

National Appliance and Equipment Energy Efficiency Program

Consultation Forum 2000

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Introduction

On 28 March 2000, the National Appliance and Equipment Energy Efficiency Committee (NAEEEC) held its third annual stakeholder forum at the Randwick Racecourse in Sydney. NAEEEC is a committee of Commonwealth, State, Territory and New Zealand government officials charged with promoting both the manufacture of energy efficient products by suppliers and the marketing of these products to consumers. Its stakeholders are companies and individuals with an interest in end-use product energy efficiency.

This annual forum provides an opportunity for NAEEEC to release its plans for the next year and inform stakeholders of achievements and developments. Just as importantly, the forum provides an opportunity for stakeholders to respond.

Almost 80 participants attended the Consultation Forum 2000; representing supplier companies and trade associations, professionals involved in Standards development and testing, environmental and consumer groups, government regulators and energy agencies, professional consultants and trade media.

The Forum involved an introductory session with presentations introducing the three themes for the day; workshops to tease out views on these issues; and a final session which captured the outcomes of the day. The three themes are outlined in the table below.

1 - Appliance Enforcement	2 - Appliance Labelling	3 - Equipment Best Practice
Workshop on when regulators should take legal action.	Information session on the revised appliance energy rating label and industry support program.	Workshop on best practice proposals for the Motor Systems Challenge program.
Workshop on whether regulators should report the outcome of complaints and independent laboratory checking of labelling and standards compliance.	Information session on the 'Reach-for-the-Stars' initiative.	Workshop on the proposed best practice program for the lighting industry.

Plenary Session

The introductory session involved four speakers.



Phillip Harrington (AGO), David Epstein (AEEMA), Ian Cronshaw (Dept Industry, Science & Resources) and Glen Barnwell (ACCC)

Mr Phillip Harrington, Executive Manager of the Sustainable Energy Group within the **Australian Greenhouse Office (AGO)** set the scene for participants. He pointed to the benefit of past fora, explaining that government had endorsed the outcomes of last year's Forum. Australia will now consider imposing MEPS on products that contribute significantly to greenhouse in line with the levels imposed by our major trading partners provided such action is in the community interest. He also released the regulators' Administrative Guidelines.

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Mr Harrington's presentation reminded the forum of the cost-effective nature of the national program. By 2015, the NAEEEC

NAEEEC by George Wilkenfeld & Associates which estimates the greenhouse savings below business as usual for each project within the program.

Ms Glen Barnwell, NSW Regional Director of the **Australian Competition and Consumer Commission (ACCC)** spoke about suppliers' legal obligations to ensure labelling and MEPS representations were accurate. She pointed to the ACCC compliance pyramid to demonstrate the ACCC balance between assisting business to understand their obligations and its role as a consumer 'watch-dog'. She highlighted two documents prepared by the ACCC for NAEEEC; the enforcement strategies proposals for the program and the two-year cooperation agreement with the AGO (on behalf of NAEEEC).

Ms Barnwell explained that the two-year co-operation agreement (commencing on 1 July 2000) allows the AGO to forward potential cases of misleading energy labelling to the ACCC for possible enforcement action if they meet the ACCC's selection criteria. The enforcement strategies report recommended:

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- That consideration be given to a more transparent system of public reporting of regulatory enforcement outcomes.
- That consideration be given to the possibility of introducing Commonwealth legislation to complement and reinforce the current State based regime.
- That a wider range of sanctions be considered for all regulators involved in the energy efficiency scheme.

Mr Ian Cronshaw, Assistant Secretary responsible for the Energy Efficiency Best Practice Program within the Commonwealth **Department of Industry, Science and Resources** explained the relationship between that \$10 million program and the program administered by NAEEEC. The AGO and ISR have combined, for example, to jointly fund the Electric Motor Systems Challenge program which includes website tools, training packages and other information to empower purchasers of electric motors to select the most efficient motor for the job. He stressed the importance of the program because these motors consume over 30% of all electricity in Australia.

Mr Cronshaw spoke of the partnership between government and industry aiming to improve energy efficiency outcomes with a focus on each sector. The AGO and ISR will explore other opportunities to promote best practice using established models from Europe and North America.

Mr David Epstein, the Executive Director of the **Australian Electrical and Electronic Manufacturers Association** (AEEMA), also representing the Consumer Electronics Suppliers Association (CESA), provided his



**David Epstein, Executive Director,
Australian Electrical and Electronic
Manufacturers Association**

organisation's scorecard for the program. AEEMA has been a partner in the program since its inception. He spoke of the alternating attraction and suspicion of his members to the program. He used as examples the successful efforts of his members to "pull their weight" on greenhouse on the one hand but their belief that other sectors were not subject to the same level of government regulation and intervention.

Mr Epstein stressed the importance of a uniform national

approach to greenhouse regulation. AEEMA reminded participants that Australia was a small player on the international scene and therefore should only match world best practice when demonstrably of benefit to our community. He pointed to the need to keep simple cooperative solutions in mind even for complex problems like standby power.

Mr Epstein encouraged NAEEEC enforcement to be rigorous, but not “trigger-happy”. He suggested the voluntary code sponsored by the trade associations pointed to the way in which balance may be achieved. In closing, he said AEEMA supported NAEEEC’s program, especially the market-based programs, the sharing of values with other stakeholders, innovative communications and endorsement programs and regulation only when other approaches had failed.



Dr Tony Marker, Chair of NAEEEC and Manager of Energy Efficiency at the Australian Greenhouse Office

Workshop Themes and Results

The three workshop themes reflected issues of current interest to stakeholders.

Theme 1: Appliance

Enforcement sought views on an enhanced compliance program including the ACCC report on the current energy efficiency enforcement regime and the AGO and the ACCC cooperation agreement. The two workshops identified the need for claims to be consistent with testing, the regulations and administrative guidelines. The workshops accepted the “stakes had risen” with minimum standards withdrawing a product’s right to be sold (rather than simply relabelling product). The workshop raised concerns about National Association of Testing Authorities (NATA) accreditation processes not necessarily establishing testing competence. While the greater transparency of the Administrative Guidelines was applauded, some industry participants wanted greater access to the round robin results

Visit the AGO’s Energy Efficiency website at www.greenhouse.gov.au/energyefficiency for information on all NAEEEC programs

and improved responsiveness from regulators. Support was evident for a wider range of sanctions provided these rules were applied fairly and targeted "repeat offenders." However, some participants were also concerned that regulators would lessen efforts at education in favour of a more litigious approach.

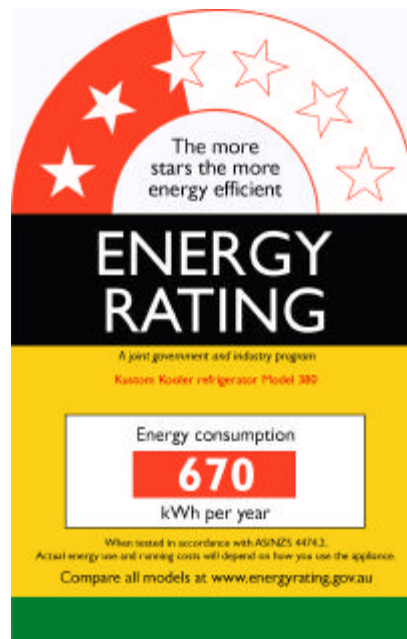
Regulators stated that AEEEMA/CESA agreement to develop voluntary procedures for companies accused of supplying mis-labelled or non-standards compliant product was a major step forward. The Regulatory Issues Working Group (involving regulators and industry representatives) will examine the results of the workshop and report to NAEEEC.

Theme 2: Appliance Labelling

Participants were provided with information about the current status of the review of the Appliance Energy Rating Label. It was noted that the new label design, algorithms for the star ratings and the communication strategy for the label change had been undertaken through a consultative process with stakeholders. The Phillips Group, communication and marketing experts, were engaged to develop a communication strategy to communicate the changes to retailers, suppliers and consumers. Mr Brian Stewart and Ms Caroline St Clair, from The Phillips Group provided participants with details of the communication strategy and the timeframes involved. For more information about the Appliance Energy

Rating Label transition please visit our website at www.energyrating.gov.au.

The "Reach for the Stars" program was presented by Ms Tracey Gatehouse, Sustainable Energy Development Authority (SEDA) and Mr Ian McNicol, Energy Efficiency Victoria (EEV).



The new Energy Rating Label

This new program will be launched in October 2000 following the label transition. It aims to provide support to enhance sales of energy efficient products and to empower consumers to make informed purchasing decisions. The program promotes energy efficient products through several initiatives such as awards, media support, training, point of sale material, competitions, etc. The

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program is seen as a win/win initiative in that suppliers gain national recognition for their efforts in producing/supplying energy efficient products, consumers gain more energy efficient products and save money and the government gains assistance in meeting its commitment to reduce greenhouse gas emissions.

Theme 3: Equipment best practice dealt with the enhanced equipment program that seeks to create opportunities to reduce greenhouse emissions through voluntary projects. Theme 3 explored the development of two such initiatives; for electric motors and commercial lighting.

The Australia Motor Systems Challenge was identified as a government priority in the 1998 National Greenhouse Strategy. The AGO and ISR are sponsoring the program which is modelled closely on the US scheme with some elements drawn from European experience. The workshop heard of the development of the yet-to-be finalised website which will hold motor selection software and best practice examples, and will showcase new developments and training packages. Participants were told that the final form of the program will be resolved using a steering committee comprising key stakeholder groups with the launch expected in May 2000.

The Australian Greenhouse Lighting program is in its infancy. A consultant has been appointed to explore the elements of the program and to advance the proposals previously tabled by AEEMA. The workshop

outcomes included support for developing a good practice guide (by market sector), a rating scheme (measuring watts per square metre/hour(/year), but should also recognise the energy savings potential available from lighting control systems) and fostering a lighting energy audits



Participants at workshop 3: best practice proposals

or a star rating scheme. Participants felt government should lead by example for public buildings and examine incentives and rebates as possible ways to encourage smart lighting.

Forum Outcomes

The final part of the forum was a drawing together of the forum outcomes and a stakeholder review of NAEDEC's performance over the year.

The industry rapporteurs for Theme 1 were Geoffrey Whitford, **Southcorp** (water heaters) and Bruce Buchtman, **Email** (refrigeration) and for Theme 3 were Bill Bryant, **CMG** (electric motors) and Phil Regan, **Pierlite** (lighting). Outcomes for these workshops are recorded in the previous section.



Bill Bryant (CMG) and Phil Regan (Pierlite lighting)

Last year, NAEDEC introduced the concept of major stakeholders providing a report on the progress of the program. NAEDEC invited two representatives to give their rating. Mr Alan Sharp from the **Australian Consumers Association (ACA)** and Technical Manager of its Test Research facility provided his scorecard as:

Program processes	50%
Model regulation process	90%
Existing MEPS	80%
New labels	40%
Consultation	80%
Communication	80%
Overall	60%.

ACA felt the program was limited in the products covered but applauded the proposals to address expand and enhance the product coverage. ACA felt the international perspective and initiatives to address new issues like standby power were a bonus. ACA deducted points for a lack of pre-emptive action on some issues and the absence from the program of a number of common domestic appliances.

Mr Richard Bollard, Group Standards and Approvals Manager, **Fisher and Paykel**, provided an industry participant view. He stated that industry is following the compliance issues with interest and that it is important that NAEDEC continue to consult with industry.

Mr Bollard also stressed the importance of a unified, national approach to appliance regulation and argued that the key challenge for the future is to resolve the technical issues

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related to testing methods contained within part 1 of the standards.

Dr Tony Marker, Chair of NAEEEC and Manager of the Energy Efficiency Team in



Geoffrey Whitford (Southcorp), Bruce Buchtman (Email) and Richard Bollard (Fisher and Paykel)

the AGO was the final speaker. He welcomed the input NAEEEC had received from industry and other stakeholders at the

forum and emphasised that the views expressed at NAEEEC forums are taken into account when formulating programs.

Dr Marker urged all participants to continue to be involved in the consultation process, whether that be through stakeholder forums, working groups or technical committees.

He also noted that copies of documents related to the NAEEEC program are available on the AGO website at www.greenhouse.gov.au/energy_efficiency

National Appliance and Equipment Energy Efficiency Committee (NAEEEC)

The National Appliance and Equipment Energy Efficiency Committee (NAEEEC) consists of representatives from Commonwealth, State, Territory and New Zealand Governments.

NAEEEC's role is to coordinate the National Appliance and Equipment Energy Efficiency Program (NAEEEP). Through this program, the various Governments work together to develop and introduce measures that improve the energy efficiency of appliances and equipment used by households and business. This means that all Governments are working together to ensure national consistency and effective cooperative action.

NAEEEC operates under the authority of the Australian and New Zealand Minerals and Energy Council (ANZMEC) through its Energy Management Task Force (EMTF). ANZMEC is made up of ministers from the various Commonwealth, State, Territory and New Zealand Governments.

NAEEEC consists of the following members:

- The **Australian Greenhouse Office** which provides support for NAEEEC's activities. An AGO Officer is the chair of NAEEEC.
- NSW **Ministry of Energy and Utilities**
- NSW **Sustainable Energy Development Authority**
- Victorian **Office of the Chief Electrical Inspector**
- **Energy Efficiency Victoria**
- Queensland **Department of Mines and Energy**
- Western Australian **Office of Energy**
- South Australian **Office of Energy Policy**
- Tasmanian **Office of Energy**
- ACT **Department of Urban Services**
- Northern Territory **Department of Industries and Business**
- New Zealand **Energy Efficiency and Conservation Authority**