



BUILDINGS AND APPLIANCES TASK FORCE

7th Meeting

8-10 April, 2009

New Delhi, India

Project 3

Market Transformation

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ASIA PACIFIC PARTNERSHIP ON CLEAN DEVELOPMENT & CLIMATE
BUILDINGS AND APPLIANCES TASK FORCE
7th Meeting in New Delhi on 8 - 10 April, 2009



Project Status Update

“Good Practices Handbook”

- Received their descriptions from Australia (Oct. 08)
- Updated information of Korea and Japan (Feb. 09)

➡ out to complete the 2nd Edition

The 3rd Project Workshop

- Held in February 2009
- Discussing on
 - Estimation of energy-saving potential
 - “Overview of Selected Policies and Programs (formerly known as checklist)”

The 3rd Project Workshop (1)

23 & 24 February 2009 in Tokyo

Participants : China, India, Korea and Japan

Number of attendees : 30

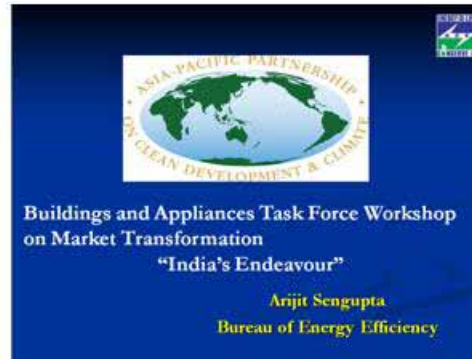
- Two topics for finding energy-saving potential in residential/commercial sectors
 - Presentation:
Basic data and an example of estimation for appliance-related electricity consumption
 - Case study by “Overview of selected policies and programs”
Part I : Programs which affect to technically improve energy efficiency
Part II: Programs which affect to diffuse high efficient appliances

- Guided Tour to Panasonic Center
Visiting advanced ecological showcase



The 3rd Project Workshop (2)

Presentation from each country

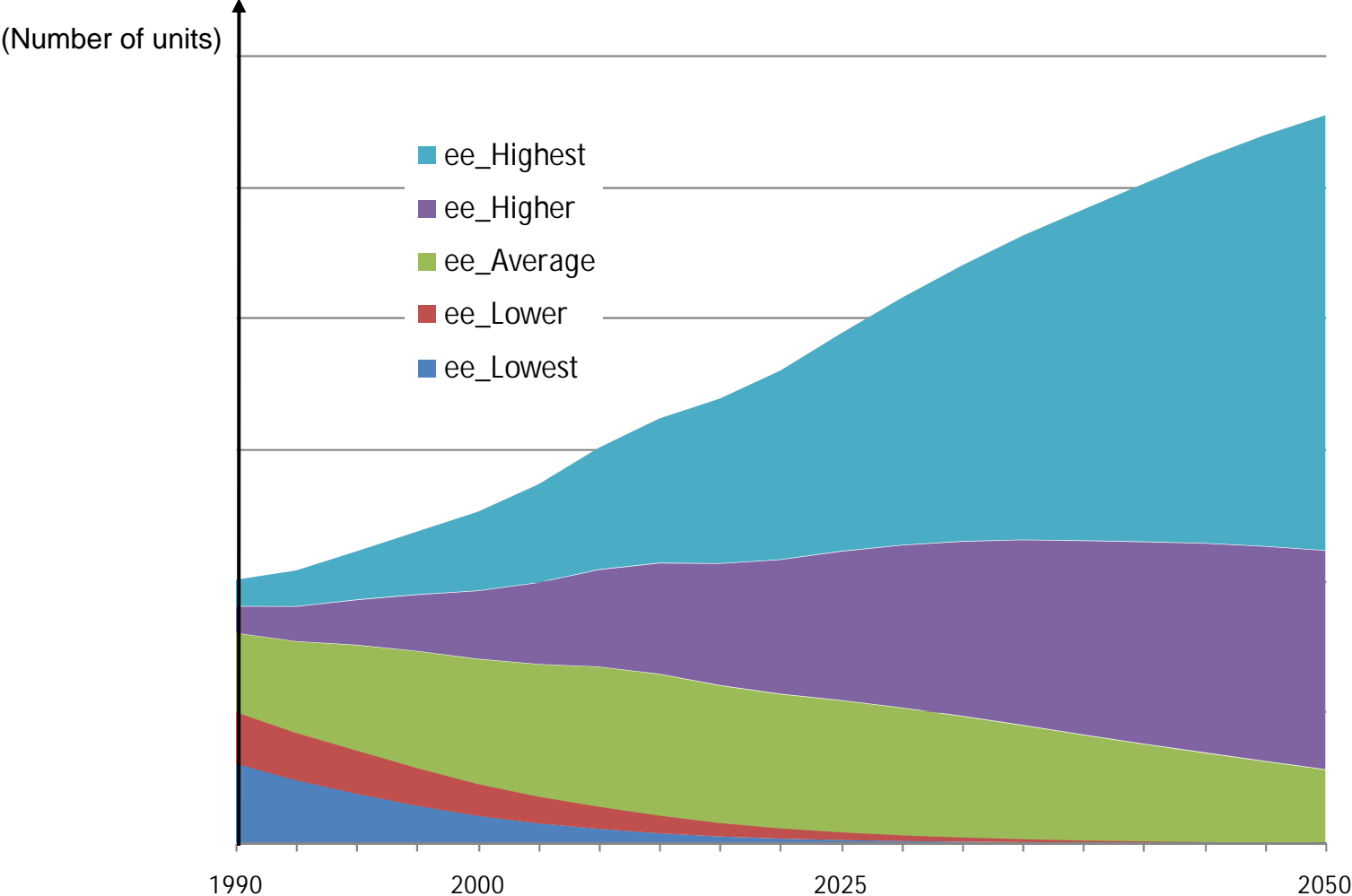


The 3rd Project Workshop (3)

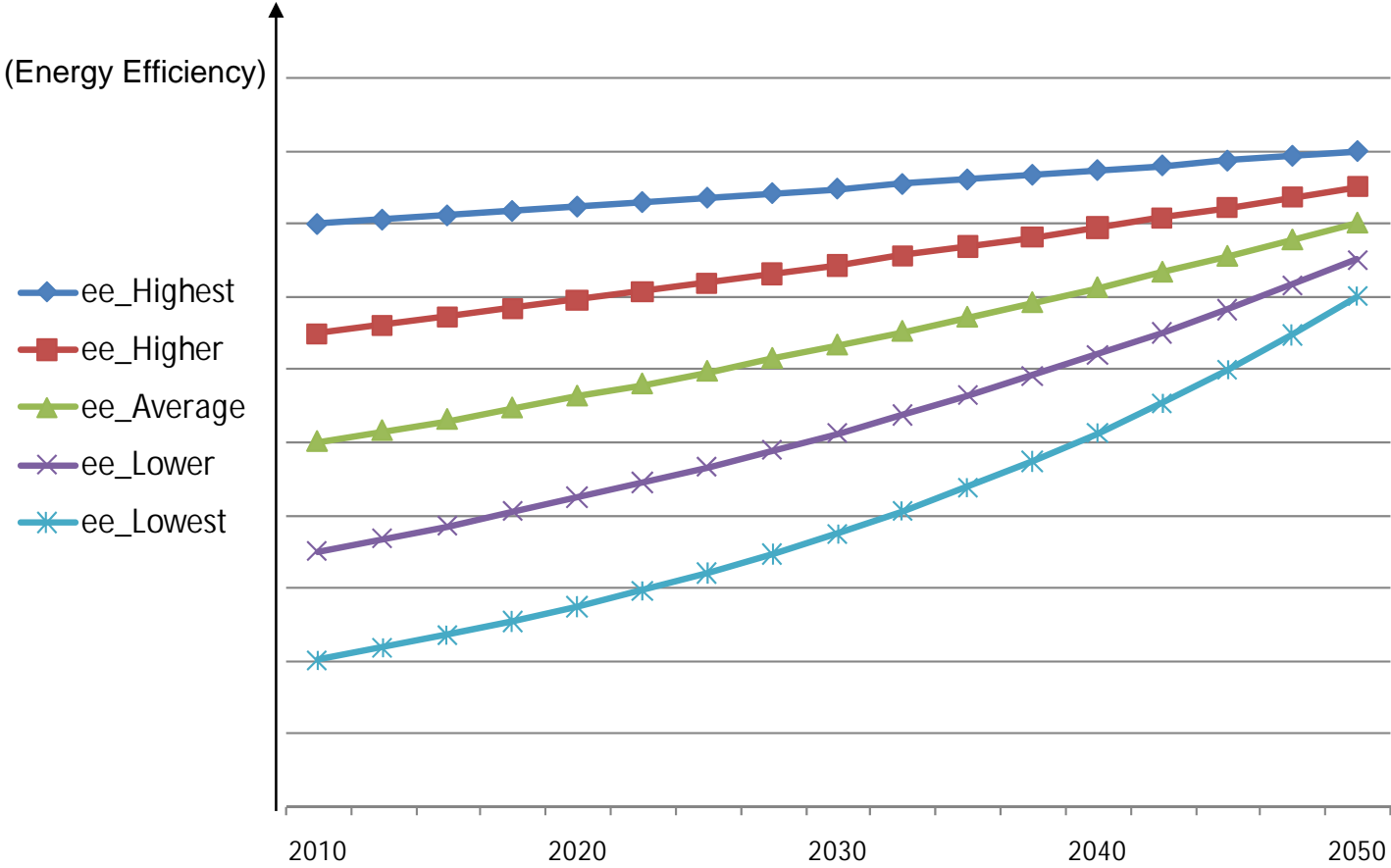
Results

- Obtained common understanding on the following three points necessary for realizing “market transformation” in the regions.
 - i. Changing portion of each efficiency-level product
 - ii. Improving energy efficiency of each product itself
 - iii. Decreasing operating hours of products

Changing portion of each efficiency-level product

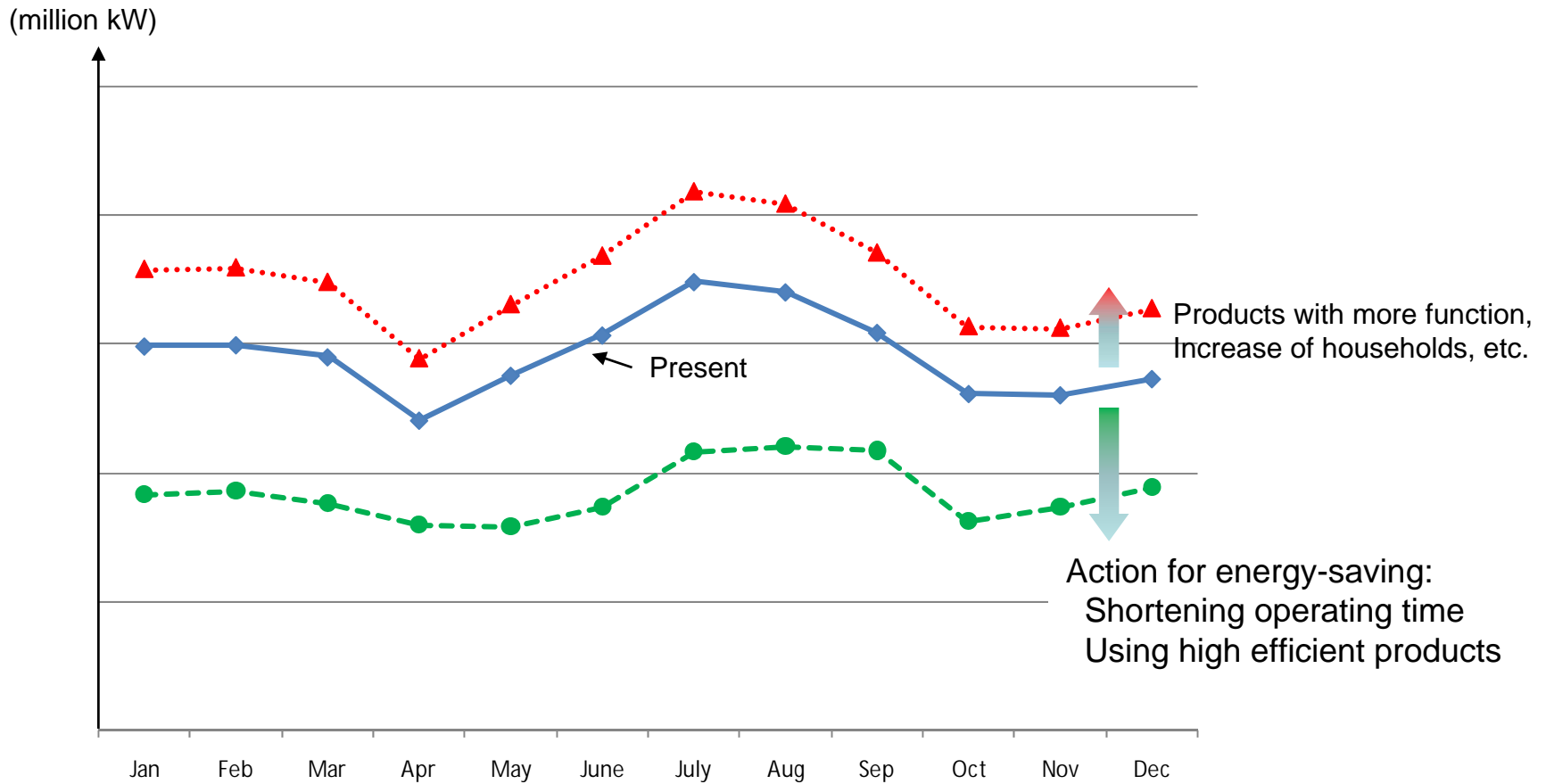


Improving energy efficiency of each product itself



Decreasing operating hours of products

Annual trend of electricity consumption (Image)



Linkage with the mapping tool

- How to improve energy efficiency of the product itself

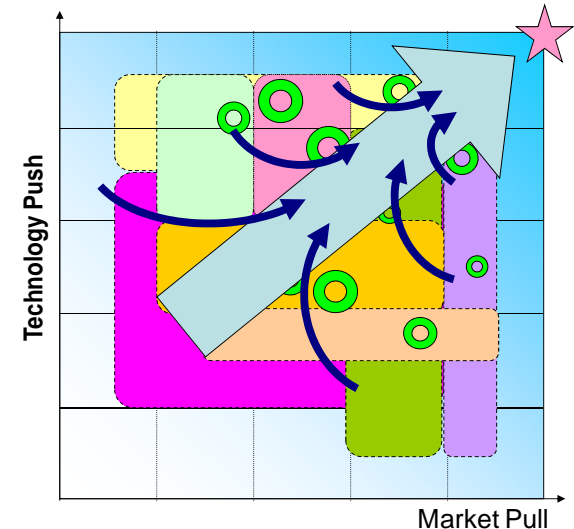
➔ Technology oriented scheme
(EE standard, Government procurement, etc.)

- How to decrease operating hours of products

➔ Market oriented scheme
(National campaign, Info delivery, Consumer education, etc.)

- How to change portion of each efficiency product

➔ Technology & Market oriented scheme
(Labeling, Incentive and subsidies, etc.)



The 3rd Project Workshop (3)

Results (Cont'd)

- Developed a useful spreadsheet called “overview of selected policies and programs” in association with the above three elements

	Definition	Function			Objective		Constraints		
		Principle	Coverage	Role of Government	Effect to be Maximized	Target Stakeholder	Conditions to be Met	Decision Making Procedure	Penalty or Promoting Stakeholder
		Energy Performance Requirements accompanied with Labeling Programs (e.g. Top runner, Energy Star, MEPS)							
		Selected Technology Oriented Scheme (e.g. Certification for High Efficiency Appliances, Government Procurement)							
		Selected Market Oriented Scheme (e.g. National Campaign, Information Delivery to Consumers, Incentives and Subsidies)							

Contents of the “Overview of selected policies and programs”

	Definition	Function			Objective		Constraints		
		Principle	Coverage	Role of Government	Effect to be Maximized	Target Stakeholder	Conditions to be Met	Decision Making Procedure	Penalty or Promoting Stakeholder
Program A									
Program B									
Program C									
* *									

Function:

- Principle
- Coverage
- Role of Government

- What does the policy (or program) do?
- What is the policy regulating or endorsing in the market?

Objective:

- Effect to be maximized
- Target stakeholder

- What is to be maximized (or minimized) in the viewpoints of Technology Push & Market Pull?
- What effect in the market is expected with the policy?

Constraints:

- Condition to be met
- Decision making procedure
- Penalty/ Promoting stakeholder

- What non-negotiable (or negotiable but desirable) conditions must be met?
- What kind of market is appropriate to apply the policy to?

Spreadsheets filled in descriptions at the workshop

[1] Energy Performance Requirements and Labeling Programs													
	Policy & Program	Definition	Function			Objective		Constraints			Notes		
			Principle	Coverage	Role of Government	Effect to be Maximized	Target Stakeholder	Conditions to be Met	Decision Making Procedure	Penalty			
Targeted at Maximum Efficiency	Top Runner Program in Japan	Technical standard to promote more energy efficient products in the market	- Each standard to be achieved is set the same as or higher than the best performance value of products currently on the market - Several years later from the standard setting - Average category comparison judgment	- 21 products designated by 'Energy Conservation Law' including LCD TV, plasma TV, refrigerators, air-conditioners and passage video - Monitoring and checking market - Executing recommendation and penalty for non-compliance	- Setting standard and labeling - Monitoring and checking market - Executing recommendation and penalty for non-compliance	- Development and supply of more energy efficient products - Accurate understanding about energy efficiency of products	- Manufacture and importer (and retailer for labeling)	- Steadily improving technologies - Relatively matured stakeholders - Rather high consciousness on energy efficient products	- Market survey - Examination by experts from industries on technical specifications - Government hosted stakeholders	- Recommendation by the Minister - Publication of the name of the company - Order to follow the recommendations - Charge for labeling	- Accompanied by annually revised five-star energy efficiency labels for TV's, refrigerators and air-conditioners - Products reaching target year are set new standards		
[2] Selected Technology oriented Programs													
	Policy & Program	Definition	Function			Objective		Constraints			Notes		
			Principle	Coverage	Role of Government	Effect to be Maximized	Target Stakeholder	Conditions to be Met	Decision Making Procedure	Penalty			
Targeted at Medium Efficiency	Energy Star Program in United States & Canada	Voluntary certification and labeling system for energy efficient products	- Recognized by a well established labeling system	High Efficiency Appliance Certification Program in Korea	Voluntary certification and labeling system for high efficiency products	- Products selected by high efficiency standard are allowed for labeling in the market	- Products for industry and building such as motors, lamps, transformers, boilers, etc.	- Setting standard (certified by KEMCO) - Funding for financial rebate - Monitoring the market	- Motivating manufacturers to develop much energy efficient products - Roughly informing about energy efficient products	- Manufacturer	- Steadily improving technologies - Relatively good consciousness on energy efficient products	- Proposal from manufacturers - Drafting technical specification by experts of government - Cancellation of certification for non-compliance	- Accompanied by 'High efficiency appliance' labels - Linking to mandatory government programs at rebate
Targeted at Minimum Efficiency	Minimum Energy Performance Standard in Australia, Canada, China, India and U.S.	Technical standard to exclude energy inefficient products from the market	- Exclude products with 25% of power consumption from the market - Products must be put in the market	Government Procurement in China	Leading to create a general market for higher-energy efficient products	- Lead to create efficient market							
[2] Selected Market Oriented Promotion Programs													
	Policy & Program	Definition	Function			Objective		Constraints			Notes		
			Principle	Coverage	Role of Government	Effect to be Maximized	Target Stakeholder	Conditions to be Met	Decision Making Procedure	Promoting Stakeholder			
National Campaign or Industry Cooperation	Energy-saving Appliances Popularization Forum & Green IT Initiative in Japan	Further popularization of energy-saving products in the form of the people's movement with the cooperation of related parties	- Launch of a campaign - Enrichment of information provision about energy-saving appliances - Development of tools for evaluating energy-saving performance	- Home appliances - IT equipment and system	- Coordination - Taking the initiative for promotion activities	- Inspiring the public to awareness of energy-saving in residential/commercial sector	- End-users	- Steadily improving technologies - Relatively matured stakeholders - Rather high consciousness on energy efficient products	- Planning activities with industry	- Manufacturers - Retailers			
Information Delivery	Energy Rating Website in Australia	Providing end-users with information regarding energy performance of appliances, type of saving electricity, etc.	- Providing information for comparing energy performance and driving purchase at the top end of each product category		- Planning - Maintenance	- Actively seek out an appliance with better efficiency - Accurate understanding about energy efficiency of products	- End-users (who are already interested in the energy efficiency)	- Relatively matured market			- Other countries have similar website to deliver information to consumers		
Incentives and Subsidies	Rebate Program in Korea	Consumers and installers can benefit from rebates in the case of installation and replacement of certified high-efficiency appliance	- Improve penetration rate of new technology by incentive (reducing cost gap)	- Induction motors, Inverters, Vending Machines, Pumps, Lighting Equipment, Transformers	- Financing - Monitoring & checking market	- Motivating manufacturers to produce certified, high-efficiency appliance	- Installer and End-users	- Low penetration rate due to high cost - Higher potential for energy efficiency improvement - Steadily improving technologies	- Technical research by experts - Market survey	- Manufacturer - Installer			
International Cooperation	International Collaboration between India and United States	Making prominent technology market higher through financial and knowledge support	- Standards and Labeling program - Public procurement				- Whole Country				- To be reported at the next BAIT meeting		

The 3rd Project Workshop (4)

Results (Cont'd)

- Estimation of energy-saving potential
 - We shared certain common understanding on its conceptual methodology. However, we found it rather difficult to estimate the potential as an independent activity of this Market Transformation project, since at present there is quite difference among the countries about the availability and precision of their fundamental data on the conditions of products and markets.
 - We again understand that the estimation of energy-saving potential of APP member countries is a subject of the whole BATF.

Next Steps

- “Good Practices Handbook”
 - To complete the 2nd edition of the handbook and the brochure shortly.
- “Overview of selected policies and programs”
 - To complete the spreadsheet prior to the next BATF meeting





Project members with bright smile