



Theme 3 “Market Transformation”

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Project Number	Title
BATF-06-08	Market Transformation Policies in APP Countries: Handbook and Mapping Tool
	Lead: Japan Co-Lead: China Participation: Australia, Canada, India, Korea, USA
BATF-06-09	Workshop on government procurement best practices
	Lead: USA Participation: China, India
BATF-06-10	Support for implementation of an energy efficiency endorsement labeling program for India
	Lead: USA Participation: India
BATF-06-11	Pilot US-China energy efficiency endorsement labeling harmonization
	Lead: USA Participation: China
BATF-07-37	Mitigating climate change via implementation of India’s energy efficiency standards and labeling program
	Lead: USA Participation: India
BATF-08-47	US-India Cities Partnership for Sharing Best Practices on Energy and Environment
	Lead: USA Participation: India

Summary of the Project

● Steps

Project workshops in Tokyo: 3 times (2007, 08, 09)
and BATF meetings

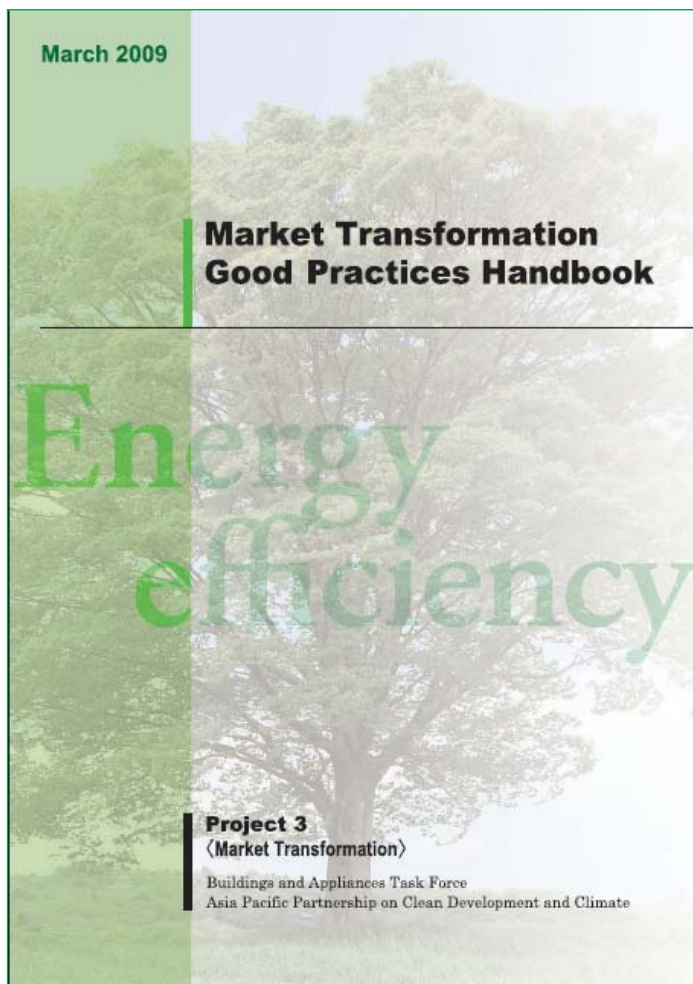
- Collecting good practices of the member countries
↓
- Finding out vital elements for “Market Transformation”
↓
- Analyzing how we reach the transformed market
↓
- Clarifying a method to integrate the elements

● Outcomes

- Good practices handbook and brochure
- Mapping tool
- Overview of policies and programs

Good Practices of the AP7 for Market Transformation

Compiling collected excellent programs of the member countries into the “Good Practices Handbook,” which was distributed at the related event of G8 summit in 2008



Contents

1. Introduction
 2. Outline of Market Transformation
 - 2.1 Concept
 - 2.2 Summary of Each Country's Market Transformation
 3. Lessons from Existing Systems
 4. Discussions
- Appendix A. Basic Data of Markets in APP Countries
- Appendix B. Market Transformation Policies and Programs
- B.1 Technology Oriented Scheme
(Energy-efficiency standard, Initiative by government or manufacturers)
 - B.2 Market Oriented Scheme
(National Campaign, Consumers' Education, Info. Delivery to Consumers)
 - B.3 Technology and Market Covered Scheme
(Labeling system, Incentives and Subsidies, Government Procurement)
 - B.4 Inter-Economy Scheme
- Appendix C. Proposed Analyzing Tools

Vital elements for Market Transformation (1)

The project found the following elements:

- **Technology Push**

 - ➔ Improving energy efficiency

- **Market Pull**

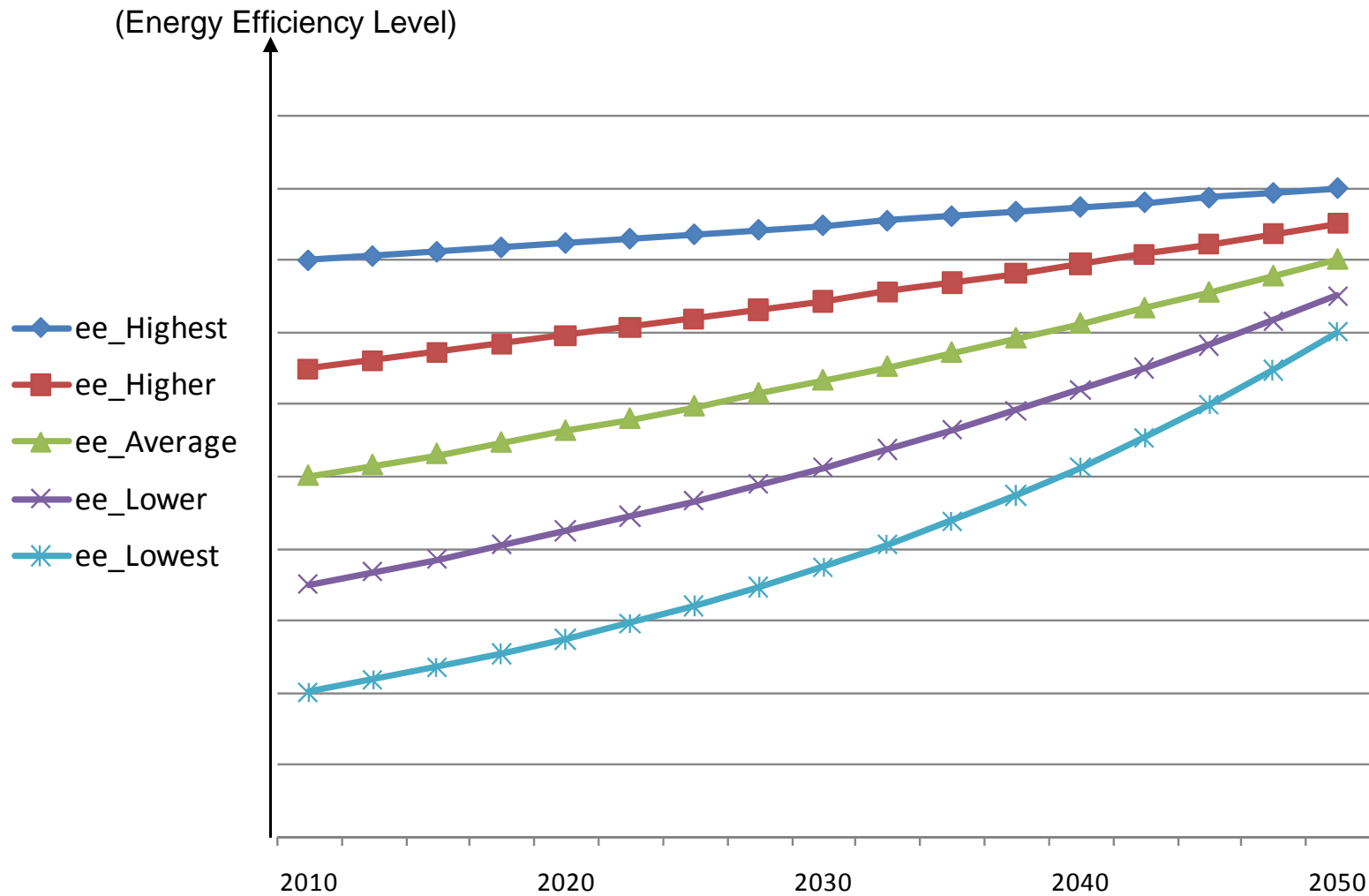
 - ➔ Increasing portion of higher efficiency product

- **Lifestyle Change**

 - ➔ Decreasing operating hours

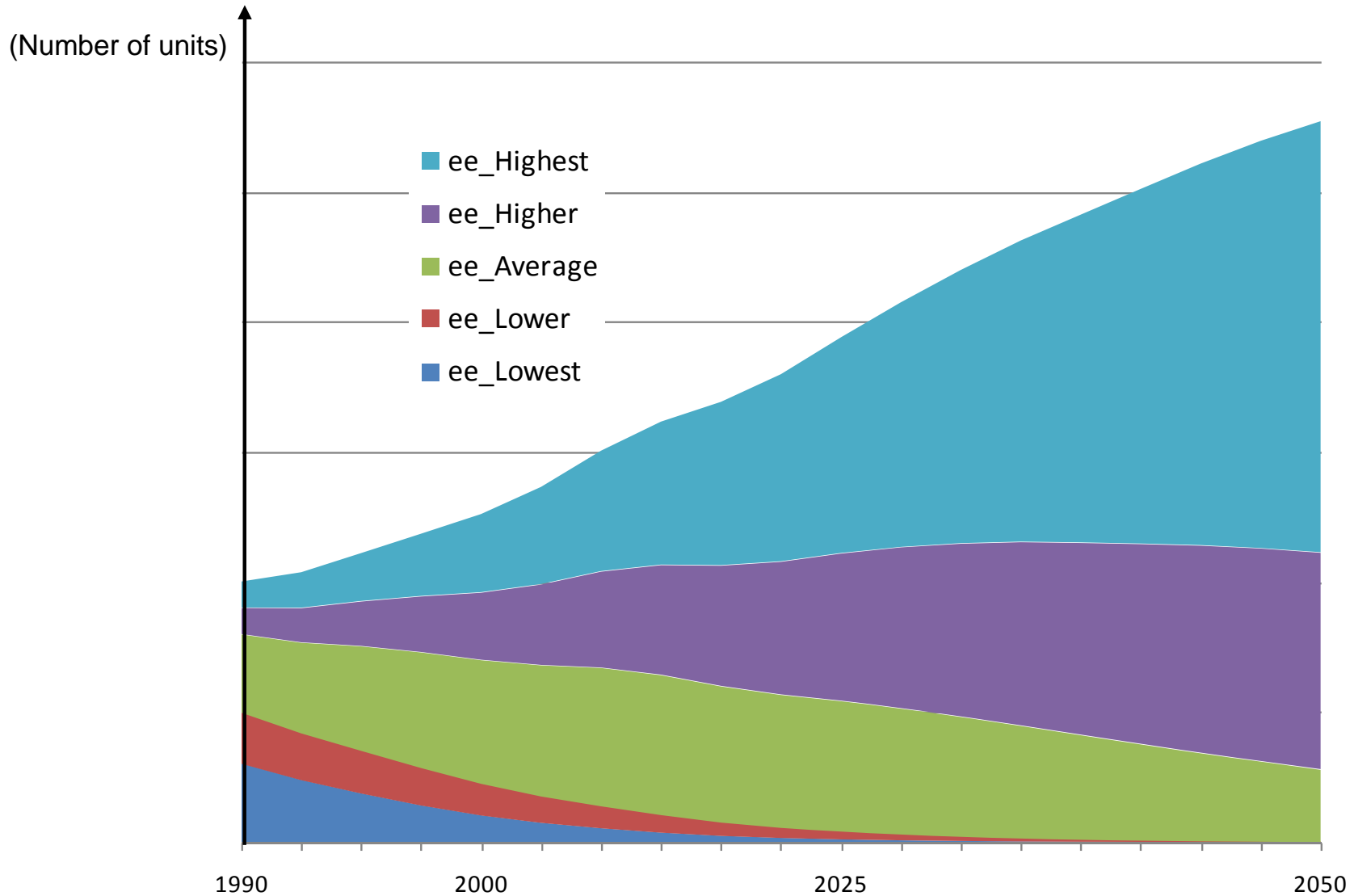
Vital elements for Market Transformation (2)

◆ Technology Push: Improving energy efficiency



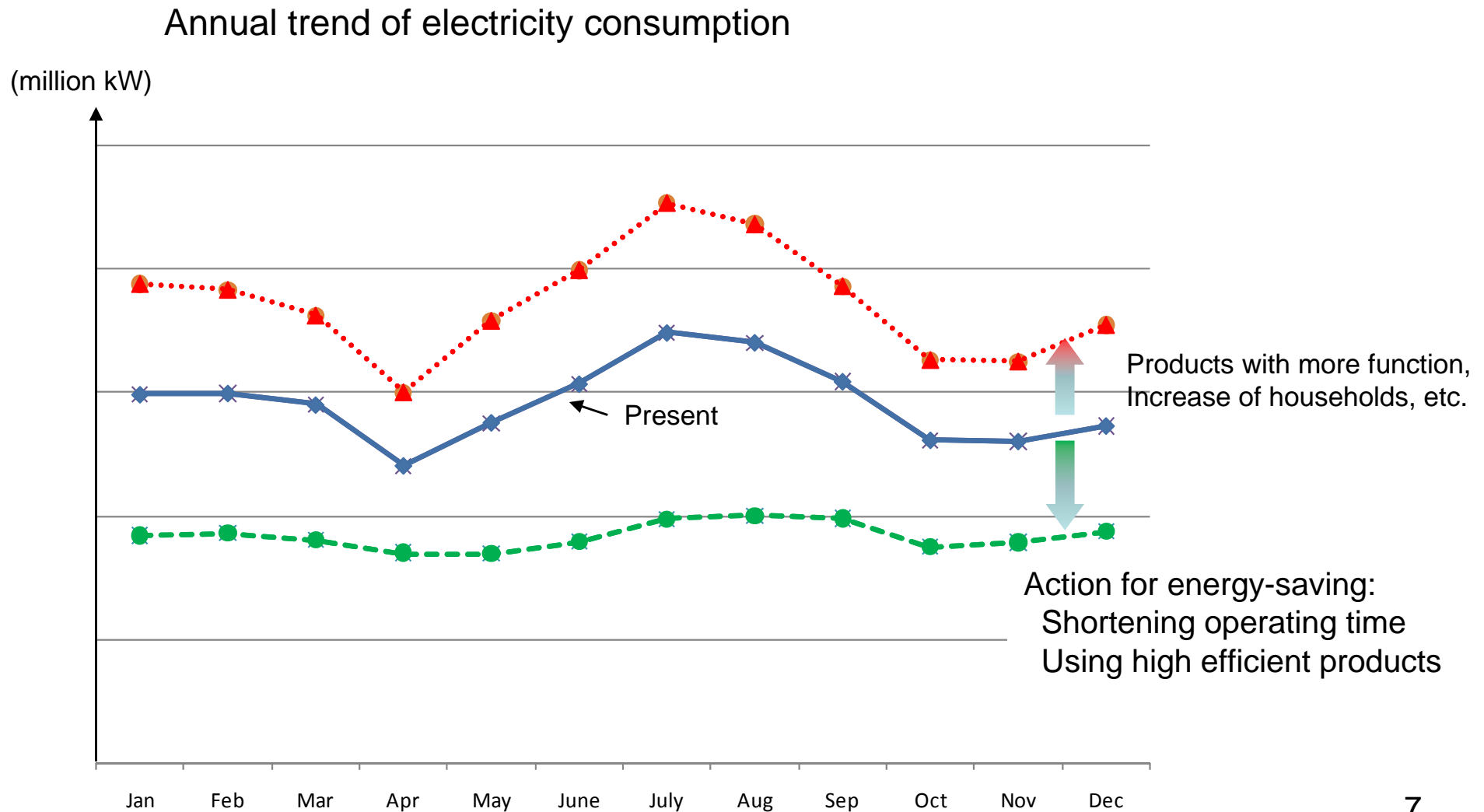
Vital elements for Market Transformation (3)

◆ Market Pull: Increasing portion of higher efficiency product



Vital elements for Market Transformation (4)

◆ Lifestyle Change: Decreasing operating hours

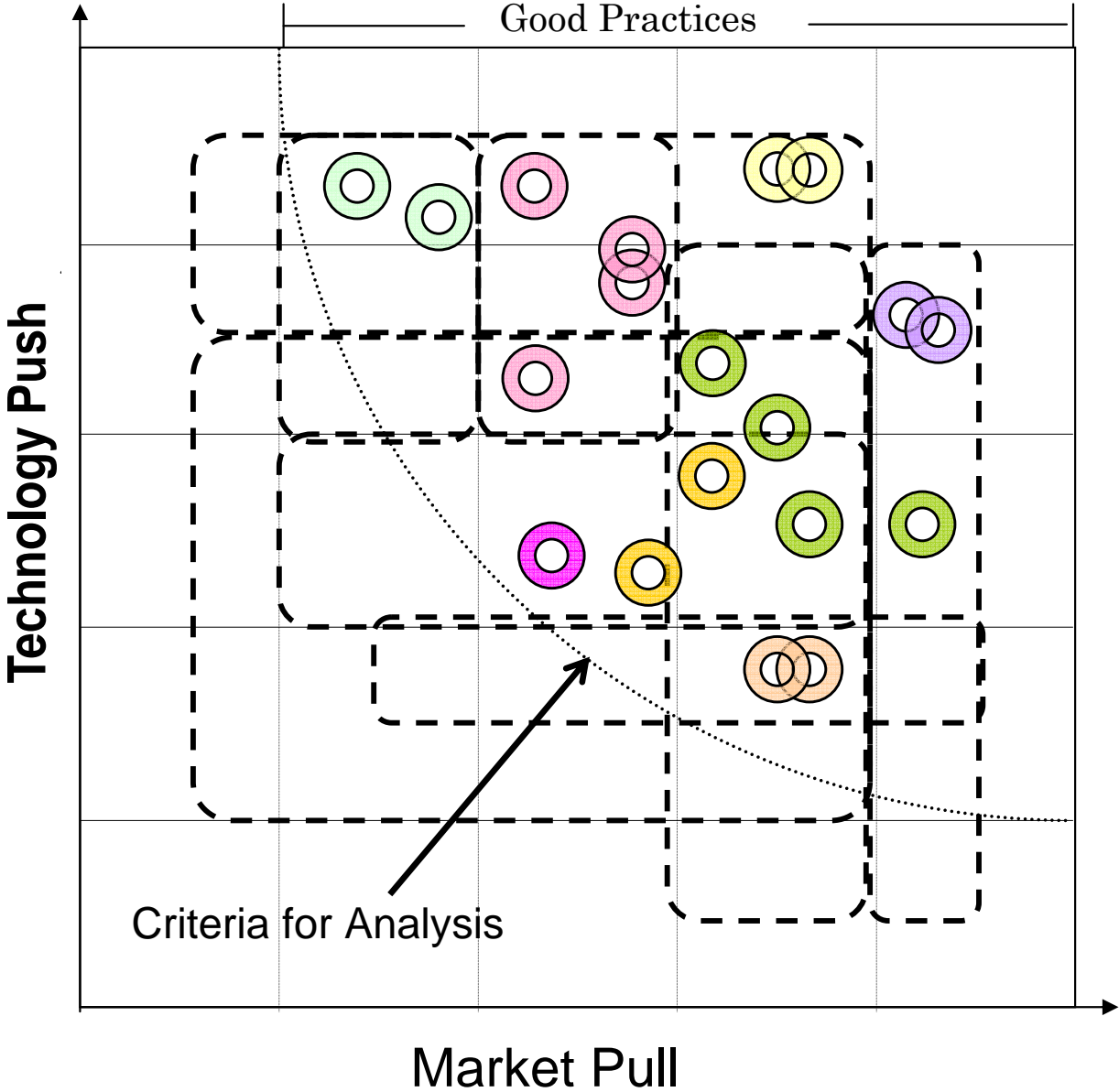


How we reach the transformed market (1)

Finding out how to promote market transformation by 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.)

Mapping Tools



Legend

-  Energy Efficiency Standard
-  Labeling System
-  Incentives & Subsidies
-  International Cooperation
-  Government Procurement
-  Info. Delivery to Consumers
-  National Campaign
-  Consumer Education

How we reach the transformed market (2)

Finding out how to deploy good practices to other countries by the “Overview of policies and programs”

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?

Overview of policies and programs

[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	- 21 products designated by 'Energy Conservation Law' including LCD TV, plasma TV, refrigerators, air-conditioners and	- 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	- Manufacturer 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	- Accompanied by annually revised five-star energy efficiency labels for TV's, refrigerators and air-conditioners - Products reaching target year are set new

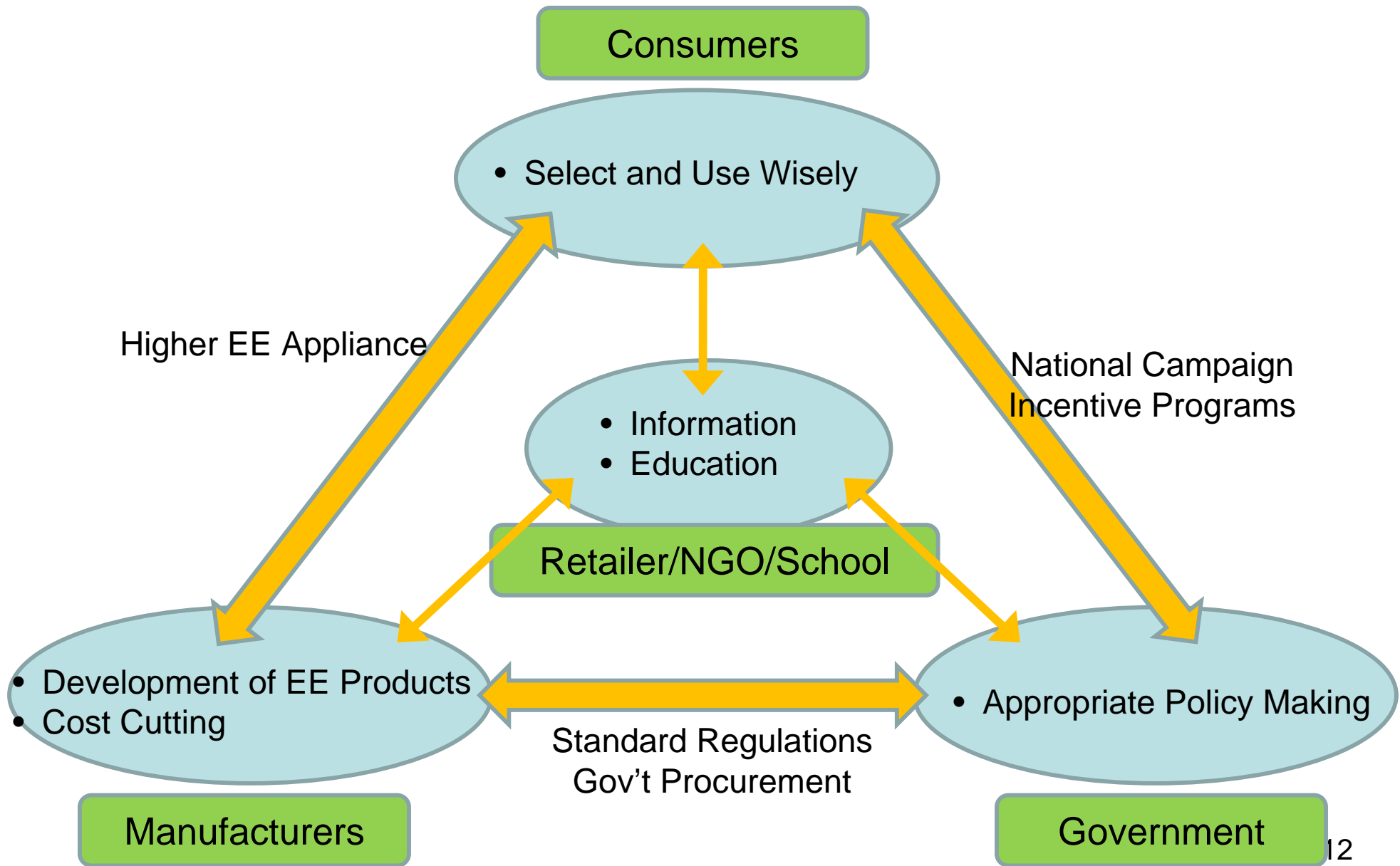
[2] Selected Technology oriented Programs

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	- Certification for High Efficiency Appliances	- 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	- Setting standard (certified by KEMCO)	- Motivating manufacturers to develop much	- Manufacturer	- Steadily improving technologies - Relatively good	- Proposal from manufacturers - Drafting technical	- Publication of the name of the company	- Accompanied by 'High efficiency appliance' labels

[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						
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	Government procurement	Government Procurement in China	- Leading to create a general market for higher-energy efficient products	- Leading the consumers to an efficiency balance	National Campaign or Gov't and Industry Cooperative Program	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	- House 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 - Retailers	
Reduction of standby power Warning labeling scheme for energy consuming standby power in Korea	Implementation of governmental IW policy by introduction of mandatory Standby Power Warning Label Program	Information Delivery	Energy Rating Website in Australia	- Providing end-users with information regarding energy performance of appliance, tips of saving electricity, etc.	- Mandatory reporting of products and application of Standby Power Warning for products below standards			- Providing information for comparing energy performance and driving purchases 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			- Improving penetration rate of new technology by incentive (bridging cost gap)				- Induction motors, lawnmowers, Vending Machines, Pumps, Lighting Equipment, Transformers	- Financing - Monitoring & checking market	- Motivating manufacturers to produce certified high-efficiency appliance	- 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	
Incentives and Subsidies	Eco-point system in Japan			- Replacing conventional products to high-efficient ones				- Digital TV - Refrigerator - Air-conditioner	- Administration of the scheme		- End-users			- End-users	- Also expected economic stimulation and digitalization TV transition
International Cooperation	International Collaboration between India and United States			- Making mature technology/market higher through financial and knowledge support								- Whole Country			- To be reported at the next BAIF meeting

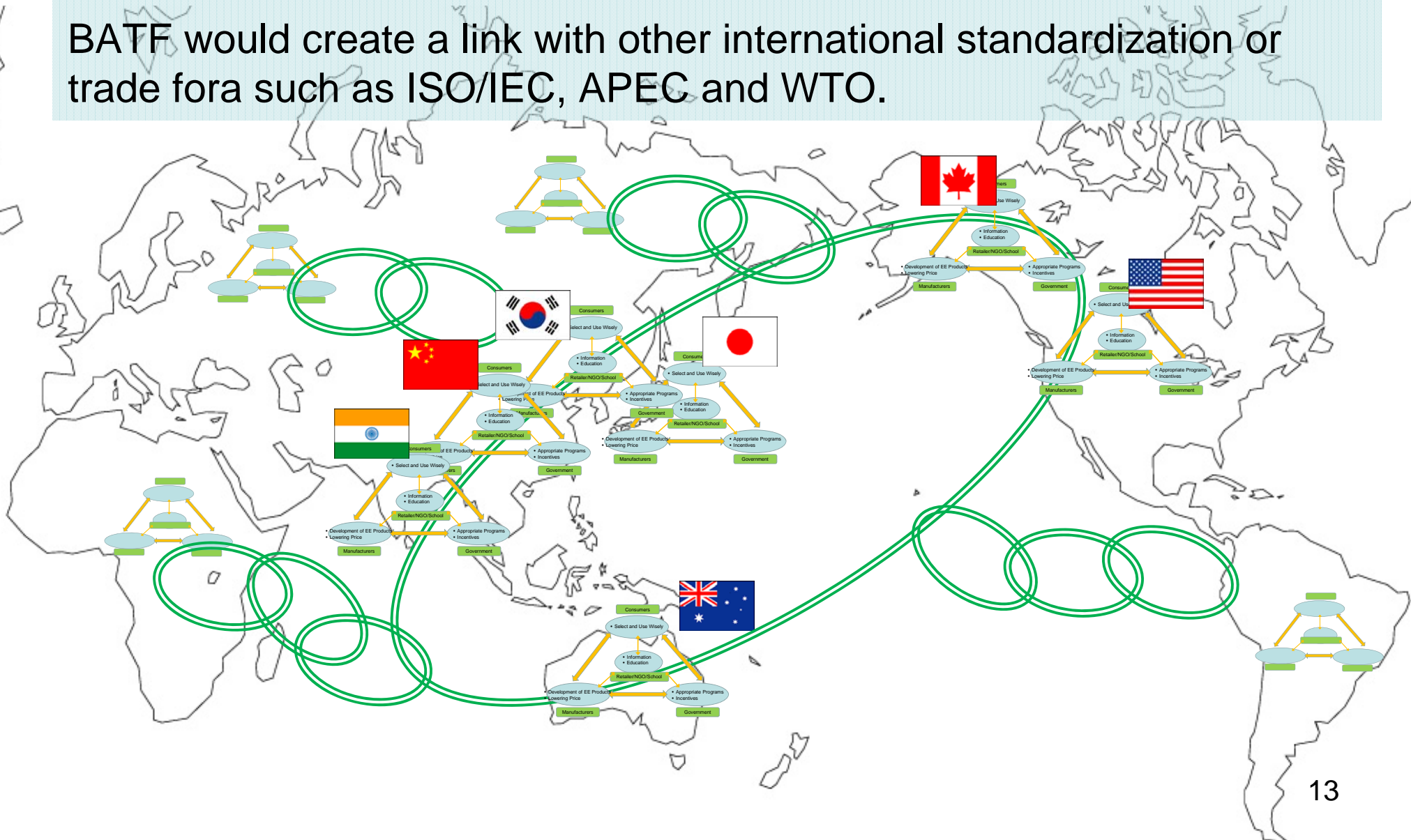
Integration towards Market Transformation



Beyond the AP7

AP7 creates a link with other regions for the Green World.

BATF would create a link with other international standardization or trade fora such as ISO/IEC, APEC and WTO.



Thank you

