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Panel on Environmental Affairs

Meeting on 15 July 2009

Background brief on mandatory Energy Efficiency Labelling Scheme

Purpose

This paper sets out the background to the Mandatory Energy Efficiency Labelling Scheme (EELS), and gives a brief account of the views and concerns raised at the meetings of the Bills Committee on Energy Efficiency (Labelling of Products) Bill (the Bills Committee).

Introduction

2. The Electrical and Mechanical Services Department (EMSD) operated a voluntary EELS for household and office appliances as well as vehicles since 1995. The voluntary scheme aimed at promoting energy saving by informing customers of the energy performance level of the products. It also intended to encourage product suppliers to make available more energy-efficient products to meet customers' demand. The market penetration rates of the voluntary EELS varied from around 0% to around 80% among different products. The energy saving achieved by the voluntary scheme was about 200 Gigawatt hours (GWh) per year. As significant improvement in market penetration rates could not be achieved under the voluntary scheme, the Administration introduced the Energy Efficiency (Labelling of Products) Bill in 2007 to set up a scheme to require suppliers to provide specific information in respect of specified energy-using products, including household and office appliances, and display energy labels on these products. The relevant legislation was published in the Gazette on 9 May 2008, but it shall only come into operation 18 months after the date of gazettal.

Mandatory EELS

3. Under the mandatory EELS, energy labels in prescribed formats are required to be shown on specified products for supply in Hong Kong to inform consumers of their energy efficiency performance. Three products, namely, refrigerator, room air conditioner and compact fluorescent lamp, have been included in the initial phase of the mandatory scheme because of their high market penetration rates. In line with

the voluntary EELS, suppliers of specified products are required to register the products with EMSD prior to supplying them to the local market. They are required to submit relevant energy performance information of the products for registration. Details of information to be submitted will be set out in codes of practices issued by EMSD, which will cover procedures on application for registration, acceptance criteria for testing laboratories and certification bodies, appliance classification, test standards, methodology for calculating energy efficiency grading, format of energy label and manner of labelling.

4. A grace period will be allowed after the introduction of the mandatory scheme. During the grace period, products currently registered under the voluntary EELS can be transferred to the mandatory scheme free of charge. The trades will also be allowed to apply for registration for the three prescribed products or sell their existing stock without energy labels. After the grace period, all products covered by the mandatory EELS should contain an energy label before they are supplied to the local market. It is expected that with the implementation of the mandatory scheme, an additional electricity saving of 150 GWh per year. This amount is equivalent to the annual electricity consumption of 105 000 units of room air conditioners^{Note}, or a monetary saving of \$135 million in electricity bill per year. An annual reduction of carbon dioxide emission of 105 000 tonnes will be achieved.

5. Taking into account the results of the initial phase of the mandatory EELS, the Administration will consider expanding the scope of the scheme to cover other electrical appliances.

Second phase of the mandatory EELS

6. When the subject was discussed by the Bills Committee, members were concerned that only three of the 18 types of energy-using products under the voluntary EELS were included in the initial phase of the mandatory EELS. To further promote energy saving, the majority of members considered that the Administration should start consulting the relevant trades on the priority of and time frame within which the remaining 15 products should be included in the second phase of the mandatory scheme. However, a member opined that legislation should only be introduced when voluntary schemes/measures could not achieve the target results.

7. Apart from the residential sector, the Bills Committee held the view that efforts should be made to promote energy saving in the commercial sector which had a much higher energy consumption level (61%) than the residential sector (25%). Consideration should be given to introducing a similar mandatory scheme for commercial and office buildings, particularly when management companies were not keen to adopt energy efficiency measures because electricity bills were usually shared among tenants.

^{Note} Assuming each of these room air conditioners has a cooling capacity of 9 000 Btu/hr with an average energy efficiency performance, and runs 1,200 hours per year.

Latest development

8. The Administration intends to brief the Panel on the second phase of the mandatory EELS at its meeting on 15 July 2009.

Relevant paper

The report of the Bills Committee on Energy Efficiency (Labelling of Products) Bill
<http://www.legco.gov.hk/yr06-07/english/bc/bc04/reports/bc040430cb1-1277-e.pdf>

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