active mode after a maximum of 15 minutes without video and/or audio input on the selected input mode (Section 1605.3 (v) (3) (A). The NOPA then establishes a maximum TV standby-passive mode power usage of 1 Watt. There is no evidence, however, that business televisions connected to a network or other control systems can achieve such a 1 watt standard. That means that the NOPA is very likely to make such televisions illegal in California.

Philips Electronics very strongly urges the CEC not to proceed with the proposal unless it exempts business televisions from the scope of the regulation or includes a specific exemption from the 1 watt standard for business televisions that are connected to a network or other control system.

2. The NOPA includes declaration and marking requirements that make no sense for the business section.

Philips supports providing energy information to its customers. In fact we use this information as a selling point. But the CEC NOPA includes specific declaration and labeling requirements that makes no sense for business televisions. Under the declaration requirement, all units have to include a mark to display the on mode power consumption. The marking requirement provides that each television must include a mark on the unit "in characters of equal size to the largest font used within the menu screen within the television's built in

menu, the on mode power consumption." On screen displays often have very large fonts resulting in having to have on product marks with very large fonts.

These provisions make no sense for televisions sold to business. The viewers of these televisions, people in hotels, hospitals and other buildings, have no role in the purchase of the product and will only use the product on a very limited basis. And the requirement regarding the size of the marking would impose additional costs and burden. As a result the CEC NOPA imposes a requirement on such televisions that would not provide any benefit to business purchasers and would impose additional costs and burdens on manufacturers. We also note that we believe television marking is not the best mechanism to provide information to consumers. We refer you to the comments of the Consumer Electronics Association that address this issue.

We urge you to eliminate the marking requirements for business purchases of televisions in California.

If you have any questions or require further information in support of this application, please feel free to contact me.

Very truly yours,

Ric Erdheim

Ric Erdheim Senior Counsel