Major Developments in Energy Labels & Standards

< The 34th APEC EGEE&C Meeting, Chinese Taipei>

Oct. 7, 2009

Moon Tae Won, Lee Ki-Hyun KEMCO



Additional information in labels

Expansion of Warning Label Scheme

Certification of LED Lightings

* IEA 4E international conferences in Seoul



Energy Labels & Standards

3 programs in Energy Labels & Standards

Energy Efficiency Label and Standard Program (including MEPS)

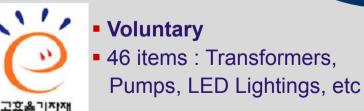


Mandatory5-grade labeling & MEPS

 23 items : Refrigerators, Airconditioners, Automobiles, etc

High-efficiency Appliance Certification Program Energy Labels & Standards

e-Standby Program



• Vol

에너지절약

Voluntary -> Mandatory

- Standby Korea 2010
- 20 items : PCs, TVs, STBs, etc



Additional information in labels

- 1. Needs for new labels
- 2. Indication of CO₂ emissions
- 3. Indication of electric charges



1. Needs for new labels

• Energy Efficiency Label (since 1992)

- Energy Efficiency Label & Standard Program
 - Mandatory attachment of Efficiency Grade Label(the 1st ~ 5th)
 - Application of MEPS below the 5th grade standard

Necessity for improvement of labels

- Consumers' needs for better design and system
 - New labels with improved efficiency discrimination effect
 - Harmonization of design to minimize consumers' confusion
- Reliable information on energy use and emissions
 - More practical information on energy consumption to help consumers select high-efficient products in the market
 - Consumer education on GHG emissions caused by use of energy consuming products is needed.





◆ CO₂ emissions on the labels (since July 2009)

- New measure to establish a sustainable production and consumption culture for green growth in Korea
- More detailed information for consumers to address climate change issues more proactively



World's first CO₂ label for electric products

- Korea became the first country to implement CO₂ label for operational stage of various electric products.
 - The first target was automobiles implemented in 2008, and the extent of this policy has expanded to electric goods.
 - Almost 120 million models from 19 products will be managed.

| Date | Target products (19 products) |
|----------|--|
| 2008.8.1 | Automobiles (1 products) |
| 2009.7.1 | Refrigerators, Kimchi Refrigerators, Washing Machines, Drum Washing Machines, Dish Dryers, Vacuum Cleaners, Electric Fans, Air Cleaners, Incandescent Lamps, CFLs (10 products) |
| 2010.1.1 | Freezers, Air Conditioners, Water Dispensers, Rice Cookers, Fluorescent Lamps, 3 Phase Induction Motors, Commercial Refrigerators (8 products) |



Effectiveness of indication

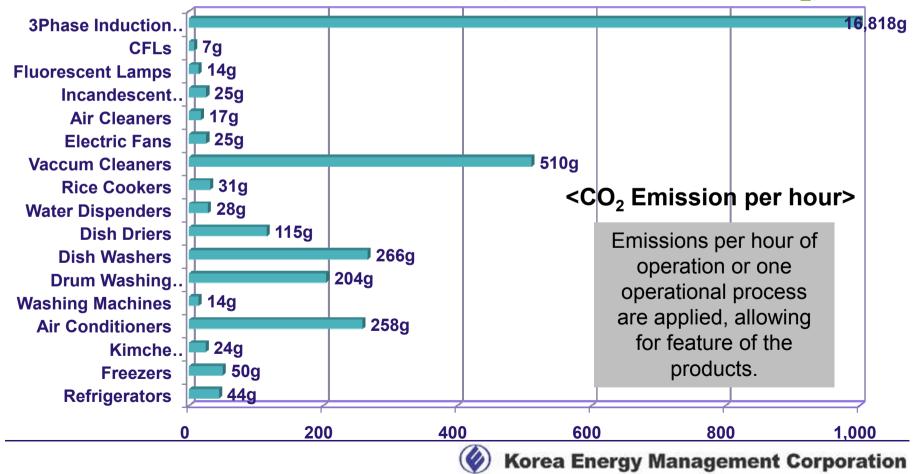
- Energy using products emit 75~95% of CO₂ at their operational stage and other stages are less relatively.
 Automobiles : 81.3%, Air-Con. : 95.4%, Laundry : 75.1%
- This CO₂ labels indicate the emission at the operational stage only for best effectiveness with the minimal expense.

<Air Conditioners>



Emission factor and CO₂ emission

Average value of domestic greenhouse gas emission factor during these five years (1Wh = 0.425g of CO₂)



3. Indication of electric charges

Information on electric charges

- More practical information for end-users
 - Information on energy consumption is not familiar or comprehensive to consumers and a little hard to understand.
 - Estimated electric charges are the most practical and useful information consumers need.
- Difficulty in determining unit price of electricity
 - Because of progressive tax rates and complicated electricity pricing, applying unit price is hard and indicated data can be incorrect information under specific use condition.
- Indication on labels
 - Research projects to find reliable resolution to this problem and to determine measuring and calculation measure.
 - Enforcement date : Jan. 1, 2012 (to be determined)



Expansion of Warning Label Scheme

- 1. Standby Korea 2010
- 2. Expansion of scope
- 3. Accomplishment



1. Standby Korea 2010



• e-Standby Program (since 1999)

 It was launched as voluntary program for reduction of standby power of 20 office and consumer electronics
 Energy Saving Label for Energy Saving Products

Standby Korea 2010

- To reduce standby power consumption of all electronic products below 1 watt in Korea by 2010
- Step-by-step policy approaches of each stage

```
1<sup>st</sup> stage - Voluntary 1W Policy ('05-'07)
```

2nd stage - Preparation for transition to Mandatory ('08~'09)

3rd stage - Mandatory 1W Policy ('10~)



1. Standby Korea 2010

Mandatory 1W policy to maximize saved energy

| Policy Tools | MEPS | Warning label | 1 st Grade label |
|--------------------|--|--|---|
| Programs | Energy Efficiency Label and Standard Program | e-Standby Program | Energy Efficiency Label and Standard Program |
| Labels | 모 델 명 : ABC-12345 최저소비효율기준 만족제품 | This product tails to meet tsandby product standard required by the Rational Energy Litizzation Act | |
| Specification | <0.5W (No load) | <1W (Off or Passive standby) | <1W (Off or Passive standby) |
| Target products | 1 products - Adapters & Chargers | 19 products - Televisions, - Computers, - Monitors, - Printers, - Set-Top Boxes, etc | 8 products - Air-Conditioners, - Washing Machines, - Dish Washers, - Rice Cookers, - Air Cleaners, etc |



2. Expansion of Scope

Introduction of Warning Label (since Aug. 2008)

- Mandatory reporting of standby power usage of products
- Mandatory indication of warning label for all products below the announced standby power specification



Voluntary

For products that meet standby power standard



Mandatory

For products that don't meet standby power standard

Target products as of now

| Date | Target products | | | | | |
|-----------|--|--|--|--|--|--|
| 2008.8.28 | Televisions (1 products) | | | | | |
| 2009.7.1 | Computers, Monitors, Printers, Multi-Function Devices, Set-Top Boxes, Microwave Ovens (6 products) | | | | | |



2. Expansion of scope

12 more target products (from 2010)

- To maximize energy conserved of 12 more items through promotion of market share of Energy Saving Products
 - Estimated energy savings : 283GWh/year
 - Market share of Energy Saving Products will go up from 7% to 90% after implementation of Warning Label Scheme.
- To cover all the target products of e-Standby Program
 - Date of enforcement : 2010 (to be determined)
 - Target products (12 products)

| Categories | Target products |
|----------------------|---|
| Office equipments | Fax Machines, Copiers, Scanners |
| Consumer electronics | VCRs, Audios, DVD Players, Radios, Door Phones, Cord / Cordless Phones, Electronic Toilet Seats, Modems, Home Gate Ways |



3. Accomplishment

Innovative and critical policy change

- The first country with mandatory Warning Label
- IEA evaluates the Warning Label as "Adding new initiatives" and reported it to G8 Summit (March 2008)

Enlarged market share of energy saving products

 For 7 products warning label scheme was implemented, the proportion of energy saving products has increased.



3. Accomplishment

Proportion of Energy Saving Products

| | Befo | re | After implementation ('09.7.31) | | | | | |
|--------------------|-------------------|----------|---------------------------------|----------|-----------------------------|----------|--|--|
| Categories | Energy S Produ | | Energy S Produ | | Warning Labeled Products | | | |
| | Proportion | (Models) | Proportion | (Models) | Proportion | (Models) | | |
| TVs | 71% | (690) | 85% | (739) | 15% | (132) | | |
| Computers | 56% | (485) | 99.8% | (1,043) | 0.2% | (2) | | |
| Monitors | 66% | (797) | 98% | (1,271) | 2% | (2) | | |
| Printers | 93% | (136) | 98% | (530) | 2% | (11) | | |
| MFDs | 91% | (167) | 98% | (472) | 2% | (12) | | |
| STBs | 12% | (29) | 98% | (47) | 2% | (1) | | |
| Microwave Ovens | 50% | (114) | 98% | (160) | 2% | (3) | | |
| Total | 61% | (2,418) | 96% | (4,580) | 4% | (188) | | |



Certification of LED Lightings

- 1. Main policies
- 2. Certification of LED lightings
- 3. Promotion Policies



1. Main Policies

Governmental policies

- 15/30 LED Lightings Diffusion Project
 - To increase dissemination rate of LED lightings to 30% by 2015 realizing Solid-State Lighting Based Society
- Strategy for national major industry
 - About 15% of whole global LED market share by 2012
 - The third leading countries in the global LED industries
- Firm foundation for sustainable growth
 - New standardization for KS and certification program
 - Market formation through governmental preliminary promotion
- LED lighting Promotion for public sectors
 - Replacement of 30% of lighting products in the whole public building with LED lighting products by 2012
 - Phasing out incandescent and halogen lamps in public sectors



1. Main Policies

Promotion Scenario

- Implementation of proper promotion policies that consists of various intervention tools for market transformation
 - Certification is the first intervention for market transformation

| Categories | 2007 | | | 2010 | | 2013 | 2014 | 2015 |
|---|---|----------------------|--------------------|-------|-------|------|------|------|
| Traffic Lights | Cert.('01), Deployment in local governments MEPS | | | | | | | |
| Guiding Lights | Cert. Pilot / Rebate | | | MEPS | | | | |
| LED Lamps with Internal (or External) Converters | | Cert. Pilot / Rebate | | | MEPS | | | |
| Inner-Wall or Fixed / Guard / Sensor Lights, etc | | | Cert. Pilot Rebate | | | ; | | |
| Street Lights | | | | Cert. | Pilot | Reb | oate | |

Cert. : Certification, Pilot : Pilot Deployment Service

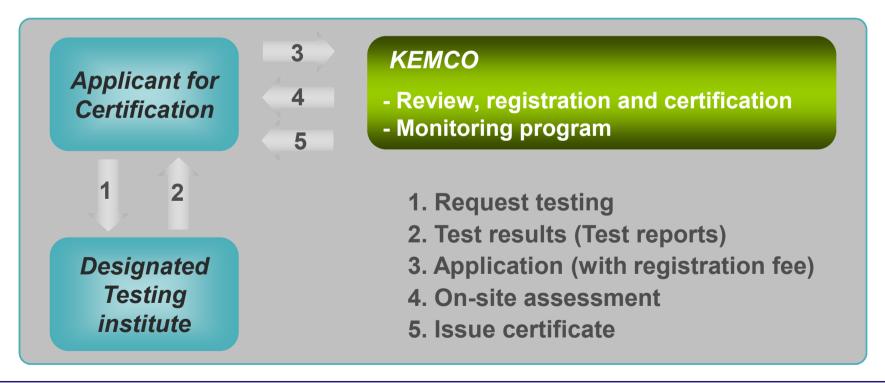


2. Certification of LED lightings



♦ High-efficiency Certification (since 1996)

- Voluntary certification program for 46 items to establish early stage market of high-efficient products
 - High-efficiency Equipment Label and Certificate





2. Certification of LED lightings

Certification of LED Lightings

Current LED target products

| Categories | 2001 | 2007 | 2008 | 2009 |
|-----------------------|-------------------|-------------------|--|---|
| Target Products | Traffic Lights | Guiding Lights | LED Lamps with Internal Converters ¹⁾ , LED Lamps with External Converters ²⁾ | Inner-Wall or Fixed Lights ³⁾ , Guard Lights, Sensor Lights, Converters |
| Companies (Models) | 72 (618) | 10 (119) | 9 (27), 2 (5) | - |

*Substitution for : 1)Halogen Lamps, 2)Incandescent Lamps, 3)FL Equipments

Prospective LED target products

Reflecting the rapid development of LED technology

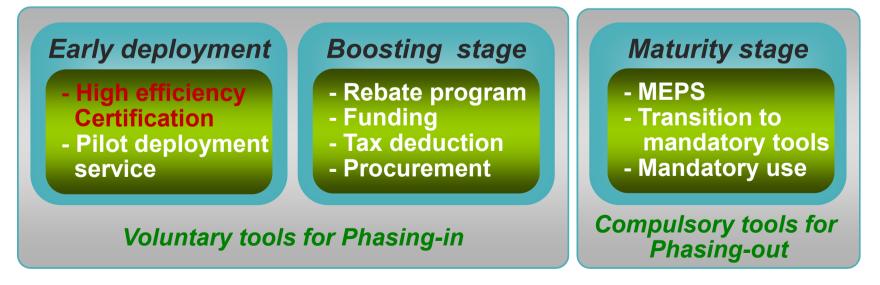
| Categories | 2010 | 2011 |
|------------|-------------------------------|--------------------|
| Target | Street Lights, Tunnel Lights, | Large Size Lights |
| Products | Flood Lights | Fish-Luring Lights |



3. Promotion Policies

Intervention policies

- Funding for rational utilization of energy
- Mandatory use in public buildings and new apartment
- Preferential government procurement
- Tax deduction in investment for energy conservation
- Supporting service charge for product testing for SME



3. Promotion Policies

Key Promotion projects for LED lightings

- Rebate for certified products
 - Regularly 20~50% of the price difference between general products and the certified high-efficient products
 - Targets : LED lightings, Motors, Pumps and Inverters
- Pilot deployment service
 - Replacement of general lights with LED lightings in public site such as airports, stations, stadium and convention centers.
 - Installation of LED lightings in some regions such as Dokdo according to green growth plan of local governments.
- Deployment in public institutions
 - Management of LED manufacturers and public institutions, and support contract and replacement of general lights.
 - 2,485 institutions have installed 52,936 products as of now.



* IEA 4E international conferences in Seoul

- 1. Meetings information
- 2. Detailed schedule



1. Meetings information

Information

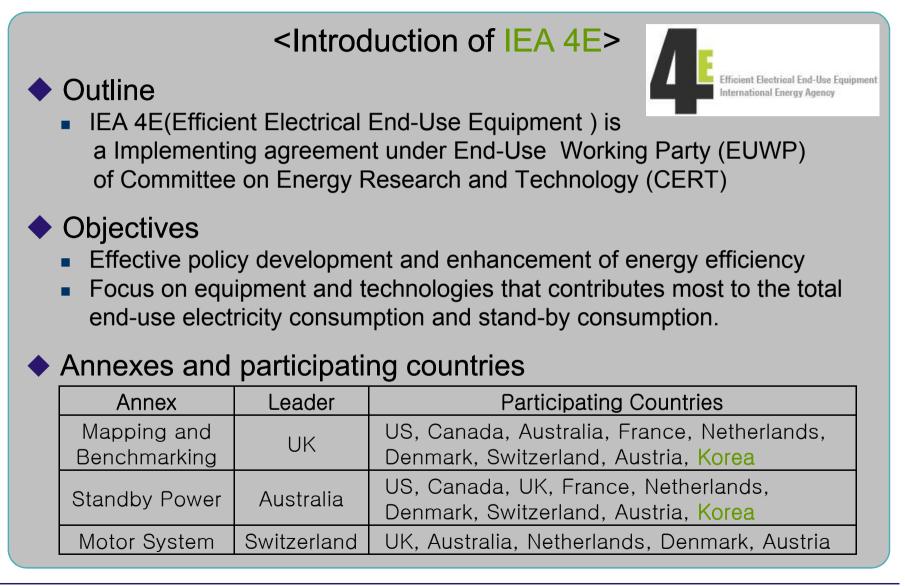
 6 international meetings including IEA 4E ExCo(Executive Committee) meeting and 4E annex meetings will be held.

Meetings Schedule

- Date & Venue : Nov. 2 ~ 5, 2009, Shilla Hotel, Seoul
- About 40 persons from 17 countries are expected.
- Meetings
 - ①The 4th IEA 4E ExCo meeting(11.4~11.5)
 - ②IEA 4E Standby Power Annex meeting(11.2)
 - ③IEA 4E Mapping and Benchmarking Annex meeting(11.3)
 - APP BATF Standby Power meeting(11.2)
 - ⑤Joint 4E, APP, APEC Standby Power meeting(11.3)
 - ⑥Appliance S&L Program Managers closed meeting(11.3)



1. Meetings information





2. Detailed schedule

| | Monday | Tuesday | | | We | dnesday | Thursday | | | |
|----------|--|----------|--|--|-------------------------------|--------------------------------------|--------------------|---|------|---------------------|
| 2-Nov-09 | | 3-Nov-09 | | | 4-Nov-09 | | 5-Nov-09 | | | |
| 8.30 | APP BATF Standby Power meeting | | 8.30 | 8.30 | IEA 4E Mapping and | | 9.00 | Welcome address | 9.00 | 4 th IEA |
| 11.00 | | | Benchn Annex r | 9.10 | 4th IEA 4E ExCo meeting | | 4E ExCo Meeting | | | |
| | Lunch | | | | | | | | | |
| 13.30 | IEA 4E Standby Power Annex meeting | 13.30 | IEA 4E Mapping and Benchmarking Annex meeting | Joint 4E, APP, APEC Standby Power meeting | 13.30 | Site Tour (Samsung Electronic) | 13.30 | 4 th IEA 4E ExCo meeting | | |
| | | 16.00 | Appliance S Managers clo | | | | meeting | | | |
| 18.30 | IEA 4E Standby Power Dinner | 19.00 | Appliance S Managers clo & di | 18.30 | Welcome Reception | 16.30 | Close | | | |







For more information,

E-mail : khlee@kemco.or.kr KEMCO homepage : <u>http://www.kemco.or.kr/eng/</u>



Korea Energy Management Corporation