

APEC Expert Group on Energy Efficiency and Conservation Meeting 22

**Melbourne, Australia
March 27-28, 2003**

The twenty-second meeting of the Expert Group on Energy Efficiency and Conservation (EGEE&C 22) was held in Australia, March 27 – 28, 2003. Representatives from Australia, the People's Republic of China, Korea, New Zealand, Russia, Chinese Taipei and the USA attended the meeting. Two observers, from Malaysia and Norway, respectively, as well as two project consultants also attended the meeting.

1. Opening and discussion of Zero Net Emissions Strategy

Mr Geoff Lawler from the City of Melbourne opened the meeting and tabled the key conclusions of the Zero Net Emissions Workshop (Attachment 1) and spoke to it. The Expert Group noted the conclusions and congratulated the City on the strategy and the success of the workshop. It was noted that APEC had been involved in the project from the outset and it was good to see it progressing.

The next step is for the conclusions to be fleshed out into a final report. This could be shared among APEC economies. The City was asked to report regularly to APEC on progress to keep the process of information sharing going. The possibility of APEC supporting specific projects within the strategy was also noted.

2. Confirmation of agenda

The agenda was accepted. Additional items were suggested on collaboration with other Expert Groups and on the progress of the draft EWG sponsorship guidelines. It was agreed to discuss these items in the Open Forum.

3. Reports on Completed Projects

3.1 Energy Standards Information Development and Co-ordination

New Zealand reported that this project finished as an APEC-funded project at the end of 2002. It gathered information on energy standards and identified contacts in member economies. ESIS has been well received by users.

Since APEC does not generally fund ongoing maintenance of web-sites, options for long term funding to continue the project are being explored, with ongoing funding being provided at present by Chinese Taipei and the United States.

It was agreed that New Zealand would prepare a report on the project success and positive feedback for EWG 25 through the Expert Group Chair.

3.2 Energy Audit Training Program for the Industrial Sector

Chinese Taipei tabled a report on the outcomes of the Program (Attachment 2), which was accepted. Of particular interest was the issue of mandating energy audits and the role of incentives. It was observed that making energy audits free led to them not being valued by industry. The real key to success was to make the audits not just an information gathering exercise but generate useful information that leads to action. Incentives should really only be offered when there is a market failure.

It was agreed that information on existing energy audit standards be made available through the APEC ESIS website.

4. Reports on Current Projects

4.1 Energy Standards and Labeling Information Network

Chinese Taipei advised that this is a self-funded project, supported by Chinese Taipei and the United States with a total budget US\$37,000. The project continues the work started by the previous Steering Group on Energy Standards (SGES) on reducing barriers to trade. It also provides a response to the **Energy Ministers' San Diego Initiative** for the "establishment of the position of an APEC Energy Efficiency Test Procedures Co-ordinator" and to the **Energy Ministers' Mexico City Initiative** "to endorse the Energy Standards and Labelling Co-operation Initiative as a timely and effective policy instruments".

Specifically, the project continues the project EWG 1/2001T "Energy Standards Information Development". It involves implementing and maintaining APEC ESIS, operating the Standards Notification Procedure, monitoring international standards processes and liaising with APEC standards participation networks and algorithm activities to present a common "APEC stance" on energy standards.

Progress to date includes finalizing the scope of work for 2003, with a contract expected to be signed in late March or early April, 2003, between Chinese Taipei and the consulting team. The US will have a separate contract with the consulting team.

4.2 Development of Algorithm Criteria

New Zealand advised that this project was granted an extension of time and is now due to be completed by 30 June, 2003. The earlier project (EWG 3/2000T) identified the

priority product groups as refrigerators and air conditioners. Accordingly, two studies are underway and are on track for completion on the new schedule.

4.3 Sustainable Financing System for Energy Efficiency Projects

The United States of America advised that this project will work to establish an infrastructure for financing energy efficiency in Mexico and one other member economy. This will be a potential model for other member economies as well. The United States noted that it was preparing a Request for Proposal (RFP), which will be issued through the APEC Secretariat in Singapore.

4.4 Cooperation on Energy Labeling

Chinese Taipei advised that this project responds to the **Energy Ministers Mexico City Initiative**, and aims to:

- Share information, knowledge, and experience on energy labeling
- Compile standards, regulations and energy saving results of member economy energy labeling programs
- Promote best-practice implementation of energy labeling

The project is a cost-sharing project between the APEC Central Fund and Chinese Taipei and the implementation of the project will closely co-ordinate with the Energy Standards & Labeling Information Network project

A venue and consultant would be finalized no later than July 2003. All APEC EWG members are invited to participate and expressions of interest from member economies in hosting the seminar would be welcome.

5. Setting Up and Running the Standards Notification System via APEC ESIS

The Chair noted that the APEC Secretariat has requested that Energy Ministers be provided with a report on the progress of implementing their declarations. It was noted that the objective of APEC ESIS is not to enforce harmonization of standards and policies, but rather to make them transparent. Some economies may 'self align' as a result of this information sharing and exchanges.

APEC ESIS can provide this transparency but needs regular updates and inputs from member economies. This is not currently happening. A contact (or contacts) is needed in each Member Economy, who will be responsible for providing the updates and inputs. These contacts will also be listed on the website as an information source when the detailed standards and policies are not available in English. It was agreed that Member Economies should advise the Chair of the Expert Group and the project consultant of details of these contact(s) as soon as possible. If necessary, this request would also be conveyed through the EWG. It was noted that in some cases there was no single agency with clear responsibility over all relevant matters.

At the technical working level, the Standards Notification System will provide monthly updates via email to interested energy experts and policy makers within the APEC region. For wider communication, it was agreed that the APEC ESIS project consultants would also prepare an annual progress report as part of the APEC Standards Notification System. The report would cover new and amended standards and policies in Member Economies, based on the inputs by Member Economy contacts to APEC ESIS. The draft report will be circulated to Expert Group members before the second Expert Group meeting in each year for comments and the final report will be tabled at that meeting for endorsement. The endorsed report will then be passed to the EWG and will form the basis of notifying Ministers of progress on ministerial declarations. The first report will be prepared for the second Expert Group meeting of 2003.

6. Open Forum

A number of the delegates reported on recent developments in their respective Economies regarding policies and programs on energy conservation.

China – energy efficiency and conservation received a boost from the Chinese Government leadership, with Premier Wen Jiabao declaring the importance of energy conservation policies. SETC, together with other 5 national departments, is developing a comprehensive energy management policy in the public sector. To help with this move, and to obtain ideas and expertise, an international workshop on government energy management program will be held in Beijing on May, 2003. Sixty participants, half of whom will be international experts, are expected to attend.

Korea – In February this year, when the 10-day moving average of the Dubai crude oil prices exceeded \$29 per barrel, the Ministry of Commerce, Industry and Energy (MOCIE) implemented the second-phase of the national energy conservation plan. However, only a few of the measures specified in the second-phase are being implemented, so as to minimize the impact on people. For example, public sector workers are banned from using private vehicles once every ten days, and are also banned from using individual heaters. Decorative lighting is also banned. The electricity use of department stores and other large shops out of business hours is also curbed.

Korea also reported on a new standard for energy efficiency labeling applying to rice cookers and kim-chi refrigerators. The standards were applied because of the considerable use of these appliances. It was also reported that for refrigerators and air conditioners, there has been a move from comparison to endorsement labeling. This is because for these two appliances, Korean-manufactured appliances have achieved 90% first-grading. Korea tabled a status report and a technical paper on the new standard on energy efficiency labeling and standards for rice cookers and kim-chi refrigerators (Attachments 3 & 4).

Russia – *De Jure* energy conservation is a high priority in Russia during the latest 10 years. *De Facto* energy efficiency of Russia's economy is still low. The first reason is institutional: there is no powerful national agency responsible for promoting energy efficiency and conservation. The second reason is the lack of available funding for energy conservation measures. Another reason is that there is little investment in new capital equipment in industry, which is a large user of energy. Old, inefficient equipment have a large share of the total equipment and machinery in operation in Russia.

One bright spot is that, the regions within the Federation seem to have more active energy conservation programs. All regions already have legislated acts on energy conservation, even if there is none on the Federal level. National energy reform is also starting to stir, influenced mainly by developments in the West, particularly Europe.

Chinese Taipei – Chinese Taipei tabled a report on developments in Chinese Taipei (Attachment 5). New measures have recently been introduced to further increase the energy efficiency of appliances and equipment. For example, higher standards are being applied to refrigerators and new energy efficiency requirements on water chillers are in effect. New standards are to apply to boilers as well. In the meantime, fuel economy standards are going to be strengthened for motor vehicles and motorcycles.

The government has also introduced the Energy Conservation Label, a voluntary scheme encouraging the use of more energy efficient appliances. Eight types of appliances have been included in the scheme, and four more are shortly expected to be included, namely hand and hair dryers, drinking machines and fluorescent lamps.

Malaysia – the observer from Malaysia commented that Malaysia was undertaking a concerted effort to gain stakeholder support for a national energy efficiency labeling scheme, including industry and research institutions. Currently labeling schemes for high efficiency induction motors and refrigerators are under development.

6.1 Additional matters from EWG

The Expert Group was advised that sponsorship can be an option to get long-term funding for APEC projects, especially the ongoing maintenance of websites. Guidelines to assist those seeking to secure sponsorship are being drafted by the EWG Secretariat for consideration at EWG 25. The Expert Group discussed a proposal to seek sponsorship of the APEC ESIS website to ensure its continued operation and to enhance its value by broadening its scope to include non-APEC member economies. It was agreed that the project consultant would provide an outline of the proposal to the EWG Secretariat, who would seek clarification from the APEC Secretariat on this proposal and advise the Expert Group Chair on their response. The Expert Group will continue to explore sponsorship opportunities for the website so that an arrangement consistent with APEC guidelines can be reached.

EWG is encouraging cooperation and joint projects between and among Expert Groups. There have been a number of positive examples, including this week's workshop on zero

net emissions, which involved the EGNRET and the EGEEC, and a joint project proposal between EGEEC and GEMEED on energy efficiency in the mining sector. The Expert Group requested that the EWG Secretariat provide information on current EWG projects via the EWG website.

7. EGEEC Administration

The Chair noted for the Expert Group that the Chair's term would end at the end of this year and the Chair opened the table for nominations for the next Chair. A question was raised if the current Chair would be prepared to extend the term if requested. The Chinese Taipei delegation stated it would need to be discussed officially when they return to their economy.

8. Discussion of 2004 APEC EWG Project Proposals

8.1 Joint GEMEED & EGEE&C proposal: energy efficiency in the minerals sector

The Expert Group supported this proposal.

8.2 Proposal from PRC – Energy Efficiency Programs in Public Sectors

The Expert Group supported the proposal but suggested some amendments, in particular that it should acknowledge that some APEC economies already have programs in this area and this project should aim to share and build on this experience. The US and Chinese Taipei agreed to co-sponsor the proposal.

8.3 Proposals from Russia

8.3.1 APEC Compatible disaggregated indicators

This project gives effect to the recommendations of the March 2002 Manila Indicators Workshop. The Expert Group supported the proposal. Korea and Chinese Taipei agreed to co-sponsor the project proposal.

8.3.2 Enhancing performance of district heating and hot water supply systems

The Expert Group supported this project proposal. Korea and China agreed to co-sponsor the proposal.

8.3.3 Identifying extent and means to reduce cross border trade in highly energy inefficient products

The project proposal was supported, subject to refinement of some of the project scope to clarify that its focus is on inefficient products. The objective is to improve compliance with each Member Economy's regulations and avoid dumping of non-compliant products. Australia and the US agreed to co-sponsor the project proposal.

8.4 Proposals from USA

8.4.1 Energy for sustainable communities program

This is an ongoing, self-funded project and the Expert Group supported its continuation in 2004. Korea and China co-sponsored the project.

8.4.2 Promoting energy efficiency and conservation in the public sector

The Expert Group supported this project proposal. The Expert Group noted that the project proposal should be clarified to show that it is distinct from and complementary to the proposal from the proposed PRC project. The co-sponsors of the project proposal are China, Russia and Chinese Taipei.

8.4.3 Energy efficiency standards for windows

The Expert Group supported this project proposal. Australia and Chinese Taipei agreed to co-sponsor the project proposal.

It was agreed that all project proposals, after making necessary revisions, should be sent to the Chair by Thursday, 3 April 2003 (Chinese Taipei time).

9. Future Collaboration

Australia tabled a paper (Attachment 6) on the conclusions of a workshop of Asia Pacific experts held in Melbourne on 24 March 2003. This workshop was sponsored by the Australian Greenhouse Office and the Sustainable Energy Authority, Victoria, Australia. The workshop addressed the development of a common long-term vision for energy standards and labeling programs within the APEC region. Australia noted that it hoped to organize two similar workshops, to be held in Europe and the America within the next 12 months. This would create another opportunity to test and refine the ideas. Australia will report progress on this and other relevant developments at subsequent EGEE&C meetings.

It was agreed that Expert Group members would consider the paper and that it would be discussed in details at the next Expert Group meeting, where members will have had the

opportunity to read the full paper, consult others in their economy and consider its implications.

9.1 Additional Project Proposals

Australia tabled two draft project proposals for consideration that arose out of the above-mentioned workshop. Australia sought their inclusion as APEC EWG 2004 project proposals.

9.1.1 Alignment of testing procedures on air conditioners and heat pumps

The Australian Air-Conditioning Refrigeration Equipment Manufacturers' Association and the Australian Government are offering to support this project. The request for APEC funding is to support participation by APEC experts.

The Chair noted that this proposal is a continuation of earlier APEC work (Colloquium on Technical issues of Minimum Energy Performance Standards [Air Conditioners]) held in Korea in October 1999. Previous Expert Group work has indicated that air conditioners have the best potential for harmonized standards, and it is now timely to revisit this issue.

The Expert Group agreed to support this proposal for 2004 project funding, and that it be put forward for TILF funding. China, Chinese Taipei and the United States agreed to co-sponsor the proposal.

9.1.2 International test standard for stand-by power

The IEC is in the process of finalizing a new, harmonized international standard for measuring stand-by power loss. Through this project, Australia is proposing to organize a workshop of international experts to encourage early adoption of this new IEC standard, thereby avoiding the proliferation of individual and incompatible standards. The request for APEC funding is to support participation by APEC experts.

The Expert Group agreed to support this proposal for 2004 project as well and that it be put forward for TILF funding. China and the United States agreed to co-sponsor the proposal.

10. Next meeting

The Chair reported on efforts to secure a host for EGEE&C 23. He indicated that there is as yet no confirmed offer from any economy to host the next meeting. The Chair will explore the possibility of Malaysia to host the next meeting. The Chair will also continue to investigate other possibilities and advise Expert Group representatives as soon as the information of a venue and date is confirmed.

APPENDIX

Attending delegates:

Mr Aidan Storer, Mr Shane Holt (Australia)
Dr Liu Caifeng (PRC)
Dr Jong Duck Kim, Dr Jun Choi (RoK)
Mr Bill Brandy (NZ)
Mr Sergey Molodstov (Russia)
Mr Kun-Yuan Lin, Dr Robert Hu (Chinese Taipei)
Dr Fanghei Tsau (Chair – Chinese Taipei)
Dr Larry Hill, Dr Stephen Wiel (USA)
Dr Peter du Pont (ESIS project consultant)
Mr Frank Pool (ESIS project consultant)

Observers:

Ms Kari Aamodt Espegren (EWG Energy Audit Workshop speaker from Norway)
Mr Jesper Vauvert (Malaysia)
Mr Lindsay Bevege (consultant supporting Melbourne workshops and Expert Group meeting)