

**For Discussion
on 15 July 2009**

**Legislative Council
Panel on Environmental Affairs**

**Second Phase of the
Mandatory Energy Efficiency Labelling Scheme**

PURPOSE

This paper seeks Members' views on the proposed second phase of the mandatory energy efficiency labelling scheme (MEELS).

BACKGROUND

The Energy Efficiency (Labelling of Products) Ordinance

2. MEELS was introduced through the Energy Efficiency (Labelling of Products) Ordinance (Cap. 598) (the Ordinance) which was enacted on 9 May 2008, with a grace period of 18 months ending on 8 November 2009. Under the Ordinance, energy labels are required to be shown on all prescribed products for supply in Hong Kong to inform consumers of their energy efficiency performance.

3. Three types of prescribed products are covered in the initial phase of the scheme, namely, room air conditioners, refrigerating appliances and compact fluorescent lamps which already account for about 60% of local electricity consumption in the residential sector.

Updates on the Initial Phase of the MEELS

4. We have held a series of publicity activities to promote the initial phase of the scheme to the public and the trades, including a launching ceremony, announcements in radio and Government website, distribution of pamphlets and posters, issue of notification letters/reminders to suppliers, promotional visits to

retailers and seminars for trades.

5. As at 30 June 2009, the Electrical and Mechanical Services Department (EMSD) have received a total of 990 product information submissions for assignment of reference numbers. We will continue to promote MEELS with a view to enhancing public awareness of the scheme and facilitating members of the trade to meet the legislative requirements.

6. In view of the positive feedback on the initial phase, we pledged in the 2008-09 Policy Address to propose amendments to the Ordinance to implement the second phase of the scheme.

SECOND PHASE OF THE MANDATORY ENERGY EFFICIENCY LABELLING SCHEME

Coverage of Products

7. We prepare to include the following two energy using products in the second phase of MEELS -

- (a) washing machines; and
- (b) dehumidifiers.

As indicated in the table below, these products have been included in the voluntary energy efficiency labelling scheme for an extended period of time and are common electric appliances used in local households.

| Product | Market penetration of the voluntary energy efficiency labelling scheme (by sales quantity) | Launch years of voluntary energy efficiency labelling scheme |
|------------------|--|--|
| Washing machines | 29% | 1997 |
| Dehumidifiers | 26% | 2002 |

Key Requirements

8. Prior to supplying these products to the local market, importers and local manufacturers are required to submit the product information including test reports to the EMSD for assignment of reference number and record.

9. Importers or local manufacturers are then required to label these products in the prescribed formats before supplying them to the local market. The format of energy label will be the same as that of products under the initial phase of the scheme (see sample at **Annex**). Retailers will be under a legal obligation to sell only products which bear energy labels that are properly shown with prescribed specifications.

Potential Energy Saving

10. The two proposed products together account for about 7% of the annual electricity consumption in the residential sector. We estimate that the implementation of the second phase of the scheme can bring about an additional energy saving of about 25 GWh. This amounts to a saving of about \$25 million¹ in electricity bill per year. In terms of environmental benefits, an annual reduction of carbon dioxide emission of 17 500 tonnes will be achieved.

Transitional Arrangements

11. To enable the trade to make necessary preparations for the transition from the voluntary energy efficiency labelling scheme to the mandatory scheme, it is proposed to allow a grace period of 18 months for the second phase. Furthermore, product models which have already been registered under the voluntary scheme need not be re-tested for transferring to the mandatory scheme.

12. In line with the arrangement of the initial phase of the scheme, we also suggest exempting the following washing machines and dehumidifiers from the scheme -

- (a) products which have been manufactured in or imported into Hong Kong before amendment of the legislation for the second phase; and

¹ Assuming an average tariff of \$1 per kWh.

- (b) products which are to be supplied as part of or in connection with the disposition of any newly developed premises and of which a procurement contract has been entered into before amendment of the legislation for the second phase.

Consultation

13. A task force has been set up with the relevant trade associations and the Consumer Council to collect the views of the stakeholders and to work out the implementation details of the second phase of the scheme. The key views received have been incorporated in the legislative proposal.

Legislation

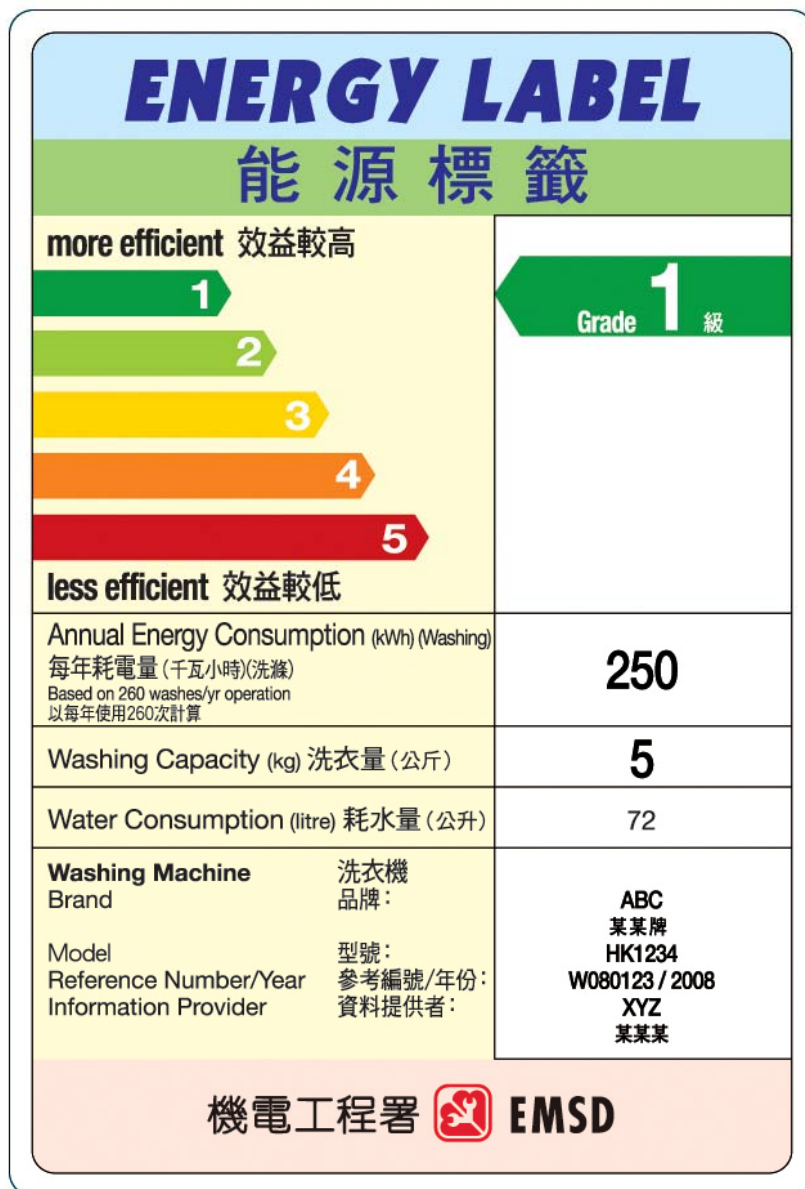
14. We aim to submit the relevant legislative amendments to the Legislative Council by the end of this year.

WAY FORWARD

15. Members are invited to comment on the proposal as set out in this paper.

Environment Bureau
Electrical and Mechanical Services Department
July 2009

A Sample of Energy Label for Washing Machine



A Sample of Energy Label for Dehumidifier

