

Elpac Power Systems
1562 Reynolds Avenue
Irvine, California 92614

June 17, 2008

Dear Customer:

Energy conservation is important to all of us— even power supply manufacturers.

Elpac Power Systems designs and manufactures energy-efficient power supplies. As an ENERGY STAR® Partner Elpac is committed to developing and producing power supplies that enable device manufacturers to meet and exceed global standards for conserving energy through high-power conversion efficiency designed in our products.

Global Standards for Green Power

Over the past decade global environmentalists, manufacturers, and governments have worked to create energy conservation standards that are meaningful, helpful, and commercially possible to reduce the impact of stand-by power consumption. ENERGY STAR® and the Energy Independence and Security Act (EISA) of 2007 offer standards for energy efficiency.

ENERGY STAR®, the voluntary government-backed program establishing standards for energy-efficient products and practices, estimates that 11 percent of the United States electric bill is comprised of electricity flowing through power supplies. Clearly, the savings of using more efficient power supplies can be significant.

Following the lead of the ENERGY STAR® program, in December 2007 U.S. President George W. Bush signed EISA into law. EISA will go into effect on July 1, 2008. This legislation is great news for the environment because it will help save energy, one of our most valuable resources. To reduce the impact of the growing energy consumption by external power supplies, the new regulations focus on the Active and No-Load Modes of operation.

- **Active Mode** refers to the condition in which the input of a power supply is connected to the line voltage AC and the output is connected to an AC or DC load drawing a fraction of the power supply's nameplate power output greater than zero. The new standards require that external power supplies meet higher minimum operational efficiencies.
- **No-Load Mode** refers to the condition in which the input of a power supply is connected to an AC source consistent with the power supply's nameplate AC voltage, but the output is not connected to a product or any other load. No-Load Mode power consumption is an increasing fraction of the world's electricity use and will likely increase with the fast penetration of new and digital technology. The new standards require that external power supplies meet higher minimum standby efficiencies as well.

Today many countries throughout the world are developing their own energy efficiency standards. Generally, those countries that have implemented an energy standard have followed the ENERGY STAR® requirements. It is likely that this standard will be implemented globally.

Energy-Efficiency Levels

We want you to know that our Elpac power products meet and exceed the following standardized efficiency levels:

- ENERGY STAR® Level IV
- ENERGY STAR® International Level IV
- CEC Level IV
- EISA of 2007 Level IV (July 1, 2008)

The new environmentally conscious energy standards mean that:

1. All Elpac external power supplies with a manufacturing date code before July 1, 2008 are exempt from the new regulations.
2. Every Elpac power supply in inventory or in transit will be fully exempt or compliant with the most stringent mandatory and voluntary standards for the period of July 1, 2007 to June 30, 2008.
3. All Elpac power supply products manufactured July 1, 2008 and beyond will be fully compliant with the voluntary ENERGY STAR® and the mandatory EISA Level IV standards.

The energy efficiency regulations apply to single voltage external power supplies, with the exception of medical devices with FDA listing and power supplies that power detachable battery pack chargers or charge the battery of a product that is fully or primary motor operated.

Helpful Resources

We recommend that your company review the legislation to determine how EISA may impact your business. The section that pertains to external power begins on page 58.

http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=110_cong_bills&docid=f:h6enr.txt.pdf

We also recommend familiarizing yourself with the programs that might have impact on your specific products and markets. A few good online resources include:

<http://www.powerint.com/greenroom/index.html>

<http://www.ecocharger.org/>

<http://re.jrc.ec.europa.eu/energyefficiency/index.htm>

http://ec.europa.eu/energy/demand/legislation/eco_design_en.htm

For more information, please contact the following industry executives:

EISA: Victor Petrolati, U.S. Department of Energy

Victor.Petrolati@ee.doe.gov

CEC: Carolyn McCormack, California Energy Commission

Appliances@energy.state.ca.us

If you have any questions, please contact me. Thank you for your continued business.

Sincerely,

Stuart Oakes
Elpac General Manager