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For information

Proposed Mandatory Energy Efficiency Labelling Scheme

PURPOSE

This paper informs Members on the results of the consultation exercise of the proposed mandatory Energy Efficiency Labelling Scheme (EELS) for specified electrical appliances in Hong Kong.

BACKGROUND

Consultation with the Advisory Council on the Environment

2. We consulted the Advisory Council on the Environment on the proposed mandatory EELS in August 2005 (ACE Paper 20/2005). Members of the Council supported the proposal which aims to achieve the following objectives -

- (a) to increase public awareness of the importance of using energy-efficient products;
- (b) to provide consumers with more energy-efficient products; and
- (c) to provide incentive to product suppliers to market more energy-efficient products.

3. Under the proposed mandatory EELS, energy labels are required to be shown on specified products for supply in Hong Kong to inform consumers of their energy efficiency performance. We have proposed to include three products, namely, refrigerator, room air conditioner and compact fluorescent lamp, in the mandatory scheme. These three products have been included in the voluntary EELS in the early stage and have the highest market penetration rates.

PUBLIC CONSULTATION

4. A three-month public consultation on the proposed mandatory EELS was launched in July 2005. During the consultation period, we arranged consultation meetings with trade associations, product suppliers and other stakeholders to solicit their views on the proposed scheme. At the end of the consultation period, we received a total of 37 written submissions, including submissions from trade associations, green groups, professional and education institutions, consumer organization, power utility, testing laboratories, product manufacturers and suppliers. The vast majority of views received expressed support to the implementation of the proposed mandatory EELS and agreed that the scheme was in the correct direction for achieving efficient use of energy. Some submissions offered specific comments on the implementation details of the mandatory scheme. A summary of the views received during the consultation period is at **Annex A**.

WAY FORWARD

Task Forces with the Trades

5. In view of the positive feedback received in the consultation period, we consider that the Administration should proceed with the proposed mandatory scheme. A new ordinance is required for the implementation of the scheme. To address the concerns expressed during the public consultation, we have set up two task forces with the relevant trade associations and suppliers to work out the implementation details of the scheme. So far, the two task forces have each held three meetings.

Legislative Proposal

Product Coverage

6. The mandatory scheme will cover three specified products, namely, room air conditioner, refrigerator and compact fluorescent lamp, which are supplied in Hong Kong. The following products will be excluded -

- (a) products under transshipment or in transit through Hong Kong;
- (b) products manufactured in Hong Kong for export;
- (c) products supplied as scrap or in a place other than Hong Kong under a sale agreement entered into in Hong Kong; or
- (d) second hand products, including products which are supplied as part of or in connection with a disposition of any premises unless the disposition is the first disposition made prior to the first occupation of the premises.

Registration

7. In line with the existing voluntary EELS, suppliers of products covered by the mandatory EELS will be required to register their products with the Electrical and Mechanical Services Department (EMSD) prior to supplying them to the local market. Suppliers will be required to submit relevant energy performance information of the products for registration. Details of information to be submitted to EMSD will be set out in codes of practice issued by EMSD. The list of the registered products with energy efficiency information will be made available to the public. Registration holders will be required to update their product information with EMSD at least once every five years. A registration fee will be charged to cover the administration cost of the registration. We are in discussion with the relevant trades and suppliers on the proposed fee level.

Labelling Requirement

8. Under the mandatory scheme, no person shall supply a prescribed product unless the product bears an energy label in a format specified by Director of Electrical and Mechanical Services (DEMS). Such label shall contain the same information registered with EMSD. Proposed formats of the energy labels to be specified by DEMS are at **Annex B**.

Codes of Practice

9. DEMS will issue codes of practice for the purpose of providing guidance for compliance with the requirements under the new legislation. The codes of practices 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, etc.

Transitional Arrangement

10. We propose to allow a grace period after enactment of the new ordinance. During the grace period, products currently registered under the voluntary EELS can be transferred to the mandatory scheme free of charge. The trade will also be allowed to apply registration for the three prescribed products or sell their existing stock without energy labels. After the grace period, all products covered by mandatory scheme should contain an energy label before they are supplied to the local market.

Legislative Timetable

11. We are now preparing the legislation for the introduction of the mandatory scheme. We aim to introduce the legislation into the Legislative Council in the end of 2006.

12. Members are invited to note the way forward as set out in paragraphs 5 to 11 of the paper.

Environmental Protection Department
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