

Regulatory Impact Statement

1. Proposal to revise the existing minimum energy performance standards and energy rating labelling for televisions.

Agency Disclosure Statement

2. This Regulatory Impact Statement has been prepared by the Ministry of Business, Innovation and Employment (MBIE). It provides an analysis of options to improve the energy performance of televisions sold in New Zealand through the application of more stringent standards and revised labelling requirements.
3. The analysis includes an assessment of:
 - the current requirements and state of the market
 - the impact on suppliers and manufacturers of requiring more efficient models (including the cost of compliance)
 - the impact on consumers of purchasing more efficient models.
4. The recommended option will revise the minimum energy performance standards (MEPS) and energy labelling standards in tandem with Australia. The intention is to incorporate the standards into regulation by April 2013. The standards are joint Australia and New Zealand standards that draw on international standards. Aligning product regulation between the two countries contributes to the objectives of the Trans-Tasman Mutual Recognition Arrangement (TTMRA) and the Closer Economic Relations (CER) Agreement.
5. This proposal has been developed within the parameters of a joint work plan with Australia, which investigates the introduction of measures that are a variation on MEPS and/or energy labelling. This effectively rules out some alternative options from consideration. The variations include different timeframes for introduction, energy efficiency levels, or whether to introduce voluntary or mandatory standards. In the case of televisions, a decision has already been made to introduce mandatory standards [EGI Min (12) 8/5 refers].
6. The proposed measures are not expected to restrict competition or impose significant costs. Many suppliers to the New Zealand market also supply to Australia, so their products will have to comply with the revised requirements when they are introduced there in April 2013. Products that have been manufactured in, or imported into, New Zealand before the date the standards are revised can still be sold. Industry might incur some administration costs (for product registration and testing), but these will be marginal due to the existing requirements.

(Signature of person)

(Date)

Status Quo and Problem Definition

7. Televisions now rank as the fourth largest energy-using product in New Zealand households, behind hot water systems, refrigerators, and space heaters. The amount of energy used by televisions is increasing, and this trend is projected to continue. National electricity demand for television use is estimated at 833 gigawatt-hours (GWh) per year¹, which equates to 6.5 percent of residential electricity demand².
8. New Zealand introduced MEPS and labelling for televisions (at introductory 'Tier 1' levels) on 1 October 2012 following public consultation in December 2010³, and Cabinet approval implement in May 2012⁴. This brought New Zealand regulation into alignment with Australia, where the requirements were adopted in 2009. Many local suppliers have voluntarily been meeting Tier 1 MEPS and labelling requirements well ahead of their adoption in New Zealand (having been complying with these requirements in Australia and anticipating their eventual adoption in New Zealand).
9. The proposal presented to Cabinet⁵ to introduce MEPS and labelling for televisions recommended a two-phase approach, consistent with that adopted by Australia. Cost benefit analysis modelled the impact of both phases and found that most of the proposed energy savings, and therefore most of the benefits, would be achieved from the transition to higher Tier 2 MEPS levels. It is estimated that the costs and benefits to New Zealand (assessed from a base year of 2010 out to 2020) of full implementation (with Tier 2 MEPS set at 'four stars'), with a benefit cost ratio of 35:1, are:
 - \$1,183 million in net benefits from reduced energy costs (at present value)
 - 4,800 gigawatt-hours of energy savings
 - 3.4 megatons (of CO₂ equivalent) reduction in greenhouse gas emissions (value not included in net benefits)
 - total costs \$35.2 million (at present value).
10. At the time of approving Tier 1 MEPS, Cabinet noted this, and that the level and introduction date for Tier 2 MEPS would be finalised only after completion of a market review, consultation, and further Cabinet consideration.
11. A market review has been carried out and has found that the average energy efficiency of new televisions is increasing at over 20 percent, or more than one star, per year⁶. As a result of these improvements, a high proportion of models available in the Australasian market (around 93%) can now meet or exceed Tier 2 MEPS and energy ratings for televisions are currently concentrated at the high end of the scale, with many televisions having six to eight stars out of a possible ten stars.
12. Australia has confirmed it will proceed with transitioning to Tier 2 MEPS and will recalibrate the energy rating label on the strength of these findings. It had intended to transition to Tier 2 MEPS in October 2012, and revised labelling from April 2013;

¹ Proposed Minimum Energy Performance Standards and Labelling for Televisions, December 2010, available at: www.eeca.govt.nz/sites/all/files/files/20101222-proposed-meps-televisions.pdf

² Residential demand was 12873 GWh in 2011. Source: Electricity Information Portal, Ministry of Business, Innovation and Employment, available at: www.med.govt.nz/sectors-industries/energy/energy-modelling/data/electricity

³ Refer to Consultation to date section.

⁴ EGI Min (12) 8/5 and LEG Min (12) 14/7

⁵ Refer Regulatory Impact Statement: Proposal to introduce Minimum Energy Performance Standards and labelling for televisions published at www.med.govt.nz

⁶ Tracking the Efficiency of Televisions, Energy Efficient Strategies, June 2011

however, it recently decided to do both in April 2013, so now New Zealand has the opportunity to align with Australian requirements.

13. If New Zealand were to continue with Tier 1 MEPS while Australia transitions to Tier 2, there may be impacts on trans-Tasman trade, business compliance costs, and competition. Suppliers of product to both New Zealand and Australia with would be disadvantaged because if they supply televisions with higher efficiency, they would be competing with models with lower efficiency, which would not be obvious to the consumer when they are making their purchasing decision. There is also the risk that New Zealand could become a 'dumping ground' for televisions from the Australian market that do not meet the Tier 2 MEPS once introduced there (or do not meet similar requirements in other markets). Regulatory misalignment with Australia would also undermine the principles of the Trans-Tasman Mutual Recognition Arrangement (TTMRA) and Closer Economic Relations (CER) Agreement.
14. If New Zealand were to continue with existing labelling requirements while Australia transitions to a revised label, suppliers to both markets could voluntarily use the revised label in New Zealand to keep down their compliance costs. However, the consequent mix of old and new star ratings would compromise the effectiveness of the label. Alternatively, suppliers to both markets would face higher compliance costs from printing separate versions of the label for the two markets.
15. Introducing Tier 2 MEPS without recalibrating the label would result in even more televisions being concentrated at the top end of the rating scale (than under the status quo). Also, with Tier 2 MEPS set at four stars, a television with a four star rating on the label would become the least efficient available on the market, which may confuse consumers. The current rating scale could also discourage innovation by manufacturers as there would be no differentiation for very high efficiency (over 10 stars) televisions⁷, so consumers would not be able to identify them.
16. Similarly, revising the label without raising MEPS to Tier 2 levels would result in ratings for lower performing models being clustered at bottom end of the rating scale, so that one star on the new label would represent anything up to four stars on the original label without this being differentiated to the consumer. This would disadvantage suppliers of better-performing one star models, and consumers that may purchase poorer-performing one star models.

Recent decisions and trans-Tasman issues

17. Cabinet endorsed the Equipment Energy Efficiency (E3) forward work plan in August 2009 [EGI Min (09) 17/5 refers]. This is a joint work plan for Australia and New Zealand to develop/adopt common energy efficiency standards for products sold on both markets. The work plan includes investigation of MEPS and energy rating labels for televisions and a range of other products.
18. MEPS and energy labelling standards become mandatory in New Zealand when they are incorporated into the Energy Efficiency (Energy Using Products) Regulations 2002 (the Regulations). MEPS and/or labelling requirements currently apply to a range of

⁷ Research shows that energy rating labelling induces the introduction of more efficient models. For one such example, see: Retrospective Analysis of the Impacts of Energy Labelling and MEPS: Refrigerators and Freezers, prepared for The Australian Greenhouse Office: Equipment Energy Efficiency Program, October 2006.

household products including household fridges and freezers, air conditioners / heat pumps, televisions, and compact fluorescent lamps.

19. In May 2012, Cabinet agreed to introduce Tier 1 MEPS and labelling for televisions, and noted that a transition to higher Tier 2 MEPS would be subject to a market review, further consultation, and report back [EGI Min (12) 8/5 refers].

Emissions Trading

20. The Emissions Trading Scheme (ETS) is currently the primary intervention to reduce greenhouse gas emissions across all sectors of the economy, including the energy sector. The ETS places a price on carbon emissions in the energy sector, and it is already a feature of energy sector investment decisions and a factor in improving the competitiveness of low emissions alternatives.
21. Among other impacts, the ETS gives electricity consumers an incentive to reduce their electricity consumption by increasing the price of electricity. However, it is unlikely that this will lead directly to improvements in the energy efficiency of televisions. The ETS does not create incentives for television manufacturers to improve product energy efficiency because the consumer pays the ongoing running costs, not the manufacturer. Nor does it enable consumers to identify products that use less electricity, without complementary measures such as the consistent application of standards and labelling.
22. While the ETS has resulted in increases in the price of electricity, it is complicated for customers to calculate the lifetime running costs of a television, and few customers are willing to do so. Energy efficiency is usually a low ranking priority compared to price, size and features.

Objectives

23. The main objective of introducing revised minimum energy performance standards and labelling for televisions is to further reduce the amount of energy used by televisions in New Zealand homes, and to align with Australian requirements.
24. In response to the problems outlined earlier in this document, related objectives of the proposal are to:
 - provide consumers with better information about energy performance, at point of sale, as a basis for comparing different television brands, models, and sizes
 - further improve the energy efficiency of televisions, by only allowing televisions that meet Tier 2 MEPS to be made available for sale
 - further reduce the cost to consumers of running televisions, the impact of televisions on electricity demand and energy-related greenhouse gas emissions
 - reward retailers and manufacturers who are developing and promoting energy efficient models, and
 - to maintain consistent standards with Australia in accordance with the TTMRA and Closer Economic Relations (CER) Agreement.

Options

25. The preferred option is to revise the existing requirements for televisions to introduce the following (which are set out in the current standard AS/NZS 62087.2.2:2011 (including Amendments 1 and 2), from 1 April 2013):
 - more stringent MEPS for televisions. This would require television sets to operate at the equivalent of a four star rating, known as 'Tier 2' MEPS

- a revised mandatory labelling scheme for televisions, where the energy rating label is dialled back (e.g. four stars reduces to one star).
26. MEPS and mandatory labelling apply to television sets available for sale/lease or hire in New Zealand, *except for* projection televisions (both rear and front)⁸, television sets or display devices that do not have a television tuner, and televisions that are battery operated.
27. The existing transitional provisions in New Zealand would apply to this proposal – that is, any televisions manufactured in, or imported into, New Zealand before 1 April 2013 could still be sold without meeting the revised requirements.
28. For a time (while existing stock is sold under transitional provisions) two versions of the label will appear on shop floors. This will be managed through educating retailers and consumers, and by providing a transitional version of the label that includes text to show the energy rating under the previous label.

Alternative options

29. This proposal has been developed within the parameters of the E3 forward work plan, which effectively rules out some alternative options from consideration. All the options investigated for E3 work plan items are a variation on MEPS and/or energy labelling. The variations considered may include different timeframes for introduction, energy efficiency levels or product coverage, or whether to introduce voluntary or mandatory standards. In this case, a decision has already been made to introduce mandatory standards [EGI Min (12) 8/5 refers]. The options of the status quo (Tier 1 MEPS), and of setting the Tier 2 MEPS at the three star level, have therefore been assessed as alternative options.
30. As discussed in the Status Quo and Problem Definition section, maintaining Tier 1 MEPS would not lead to significant energy savings, and would not create a level playing field in the market. It would only ensure a minimum level of energy efficiency. In addition, continuing with Tier 1 labelling would create disadvantages for suppliers to both markets. Suppliers would either bear additional costs from meeting two different sets of labelling requirements, or supply their products with the revised labels showing lower ratings, thus making them appear less efficient.
31. A mix of Tier 1 and Tier 2 labels would lead to confusion in the market place, as it would be difficult for consumers to select and compare an efficient model when new and more efficient models would have a lower star rating. Consumers could end up purchasing a less efficient model than they thought they were. Even if all products continued to display the Tier 1 label, ratings would increasingly be concentrated at the top end of the rating scale and would no longer enable useful comparisons. For these reasons, maintaining Tier 1 energy labelling would render the energy rating label far less effective.
32. An assessment of the cost and benefits of setting MEPS Tier 2 at the three star level was made. It was estimated to have the same costs as setting Tier 2 at four stars, but fewer benefits, resulting in a lower net benefit of \$977 million. A move to Tier 2 at the four star level is therefore recommended, particularly because the Australian market study found significant improvements in available technology since it introduced Tier 1 requirements.

Impact analysis

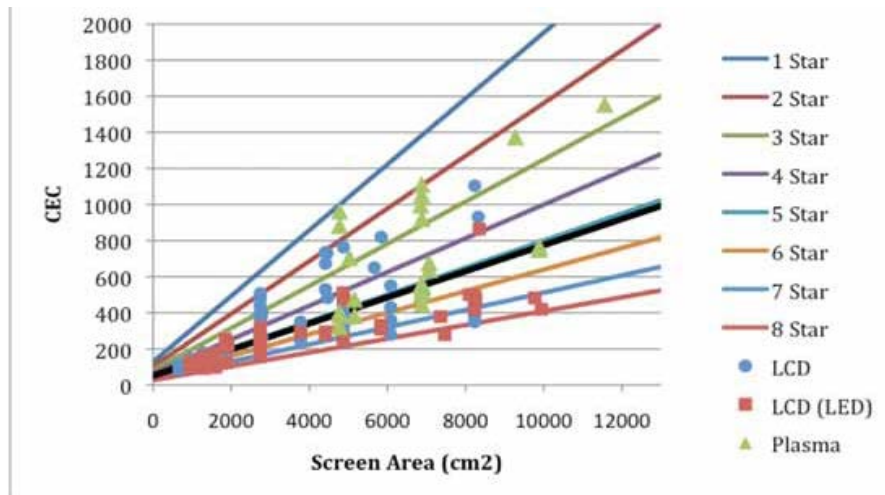
33. A report from Australia ‘Tracking the Efficiency of Televisions’⁹ shows that, on average, energy efficiency of new televisions is increasing at over 20 percent, or more than one

⁸ These are sold in small numbers and have a relatively low energy use.

⁹ Tracking the Efficiency of Televisions, Energy Efficient Strategies, June 2011

star, per year. A wide range of star ratings from four to eight stars was found. A survey of appliance stores¹⁰ in New Zealand in September 2012 confirms this finding, where star ratings of televisions in this survey ranged from four to nine stars.

Figure 1: Australian television registrations, January to March 2011



34. The report finds that only a small proportion of recently registered products would be affected by a Tier 2 MEPS increase. Due to these trends the study signals that a transition to Tier 2 MEPS in 2013 is achievable and unlikely to be onerous for industry.
35. These findings are confirmed by the recent market review undertaken by the Energy Efficiency and Conservation Authority (EECA)¹¹. An assessment of product registrations made between September 2011 and August 2012 estimates that only seven percent of models would be removed from the market by setting Tier 2 at four stars. These models that would be removed are not from any one brand, size, or technology type. A similar assessment based on models registered since 2008 estimated that 24 percent would be removed. The reduced impact for models registered within the last year can be attributed to recent improvements in technology.
36. Similar findings are reported in a recent Australian market review 'TV Status Report for Tier 2 Arrangements'¹² which reviews television energy performance from 2009-2011. This report confirms the improvements in television energy efficiency and finds that registrations for 2011 indicate that a MEPS level of four stars could be readily met by both Plasma and LCD televisions, as shown in Figures two and three below. Plasma and LCD/LED televisions dominate the current market.

¹⁰ EECA survey of 396 televisions, New Zealand, September 2012

¹¹ EECA study of television product registrations from September 2011 to August 2012, September 2012

¹² TV Status Report for Tier 2 Arrangements, Digital CEnergy Australia Pty Ltd

Figure 2: All Registered Star Ratings for Plasma Televisions

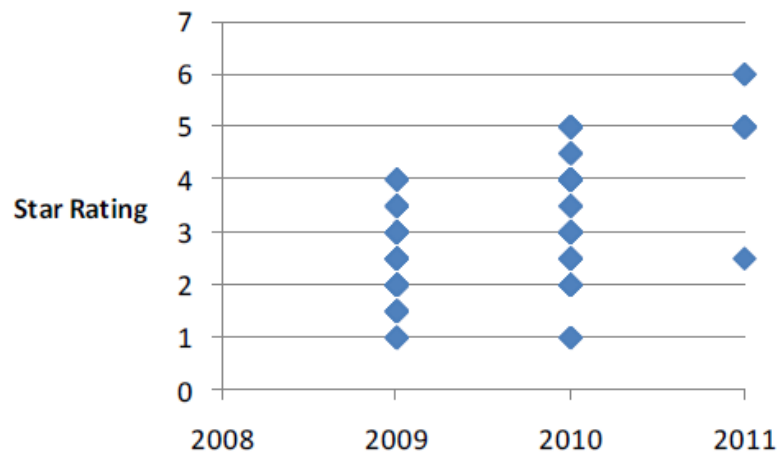
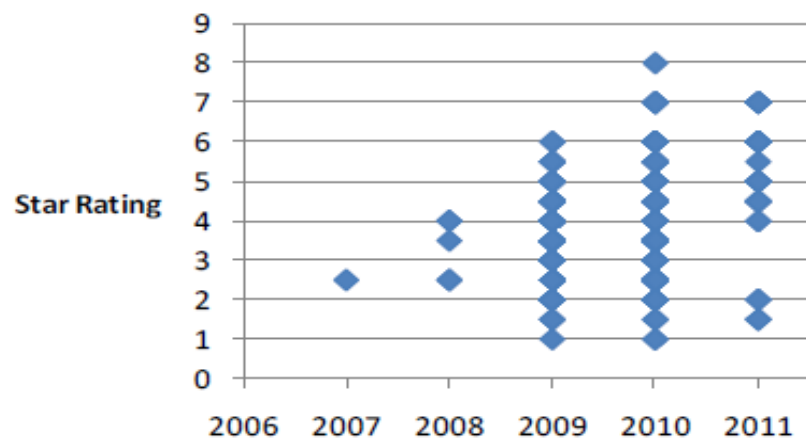


Figure 3: All Registered Star Ratings for LCD Televisions



37. As all televisions must be registered before sale, this indicates that televisions compliant to Tier 2 MEPS are available to New Zealand suppliers. A survey of appliance stores in New Zealand in September 2012 confirms this view, with all televisions surveyed having four stars or more¹³. Star ratings of televisions in this survey ranged from four to nine stars.

38. Advances in technology and the introduction of Tier 1 MEPS have led to improvements in the energy efficiency of televisions. Introducing Tier 2 MEPS will remove products that are less energy efficient from the market. There is a risk that Tier 1 televisions will be 'dumped' in New Zealand if Tier 2 MEPS is not introduced at the same time as in Australia.

Summary of Costs and Benefits

39. Costs and benefits have been assessed over a 10 year period to 2020. This assessment has used a five percent discount rate to account for the value of long term environmental and social benefits associated with energy efficiency.

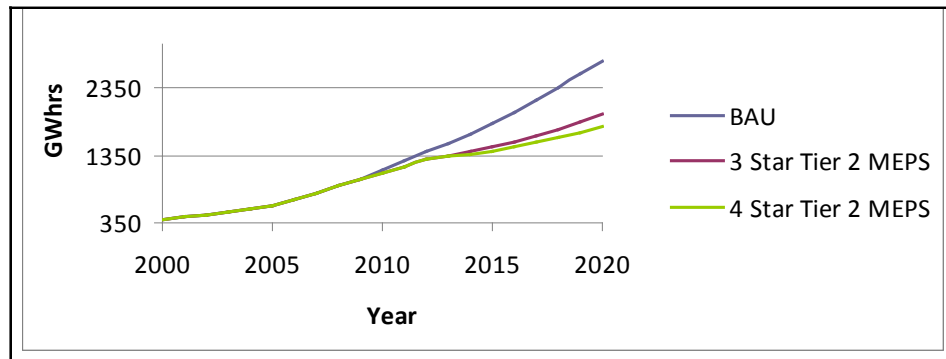
40. The cost benefit analysis was based on projected energy used to power televisions in a Business as Usual (BAU) case, compared to introducing Tier 2 MEPS set at three or four

¹³ EECA in store survey of 285 televisions, September 2012. The televisions were voluntarily labelled in anticipation of the introduction of MEPS from 1 October 2012.

stars, along with labelling requirements. Figure 4 shows the projected energy use for each scenario.

41. The significant increase in energy use expected in the BAU case can be attributed to changes in the way televisions are used (they are on for longer and used for other purposes), the increasing number of televisions per household, and the increasing size of television screens. The analysis shows that introducing MEPS and labelling requirements significantly reduces the expected increased energy use, particularly with MEPS set at four stars.

Figure 4: New Zealand television energy use, BAU compared to MEPS and labelling



42. The estimated costs and benefits from introducing two-phase MEPS and energy labelling requirements, and setting Tier 2 MEPS at levels equivalent to four stars on the energy rating label are detailed in Table 1 below.

Table 1: Summary of Costs and Benefits (at present value)

Benefits			Costs (\$M)			Summary	
Total benefit ¹⁴ (\$M)	Emissions saved (Mt CO2-e)	Energy saved (GWh)	Business compliance cost		Total cost	Net benefit (\$M)	Benefit-to-cost ratio
			Total	p.a.			
1,218	3.4	4,800	0.85	0.09	35.2	1,183	34.6:1

43. It is estimated that, with the introduction of MEPS and labelling, with MEPS Tier 2 set at four stars level, cumulative energy savings would be 4,800 GWh (valued at \$1,218 million) for products sold out to 2020¹⁵ (with 2010 as the base year) compared with business as usual. Costs and benefits are Tier 1 and 2 inclusive and business as usual refers to the time before Tier 1 was introduced. The energy savings from Tier 1 are negligible.

¹⁴ Benefits are estimated based on the savings consumers would make on their electricity bill using an average retail price. Alternative methodologies are currently being explored to estimate national benefits for future MEPS and labelling proposals based on the avoided cost of building new generation. Taking this approach, the benefits are estimated at \$475.2 million. This figure is not directly comparable to the present value figures presented in Table 1.

¹⁵ The cost-benefit analysis assumes that products have a ten year service life and therefore that that benefits for products sold out to 2020 will continue to accrue out to 2030

44. The price of televisions is not expected to increase due to the proposed MEPS and labelling revision. The estimated \$35.2 million cost of implementing the requirements in two phases (Tier 1 and 2) is based on a conservatively high estimate of the one-off price increase per television in the first two years after introducing Tier 2 MEPS.
45. The total cost was derived by multiplying the number of televisions forecast to be sold in the first two years by an average increase of \$75 per television. The total cost is likely to be less as research shows there is no correlation between the cost of televisions and their energy performance. The price-range of TVs is not expected to change in this highly competitive market.
46. The total cost does not include taxpayer costs (discussed below), or the cost to electricity retailers of lost revenue owing to a reduction in the electricity demand from televisions¹⁶. The value of this lost revenue would be somewhat less than the savings consumers make on their electricity bills, and is off-set by the benefits of reduced capital expenditure on additional generation capacity (from reduced energy use and peak demand).

Costs to the taxpayer

47. The cost to taxpayers to implement television Tier 1 and Tier 2 MEPS is estimated at \$50,000 per year. This comprises about \$30,000 per year in pro-rata contributions to the E3 programme (jointly funded by New Zealand and Australia) and additional direct costs of about \$20,000 per year for administration. This is an indicative figure and represents a portion of the total government overhead for administering energy efficiency regulations and participating with Australia in the E3 Programme. No increase in overall costs is expected. This adds up to total taxpayer costs of \$0.5 million over the ten-year assessment period.

Impacts on consumers

48. EECA estimates households buying an average 82cm (32 inch) television that is MEPS compliant (rated at four stars under the current energy rating label) could save up to \$112 per year, \$1120 over the estimated ten-year life of the television. For a 106cm (42 inch) model, these savings increase to around \$177 per year or \$1770 over the lifetime of the television. Consumers can use energy rating labels to identify televisions with better energy performance to get higher energy savings.
49. Currently there is no evidence that links energy efficiency with purchase price¹⁷ so removal of the least-efficient models from the market would not remove the cheapest television models. As such the choice of models and the price-range for televisions is not expected to change after Tier 2 MEPS is introduced. While prices are not expected to rise, a conservatively high estimate of \$100 per television sold in the first year after the introduction of the Tier 2 MEPS and \$50 per television sold in the second year (average of \$75 for the first two years) has been used. This is more than off-set by the estimated energy savings over the ten year life-time of the television.
50. Transitioning to Tier 2 labelling at the same time as Australia will ensure that labels continue to use a consistent rating scale, allowing consumers to make simple

¹⁶ Refer page 51 of http://www.energyrating.gov.au/wp-content/uploads/Energy_Rating_Documents/Library/Home_Entertainment/Televisions/200916-decision-ris-tvs.pdf

¹⁷ EECA Discussion document: Proposed Minimum Energy Performance Standards and Labelling for Televisions; December 2010; <http://www.eeca.govt.nz/sites/all/files/files/20101222-proposed-meps-televisions.pdf>

comparisons between products (and preventing a scenario where some suppliers continue to apply Tier 1 labels while others opt to apply Tier 2 labels). Having a transitional version of the label available will help consumers differentiate between the old and new versions of the label while existing stock (displaying the old label) remains on shop floors.

Business compliance costs

51. The recommended option is not expected to restrict competition or impose significant costs above the status quo (Tier 1 MEPS). An estimated 30 suppliers will be affected by the proposed measures. There are currently no New Zealand owned or based manufacturers of televisions. Suppliers are already bearing the cost of labelling as it is already required under Australian and New Zealand regulation.
52. If New Zealand and Australia adopt the revised label at the same time, there will be no increase in compliance costs above the status quo, and additional costs incurred from having two different versions of the label in Australia and New Zealand will be avoided. With respect to Tier 2 MEPS, the major suppliers operate in both New Zealand and Australia and therefore most suppliers in the New Zealand market will already be gearing up to meet Tier 2 MEPS requirements under Australian regulation. Therefore, these suppliers will incur little or no additional compliance costs to meet the revised requirements.
53. As is the case for existing MEPS and labels, there will be no requirement for independent testing by an accredited laboratory. Suppliers will self-certify conformance with MEPS and the achieved energy rating. These requirements should not cause delays in bringing stock to market. It is assumed that any increases in testing and registration costs will be passed on to the consumer. The cost to test models not already tested is approximately \$1,000.
54. It is likely that the cost of compliance would be reduced by aligning with Australia, as there would be no need to supply different labels for New Zealand models, and register them separately to the Tier 1 MEPS.

Consultation

55. A discussion paper to consult on the transitioning to Tier 2 on 1 April 2013, and on making a related labelling change, was released in September 2012.
56. Two submissions were received from major suppliers that were both in support of the proposal. The Consumer Electronics Association of New Zealand has also confirmed it is supportive of the proposal
57. The proposal is consistent with New Zealand's international obligations under the World Trade Organisation's Technical Barriers to Trade Agreement and has been notified through the WTO TBT notification process. The Australia and New Zealand Standard applies equally to products produced locally and overseas.
58. Stakeholders have also had the opportunity to participate in the development of the standards through representation on standards committees, and when the draft standards are released for public comment.

Conclusions and Recommendations

59. It is estimated that, with the introduction of MEPS and Labelling, with MEPS Tier 2 set at four stars level, energy savings of 4,800 GWh would be achieved for products sold out to 2020 (with 2010 as the base year) compared with business as usual. The electrical energy saved would avoid emissions equivalent to approximately 3.4 megatonnes CO₂-e.
60. While advances in technology and the introduction of Tier 1 MEPS have led to improvements in the energy efficiency of televisions, introducing Tier 2 MEPS and revised labelling will prevent regression and remove less efficient products from the market. The recalibrated star ratings will help consumers identify increasingly better-performing models that cost less to operate, encouraging suppliers to source more efficient stock for the Australasian market, and innovation by manufacturers.
61. The economic and environmental benefits are significant and would reduce the burden on national energy demand. Aligning these standards with Australia will uphold the principles of the Australia New Zealand Closer Economic Relations Trade Agreement and the Trans-Tasman Mutual Recognition Arrangement (TTMRA). Maintaining alignment will also ensure consistency of energy rating labelling and reduce business compliance costs. Accordingly, we recommend the proposed MEPS and labelling revisions for televisions are adopted.
62. The recommendation is to revise the existing requirements for televisions from 1 April 2013. The revisions would introduce:
- more stringent MEPS for televisions. This would require television sets to operate at the equivalent of a four star rating, known as 'Tier 2' MEPS
 - a revised mandatory labelling scheme for televisions, where the energy rating label is dialed back (e.g. four stars reduces to one star).

Implementation

63. An amendment will need to be made to the Energy Efficiency (Energy Using Products) Regulations 2002 (the regulations) to revise the existing requirements. Industry stakeholders will be notified well in advance of the proposed 1 April 2013 introduction date to allow them to prepare for revised requirements.
64. As with Tier 1 MEPS, compliance will be achieved primarily through raising awareness of the regulations, helping industry members understand their obligations and working cooperatively with business to achieve compliance. The Tier 1 MEPS was implemented on 1 October 2012 and recent surveys indicate that most televisions were being supplied with energy rating labels prior to this.
65. Businesses that repeatedly fail to meet their obligations could incur penalties of up to \$10,000 for each instance of non-compliance under the Regulations. Fines would be pursued as a last resort, and publicised to create a disincentive for further non-compliance and to instil public confidence that the Regulations are effectively policed. Independent testing will be carried out by accredited laboratories on selected models to verify their performance claims. Selection will be based on factors such as past performance, high performance claims, market share, and complaints received. These compliance and enforcement strategies already operate effectively for a range of other products under the Regulations.

Monitoring, evaluation and review

66. From 2012, sales data for televisions will be collected annually and used to compare actual and forecast energy savings under MEPS. A report on the impacts of MEPS and energy labelling for televisions will be prepared annually and shared with stakeholders. The relevant standards will be reviewed every three to five years. Independent testing will be used to determine the rate of compliance with MEPS and energy ratings. The rate of compliance with labelling requirements will be monitored under EECA's existing retailer compliance surveys (which cover all labelled products under the programme). EECA will also continue to monitor consumer recognition and understanding of the label. These monitoring and evaluation strategies already operate effectively for a range of other products under the Regulations.