Legislative Council

LC Paper No. CB(1)459/15-16(05)

Ref.: CB1/PL/EA

Panel on Environmental Affairs

Meeting on 25 January 2016

Updated background brief on Mandatory Energy Efficiency Labelling Scheme prepared by the Legislative Council Secretariat

Purpose

This paper provides updated background information on the Mandatory Energy Efficiency Labelling Scheme ("MEELS"). It also gives a brief account of the major views and concerns expressed by Members when related issues were discussed by the relevant committees of the Legislative Council ("LegCo") since the 2008-2009 legislative session.

Background

MEELS

2.

To facilitate the public in choosing energy efficient appliances and raise public awareness of energy saving, MEELS was introduced in May 2008 after enactment of the Energy Efficiency (Labelling of Products) Ordinance (Cap. 598) ("the Ordinance"). Under the scheme, energy labels which classify prescribed products of the same types into five grades¹ according to energy efficiency are required to be shown on the products for supply in Hong Kong to inform consumers of their energy efficiency performance. MEELS currently covers five types of products ("prescribed products"), namely –

A product with a Grade 1 energy label means that it is among the most energy-efficient in the market while a product with a Grade 5 energy label is the least energy efficient.

- (a) room air conditioners (cooling capacity not exceeding 7.5 kilowatts);
- (b) refrigerating appliances (total storage volume not exceeding 500 litres);
- (c) compact fluorescent lamps (lamp wattage up to 60 watts)²;
- (d) washing machines (washing capacity not exceeding 7 kilograms); and
- (e) dehumidifiers (dehumidifying capacity not exceeding 35 litres per day)³.
- 3. The Code of Practice on Energy Labelling of Products ("CoP") issued by the Electrical and Mechanical Services Department ("EMSD") under section 42 of the Ordinance⁴ provides practical guidance and technical details to the trades about the relevant test standards⁵, calculation methods and determination of energy efficiency grading levels of the prescribed products, in accordance with which the energy efficiency performance of the product models are tested and assessed.

Implementation of new energy efficiency grading standards

4. In early 2014, the Administration set up a Task Force comprising representatives of the Administration, relevant trade associations and the Consumer Council ("the Task Force") to consider the implementation of new energy efficiency grading standards of three prescribed products, i.e. room air conditioners, refrigerating appliances and washing machines. With the agreement of the Task Force, EMSD promulgated a revised CoP by gazette in October 2014. Under the revised CoP, the energy efficiency grading standards for the three types of products were raised by about 30%. In other words, these products are required to be more energy efficient in order to obtain Grade 1 energy label. Since

The second phase of MEELS had been fully implemented from 19 September 2011 to extend the coverage to two more electrical appliances, namely washing machines and dehumidifiers.

Two phases of MEELS had been implemented so far. The initial phase, which had been fully implemented since 9 November 2009, covered three prescribed products, namely room air conditioners, refrigerating appliances and compact fluorescent lamps.

Section 42 of the Ordinance empowers the Director of Electrical and Mechanical Services to, inter alia, approve, issue and revise CoP to provide practical guidance for requirements under the Ordinance.

⁵ According to the Administration, the test standards are in line with international standards, including those issued by the International Electrotechnical Commission and International Organization for Standardization.

25 November 2015⁶, room air conditioners, refrigerating appliances and washing machines supplied in Hong Kong are required to bear the new energy labels⁷ in compliance with the new energy efficiency grading standards before they are supplied to the local market.

Major views and concerns expressed by Members

5. The Panel on Environmental Affairs ("the Panel") was briefed on the Administration's proposal to implement the second phase of MEELS at its meeting on 15 July 2009. A subcommittee of LegCo was formed in November 2009 to study the Energy Efficiency (Labelling of Products) Ordinance (Amendment of Schedules) Order 2009⁸ for the implementation of the second phase. Issues relating to MEELS were brought up when the Subcommittee on Issues Relating to Air, Noise and Light Pollution discussed the administrative measures to control air pollution at its meeting on 16 April 2013, and during examination of Estimates of Expenditure in recent years. The major views and concerns raised by Members on issues relating to MEELS during these discussions are summarized in the ensuing paragraphs.

Coverage of MEELS

Members noted that in addition to MEELS, the Administration had been 6. operating a Voluntary Energy Efficiency Labelling Scheme ("the Voluntary Scheme") since 1995 to assist consumers in choosing energy efficient products. The scope of the Voluntary Scheme, which covered 22 types of household appliances and office equipment at present, was broader than that of MEELS. Given that many electrical appliances would become outdated within a very short period of time as a result of rapid technological development, some Members considered that the Administration should expedite the progress of MEELS to keep up with the latest development. They also enquired about the Administration's plan to include the remaining products of the Voluntary Scheme, such as television sets (which had a relatively high market penetration rate), in the subsequent phases Some other Members, on the other hand, cautioned that the of MEELS. Administration should duly consult the relevant trades in advance of the proposed inclusion of any additional products in MEELS.

As a transitional arrangement, a grace period of about one year ending on 24 November 2015 was provided for the implementation of the new energy efficiency grading standards for the three types of products after the revised CoP had been gazetted in October 2014.

The prefix "U1" is added to the reference number of a product on the new energy label.

The Energy Efficiency (Labelling of Products) Ordinance (Amendment of Schedules) Order 2009 sought to amend the Schedules to the Ordinance by adding the definitions of washing machines and dehumidifiers.

- 7. The Administration advised that the inclusion of energy consuming products into MEELS would be implemented in phases, taking into account the market penetration rates and potential for energy saving of individual products⁹, as well as availability of international testing standards and accredited laboratories in Hong Kong or neighbouring areas to conduct tests for the products. Reference would also be made to similar schemes and best practices in the international arena with a view to upgrading the energy performance requirements of the prescribed products. The Administration also pointed out that it was necessary to allow time for the trades to adjust to any new energy labeling requirements and benchmarking of products.
- 8. As regards Members' enquiry about the duration of grace period for implementing a new phase of MEELS, the Administration advised that the duration was worked out in consultation with the relevant task force¹⁰. On this basis, a grace period of 18 months had been given to the initial and second phases of the scheme respectively.

Classification of energy efficiency labels

9. There was a suggestion from some Members that each of the five energy efficiency grades under MEELS should be sub-divided into sub-grades to specify more precisely the energy consumption of an appliance, thereby facilitating the public in choosing energy efficient appliances. The Administration advised that it would consider how to refine MEELS when reviewing the scheme coverage and grading standards. In proposing any refinements to the scheme, the Administration would be mindful of the need to ensure that the public would understand the energy efficiency performance of the prescribed products.

<u>Testing conditions</u>

10. Members enquired about whether local conditions (e.g. temperature and relative humidity) and practices were taken into account when testing electrical appliances such as dehumidifiers. The Administration advised that as with other

For example, when considering the coverage of the second phase of MEELS, the Administration noted that the then prevailing assessment on the energy efficiency of televisions was based on the standby mode rather than the operating mode. The Administration considered that the potential energy saving under such assessment would be low and therefore it would not be cost-effective for the trades to comply with energy labeling requirements under such circumstances.

The Task Force comprised the Consumer Council and associations of suppliers, importers, manufacturers and retailers.

prescribed products, the testing standard for dehumidifiers was in line with the international practice to enable consumers from other countries to assess the energy efficiency performance of these products sold in Hong Kong. The Administration pointed out that while the energy efficiency performance of dehumidifiers would vary depending on the relative humidity of the surrounding environment, their energy efficiency grading would not be affected as they were tested with the same standard.

Monitoring compliance of MEELS

11. Some Members had expressed concerns whether the energy efficiency of the prescribed products might have been exaggerated, and how the Administration would monitor compliance with the energy efficiency levels displayed on the energy labels. The Administration advised that under MEELS, the five types of prescribed products supplied in Hong Kong were required to be listed models with reference numbers and to bear energy labels. The manufacturer or importer must submit to EMSD a test report issued by an accredited laboratory for the product model when applying for the reference number, and indicate on the energy label the results measured. EMSD regularly selected samples of listed models for compliance monitoring testing on energy performance by independent accredited laboratories to check whether the products conformed with the energy efficiency information submitted to EMSD.

Latest development

12. At the meeting on 25 January 2016, the Administration will brief the Panel on its review of MEELS.

Relevant papers

13. A list of relevant papers is set out in the **Appendix**.

Council Business Division 1
<u>Legislative Council Secretariat</u>
19 January 2016

Mandatory Energy Efficiency Labelling Scheme

List of relevant paper

Date of meeting	Event	Paper
15 July 2009	Meeting of the Panel on Environmental Affairs	Administration's paper (LC Paper No. 2197/08-09(05))
		Background brief (LC Paper No. 2197/08-09(06))
		Minutes (LC Paper No. 2779/08-09)
4 November 2009	Energy Efficiency	The Order
	(Labelling of Products) Ordinance (Amendment of Schedules) Order 2009 tabled before the Legislative Council	Legislative Council Brief on Second Phase of the Mandatory Energy Efficiency Labelling Scheme (ENB 24/26/24 Pt.6)
		Legal Service Division report (LC Paper No. LS8/09-10)
November to December 2009	Subcommittee on Energy Efficiency (Labelling of Products) Ordinance (Amendment of Schedules) Order 2009 examined the Order	Report of the Subcommittee (LC Paper No. CB(1)689/09-10)
21 March 2011	Special meeting of the Finance Committee for examination of Estimates of Expenditure 2011-2012	Written question raised by Member and Administration's reply (Reply serial number: ENB212)
5 March 2012	Special meeting of the Finance Committee for examination of Estimates of Expenditure 2012-201	Written questions raised by Members and Administration's replies (Reply serial numbers: ENB031, 151 and 154)

Date of	Event	Paper
meeting		
9 April 2013	Special meeting of the Finance Committee for examination of Estimates of Expenditure 2013-2014	Written questions raised by Members and Administration's replies (Reply serial numbers: ENB062 and 299)
16 April 2013	Meeting of the Subcommittee on Issues Relating to Air, Noise and Light Pollution	Administration's paper on "Current legislation and administrative measures on the control of air pollution and the associated public expenditure" (LC Paper No. CB(1)474/12-13(01)) Minutes of meeting (LC Paper No. CB(1)1471/12-13)
1 April 2014	Special meeting of the Finance Committee for examination of Estimates of Expenditure 2014-2015	Written questions raised by Members and Administration's replies (Reply serial numbers: ENB319 and 335)
30 March 2015	Special meeting of the Finance Committee for examination of Estimates of Expenditure 2015-2016	Written questions raised by Members and Administration's replies (Reply serial numbers: ENB036, 202, 379 and 390)
-	-	Code of Practice on Energy Labelling of Products 2014 under the Mandatory Energy Efficiency Labelling Scheme currently on the website of the Electrical and Mechanical Services Department