

Bills Committee on Energy Efficiency (Labelling of Products) Bill

Summary of deputations' views on individual clauses of the Bill

Abbreviations: Hong Kong & Kowloon Electrical Appliances Merchants Association Ltd (HKEAMA)
 Hong Kong & Kowloon Electric Trade Association (HKETA)
 Real Estate Developers Association of Hong Kong (REDA)
 Federation of Hong Kong Industries (FHKI)
 Business Facilitation Advisory Committee (BFAC)
 Hong Kong Retail Management Association (HKRMA)
 Energy Efficiency and Conservation Subcommittee of the Energy Advisory Committee (EECS)

Clause	Concern/View	Administration's responses/ proposed amendments
Clause 1	<p><u>Commencement</u> HKEAMA considers that a 30-month transitional period should be allowed for trades to clear their stocks which do not require energy labels.</p> <p>(LC Paper No. CB(1)1750/06-07(01))</p> <p>HKETA holds the view that a 30-month transitional period should be provided to enable wholesalers and retailers to clear their old stocks. Otherwise, their financial well being may be affected.</p> <p>(LC Paper No. CB(1)1750/06-07(04))</p>	<p>Taking into account the views expressed by the trade, we have already extended the transitional period from the original proposed 12 months to 18 months in the Bill. We consider our current proposal strikes the right balance between providing a reasonable transition period for the trades to adapt to the new mandatory scheme and the early implementation of the scheme to promote the use of energy-efficient products.</p>

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	<p>Fu Sun Engineering Ltd suggests that consideration should be given to providing a transitional period or exemption for the trade to clear their stocks.</p> <p>Friends of the Earth considers that the trades' request for further extension of the transitional period to clear their stocks should not be acceded to.</p> <p>(LC Paper No. CB(1)1750/06-07(11))</p>	
<p>Clause 2</p>	<p><u>Definition of "supply"</u> REDA notes that the definition includes "for commercial purposes, to give the prescribed product as a prize or to make a gift of such a product". Developers providing electrical appliances in first-hand properties might be unnecessarily caught as suppliers under the Bill. For the sake of reasonableness and clarity, the application of the proposed labelling scheme should be limited to the manufacturers, importers and retailers of such products only.</p> <p>(LC Paper No. CB(1)1750/06-07(07))</p>	<p>We consider it appropriate to include a prescribed product that is supplied as part of or in connection with the disposition of any specified premises under the Bill as flat buyers are also consumers of the prescribed products and should be informed of the energy efficiency performance of the products.</p>
<p>Clause 3</p>	<p><u>Application</u> REDA notes that application covers "a prescribed product supplied as part of or in connection with the disposition of any specified premises". Developers providing electrical appliances in first-hand properties might be unnecessarily caught as suppliers under the Bill. For the sake of</p>	<p>We consider it appropriate to include a prescribed product that is supplied as part of or in connection with the disposition of any specified premises under the Bill as flat buyers are also consumers of the prescribed products and should be informed of the energy</p>

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	<p>reasonableness and clarity, the application of the proposed labeling scheme should be limited to the manufacturers, importers and retailers of such products only.</p> <p>(LC Paper No. CB(1)1750/06-07(07))</p>	<p>efficiency performance of the products.</p> <p>After the commencement of the mandatory EELS, property developers would need to exercise due diligence in ensuring that the prescribed products being supplied with their new residential properties are listed models with reference numbers and bear energy labels.</p>
<p>Clause 6</p>	<p><u>Submission of specified information and specified documents for product model</u></p> <p>BFAC suggests that to ease the burden of small and medium-sized enterprises (SMEs), consideration should be given to waiving the requirement for test report for a particular appliance from other suppliers once a test report on the appliance has been submitted.</p> <p>(LC Paper No. CB(1)1750/06-07(17))</p>	<p>The proposal of exempting importers from the requirement to submit test report for a particular model of product if other importer has already submitted a test report for the same model had been discussed at EMSD's two task forces. The members of our two task force members specifically requested that the names of the information providers should be added to the energy labels. This would not only facilitate enforcement, but also allow consumers to identify the manufacturers / importers responsible for submitting the relevant information on the energy labels. In addition, the energy performance of different batches of products of the same model may sometimes vary. Manufacturer / importer should ensure that the products they supplied are in compliance with the energy efficiency performance as claimed in the test reports. They are also required to provide update information if there are changes to the energy efficiency performance</p>

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	<p>HKRMA expresses concern that there may be circumstances where manufacturers will not or cannot provide the testing results given the relatively small market of Hong Kong. Suppliers may have to bear the cost of "testing for the less popular brands, low volume low value items". This may cause a barrier to entry for new brands and/or new models, hence reducing consumers' choices.</p> <p>(LC Paper No. CB(1)1750/06-07(19))</p> <p>EECS considers that manufacturers/importers should be held responsible to carry out testing on energy efficiency performance for their products and more compliance tests should be carried out to ensure credibility of the scheme.</p> <p>(LC Paper No. CB(1)1750/06-07(20))</p>	<p>of the products. As such, it is necessary that each manufacturer / importer should submit the test reports separately and be responsible for ensuring that the energy efficiency performance of their products complies with the information they submitted.</p> <p>According to a market survey conducted by EMSD on business establishments involved in manufacturing or importing of the three prescribed products in the mandatory scheme, about 90% of the survey respondents from the trade of room air conditioners and refrigerators and all the respondents from the trade of CFLs indicated that the test reports were provided by the overseas manufacturers.</p> <p>Manufacturers / importers are required to submit the test reports on the energy efficiency performance of their products to EMSD. After the enactment of the Bill, the EMSD will carry out field inspections and compliance monitoring tests to ensure the prescribed products being supplied in the market comply with the requirements under the Bill.</p>
Clause 10	<p><u>Updating of product information</u> Consumer Council considers that importers or local manufacturers should update the Director of Electrical and Mechanical Services on product information once every three</p>	<p>A person who has submitted the specified information and specified documents under Clause 6 of the Bill is required to notify the Director of Electrical and</p>

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	<p>years instead of five years.</p> <p>(LC Paper No. CB(1)1750/06-07(10))</p>	<p>Mechanical Services (the "Director") within 21 days of any change in the information or document submitted (Clause 9), and to submit to the Director up-to-date information in respect of a listed model at intervals not exceeding 5 years (Clause 10). Failure to comply with the requirements under Clauses 9 or 10 without reasonable excuse is liable on conviction to a fine at level 1.</p>
<p>Clause 40</p>	<p><u>Issue of codes of practice</u></p> <p>Green Council holds the view that the codes of practice should be drawn up after extensive consultation with stakeholders to ensure appropriateness and practicality.</p> <p>(LC Paper No. CB(1)1750/06-07(03))</p> <p>FHKI holds the view that the Administration should thoroughly consult manufacturers and traders of the products covered by the Bill when preparing the codes of practice, in particular the provisions on testing and classification standards.</p> <p>(LC Paper No. CB(1)1750/06-07(16))</p> <p>Consumer Council considers that -</p> <p>(a) There should be specific requirements on the qualification of test laboratories for the issuance of test</p>	<p>We have been working closely with the trades in preparing the Code of Practice. We will consult the trades before finalizing the details of the Code of Practice.</p> <p>In the light of the Bills Committee's suggestion, we are preparing amendments to clause 40 to include the requirement that the relevant authority should consult stakeholders in the course of preparing codes of practice. Reference is being made to similar provisions under other ordinances.</p> <p>(LC Paper No. CB(1)2347/06-07(03))</p> <p>The requirements on the testing laboratories would be set out in the Code of Practice to be issued under</p>

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	<p>reports or they should obtain accreditation by national or international bodies;</p> <p>(b) More stringent grading thresholds should be adopted by incorporating latest improvements in the standards and criteria into the scheme to help consumers better differentiate between products of different energy efficiency, e.g. the most efficient products can be awarded the top rating of grade A+ or 6-star; and</p> <p>(c) The life requirement under the scheme for CFLs should be reasonably long (say 8 000 hours) so as to reduce the burden on landfill and to enhance environmental protection. Manufacturers of registered products should be required to recycle/recover the used products and to meet the environmental requirements on Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment, and Waste Electrical and Electronic Equipment.</p> <p>(LC Paper No. CB(1)1750/06-07(10))</p> <p>EECS suggests that testing standards should be regularly reviewed to reflect technological advancements.</p> <p>(LC Paper No. CB(1)1750/06-07(20))</p>	<p>Clause 40 of the Bill.</p> <p>To facilitate a smooth transition from the existing voluntary scheme to the mandatory scheme, the energy efficiency grading requirements of the voluntary scheme will be maintained. The grading requirements will be reviewed from time to time to reflect the latest advancement of energy performance of products in the prevailing market. International testing standards, e.g. ISO, IEC, will be adopted for the mandatory EELS.</p> <p>In line with the performance requirement under the voluntary EELS, CFLs with lamp life less than 6000-hour will only be labelled as Grade 5. Overseas energy saving schemes for CFLs, such as EU and the USA, also adopted a minimum 6000-hour lamp life requirement. The grading requirements of the energy labels under the mandatory scheme will be reviewed from time to time to reflect the latest advancement of energy performance of products in the prevailing market.</p> <p>The testing standards adopted for the mandatory EELS are international standards, e.g. ISO, IEC. The grading requirements of the energy labels under the mandatory scheme will be reviewed from time to time to reflect the latest advancement of energy performance of products in the prevailing market.</p>

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Schedule 2	<p><u>Part 2 - Requirements to be complied with by energy label for room air conditioners</u> Green Council suggests that the energy label should include other performance indicators such as cool performance, drying performance and noise levels.</p> <p><u>Part 3 - Requirements to be complied with by energy label for refrigerating appliances</u> Green Council considers that the energy label should be sub-categorized (e.g. with or without freezing compartment, top or bottom-mounted freezer, single or double door) to facilitate comparison between similar products. The energy label should also include indicator on noise levels.</p> <p><u>Part 4 - Requirements to be complied with by energy label for compact fluorescent lamps</u> Green Council holds the view that the energy label should include indicator on luminous efficiency.</p> <p>(LC Paper No. CB(1)1750/06-07(03))</p>	<p>In order to provide a simple and concise energy label for easy comprehension of the general public, we consider that only information relating to the energy efficiency performance of the prescribed products, such as energy efficiency grading, annual energy consumption, cooling capacity, etc. should be included in the energy label. Other information that is not related to the energy efficiency performance, such as drying performance and noise emission level, should not be included in the energy label of the mandatory scheme.</p> <p>The energy efficiency performance of refrigerating appliances will be assessed under eight separate categories to take into account various factors that would affect their performance.</p> <p>The numerical figure on the CFL energy label in lumen per watt (lumen/W) already indicates the luminous efficacy of the CFL.</p>