A policy mix for global market uptake of efficient appliances

Henrik Sundström

VP, Sustainability Affairs

AB Electrolux

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Electrolux key facts

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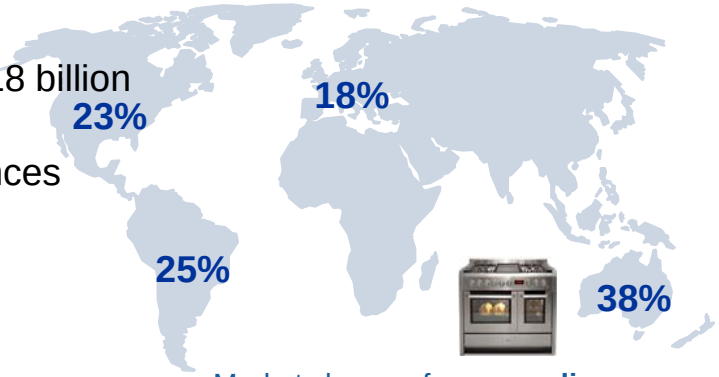
Position

- Sales € 11 billion / AUD 18 billion
- Sales 150 markets
- A global leader in appliances



Market shares of **core appliances**

People

- 57,000 in 60 countries

Products

- More than 40 million products per year

Our business

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Food preparation

Food preservation

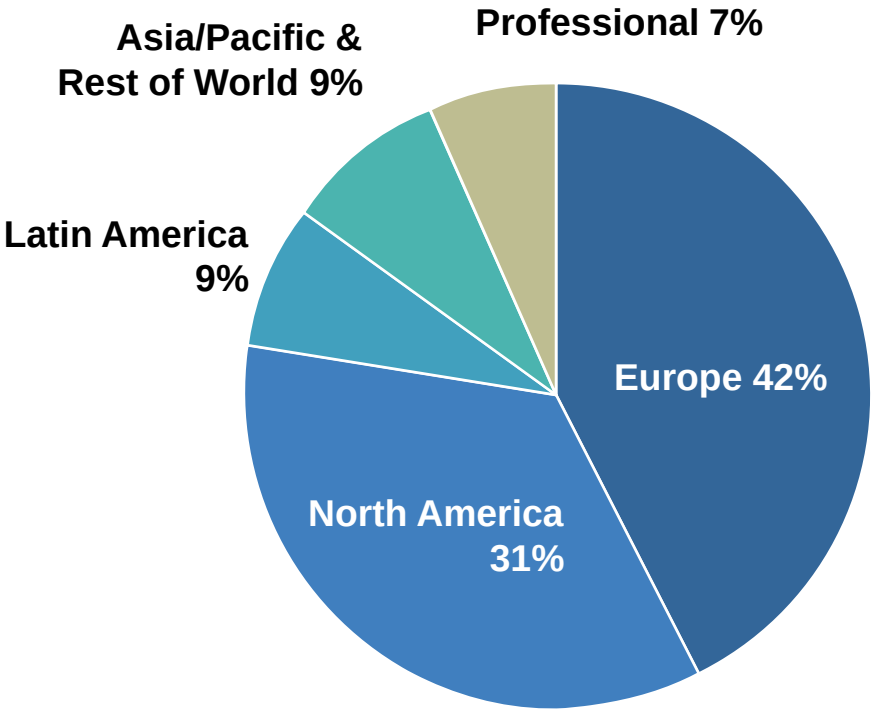
Dish care

Fabric care

Professional
- Food service equipment
- Laundry equipment

Floor-care

Sales in 2007: € 11 billion / AUD 18 billion



Long history of improving energy efficiency

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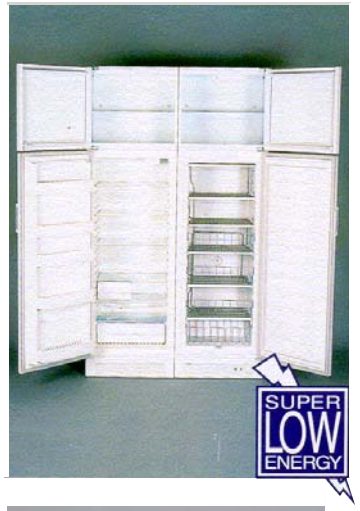
- The Nutek procurement
  Cold appliances
  Sweden 1990-1992

- IEA DSM Award
  Tumble dryers
  The Netherlands 1998

- The Integration cooker
  Sweden 2000-2001

- Energy plus program
  Cold appliances
  Europe 1999-2004



Energy use in households

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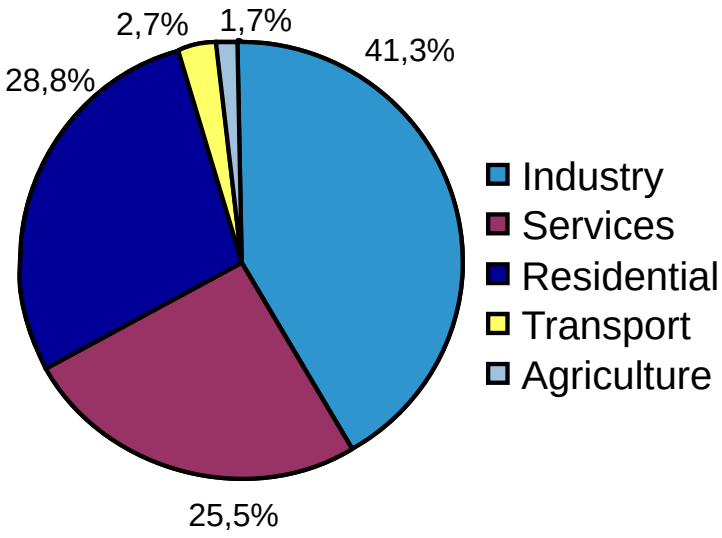
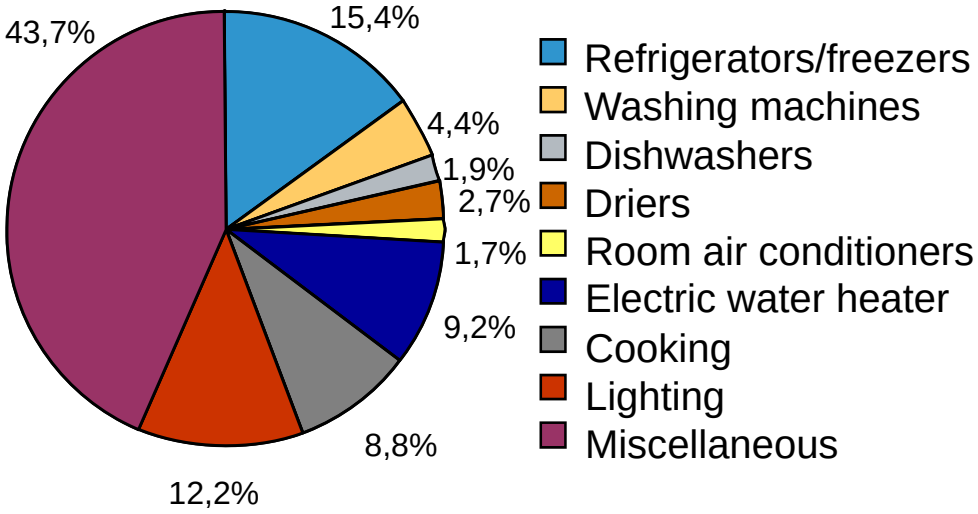
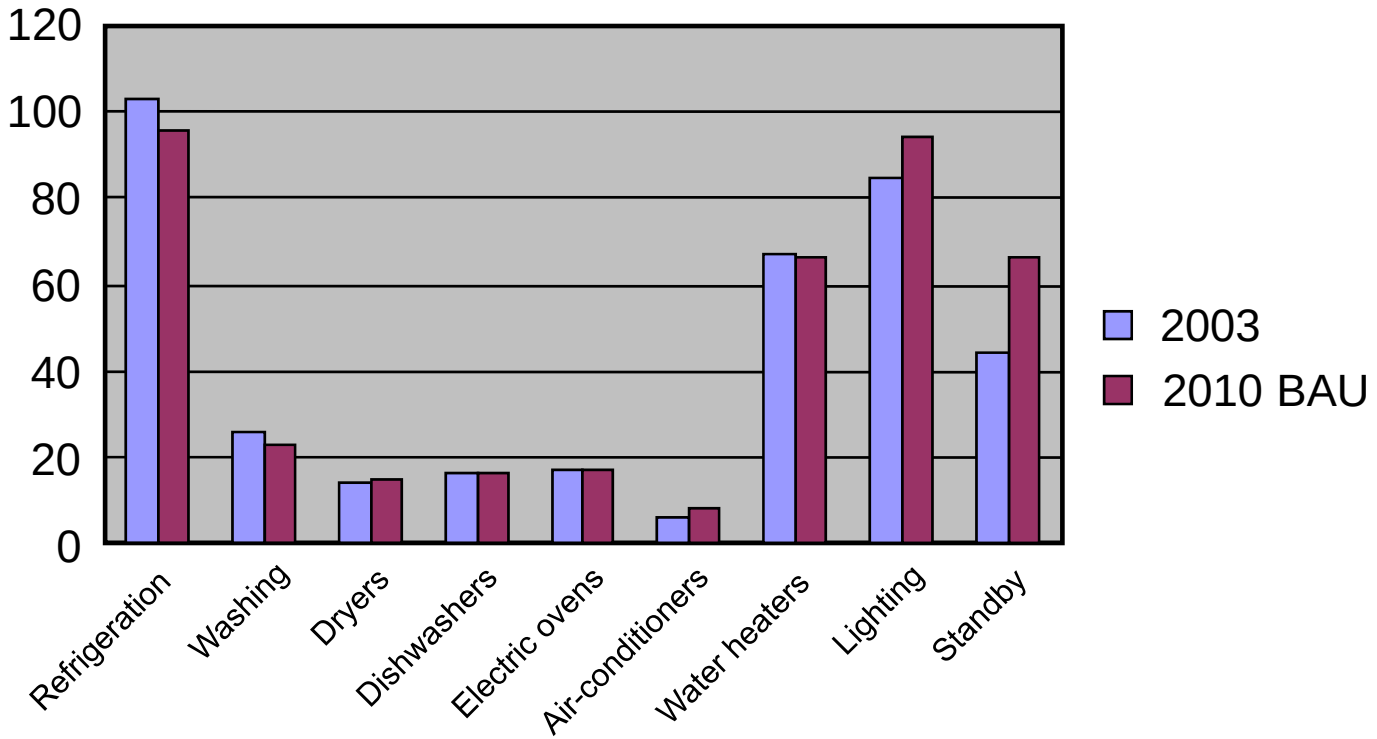
Electricity consumption EU-25



Residential electricity consumption EU-25



Electricity consumption 2003 (EU-15)



- The total consumption of electricity for household appliances in 2003 was 176 TWh, a reduction by 23,5 TWh (12%) from 1995.
- A reduction of approx. 40 TWh with additional policies is possible.

Source: The European Commission' Green Paper on Energy Efficiency

EU energy policies

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	94	95	96	97	98	99	00	01	02	03	04	05
Energy labels	Cold appliances										A+	
			Washing machines									
				Dishwashers								
		Tumble dryers										
									Electric ovens			
									Room aircon.			
Directive, energy efficiency				Refrigerators/freezers								
CECED unilateral industry commitments				Washing machines							2nd	
						Dishwashers						
						Storage water heaters						
											Cold	

CECED
Unilateral industrial commitments

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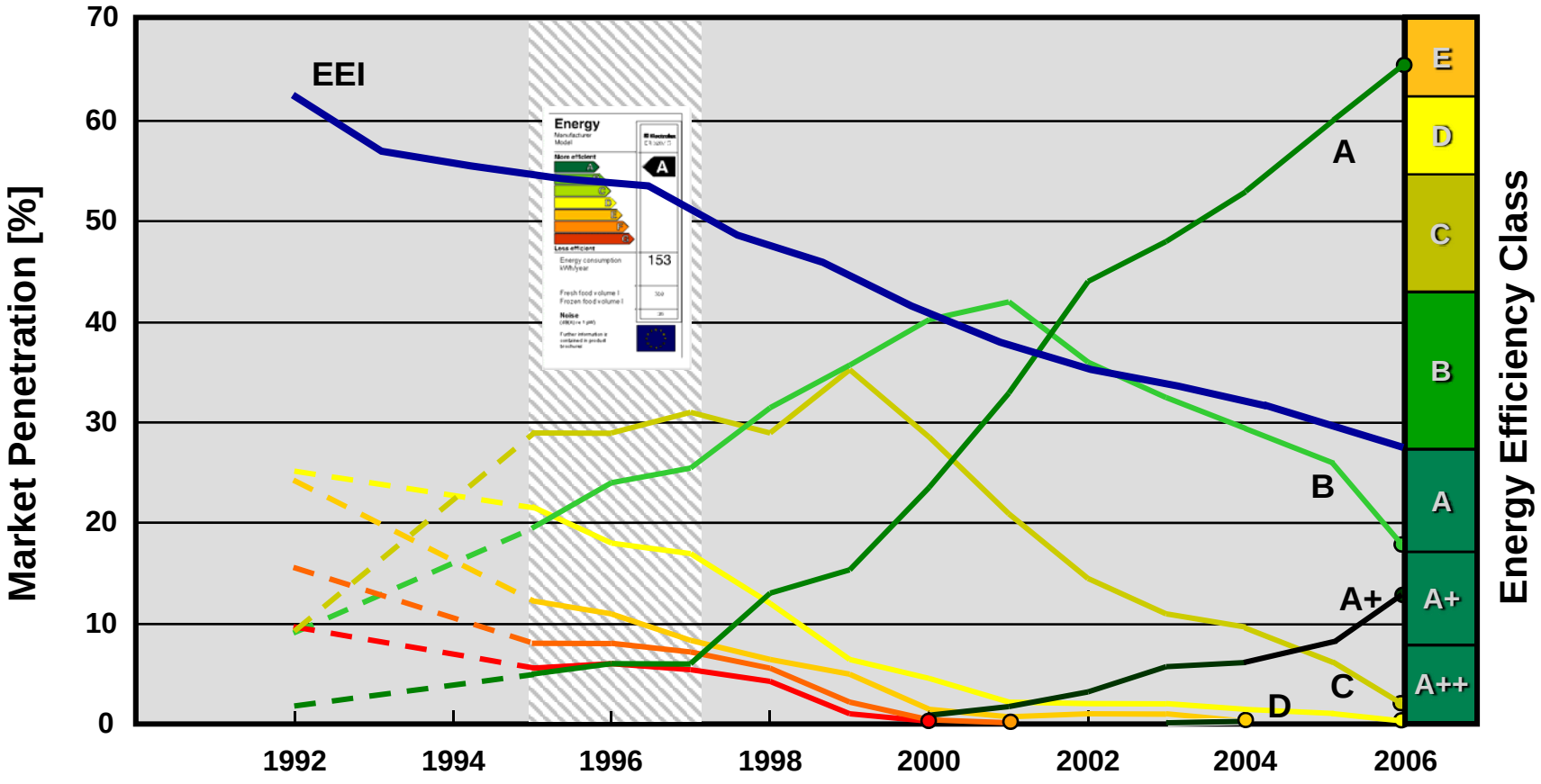
- Washing machines (1996 - 2002)
  - Target: 20% reduction (1994 – 2002)
  - Result: 27% reduction
  - 97% of manufacturers, 250 brands
- Washing machines II (2002 - 2008)
  - Target: production weighted average of 0.20 kWh/Kg for 2008
- Dishwasher (1999 – 2002)
  - Target: 20% reduction (1998 – 2002)
  - Result: 29% reduction in 2001
  - More than 90% of manufacturers, 200 brands
- Cold appliances (2002 - 2010)
  - Stop producing products with EEI[1] >75% by March 31, 2004
  - Reduce weighted average EEI to < 55% by 2006
  - Expected result: ~30% reduction

([1] EEI – Energy Efficiency Index)

ceced

EU: Cold appliances energy efficiency evolution



Market penetration of efficient appliances - “old” markets

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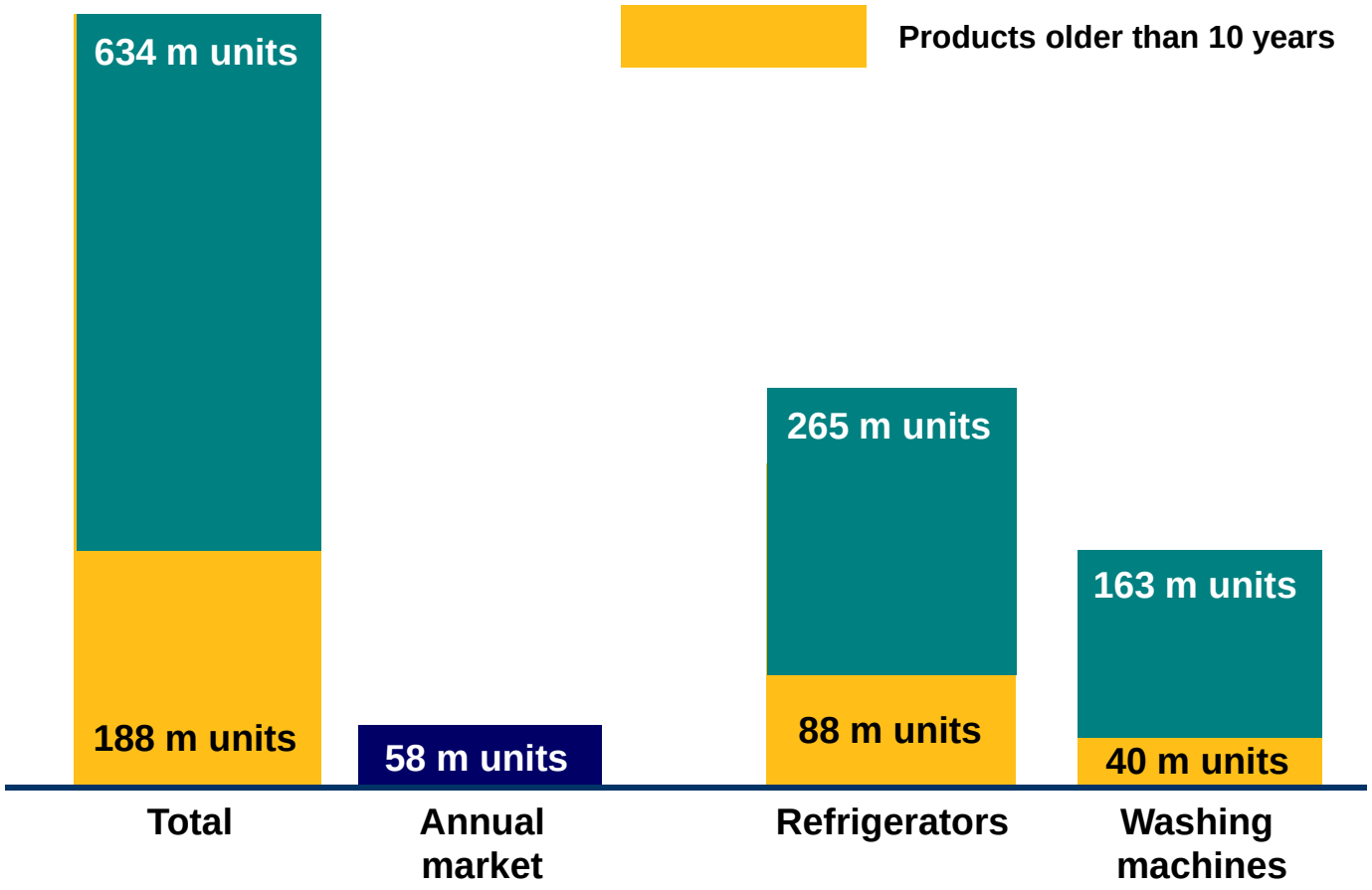
- The market penetration of efficient products have increased significantly.
- In Europe, over 40% savings has been achieved, as a result of energy labeling and Unilateral Industry Commitments.
- The efficiency level of appliances can be improved further, but the large improvements in efficient technologies have already been taken.
- The largest environmental savings would be accomplished by replacing old, inefficient products with new, efficient ones.
- The focus of public policies should shift to incentives to replace the old stock of appliances.

The untapped potential - outdated appliances



Energy labels – cold products

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Barriers against proliferation of energy efficient technologies

Household appliances are becoming global products.

Manufacturers have to develop specific products for each market to be in line with the local legislation:

- measurement standards
  - AUS/NZ, IEC, AHAM/DOE, Japan
- MEPS
- energy labeling criteria

The transformation of “new” markets

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- Emerging markets can leapfrog to energy efficient appliances
- Trade barriers should be eliminated to facilitate shipments between markets
- Harmonized standards is the cornerstone for global deployment of energy efficient appliances
- Energy labels and energy efficiency limits set out in legislation, must be enforced
- The negative impact of obsolete second hand products should be avoided

The theory is simple…

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Incentives for change

Local design of labeling schemes

Local settings of MEPS

Defined global efficiency levels

Harmonized measurement standards

IEC

59D/343/CDV

COMMITTEE DRAFT FOR VOTE (CDV)
PROJET DE COMITÉ POUR VOTE (CDV)

	Project number / Numéro de projet: IEC 60456 Ed. 5.0	
	IEC/TC or SC: / CEI/CE ou SC: **SC59D**	Secretariat / Secrétariat: **ITALY**
☒ Submitted for parallel voting in CENELEC / Soumis au vote parallèle au CENELEC	Date of circulation / Date de diffusion: **2008-04-18**	Closing date for voting (Voting mandatory for P-members) / Date de clôture du vote (Vote obligatoire pour les membres (P)): **2008-09-19**
Also of interest to the following committees / Intéresse également les comités suivants		Supersedes document / Remplace le document: 59D/342/MCR

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Title : IEC 60456 Ed. 5.0: Clothes washing machines for household use - Methods for measuring the performance

Note d'introduction

Introductory note

This CDV is circulated under the maintenance procedure of IEC 60456.
The text has been prepared by MT15 under the convenorship of Mr. Raveendran Vaidhyanathan, USA.

ATTENTION VOTE PARALLÈLE CEI - CENELEC	ATTENTION IEC - CENELEC PARALLEL VOTING
L'attention des Comités nationaux de la CEI, members du CENELEC, est attirée sur le fait que ce projet de comité pour vote (CDV) de Norme internationale est soumis au vote parallèle. Un bulletin de vote séparé pour le vote CENELEC leur sera envoyé par le Secrétariat Central du CENELEC.	The attention of the IEC National Committees, members of CENELEC, is drawn to the fact that this Committee Draft for Vote (CDV) for an International Standard is submitted for parallel voting. A separate form for CENELEC voting will be sent to them by the CENELEC Central Secretariat.

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FORM CDV (IEC)
2005-09-23

The theory is simple…

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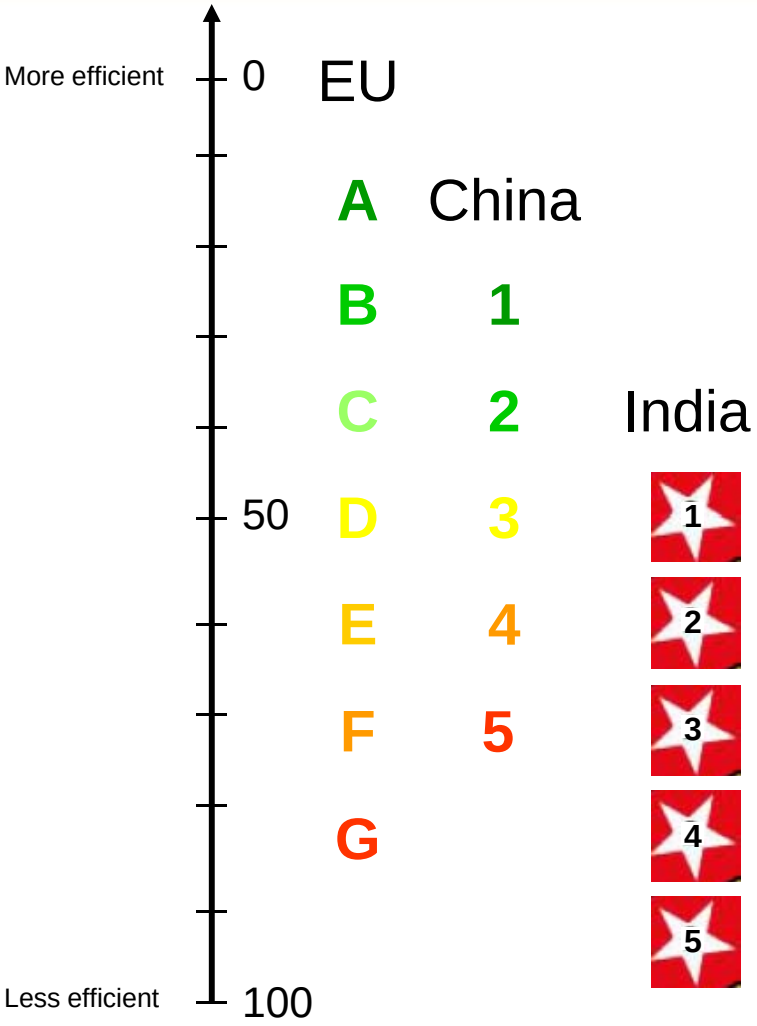
- Incentives for change
- Local design of labeling schemes
- Local settings of MEPS
- **Defined global efficiency levels**
- Harmonized measurement standards



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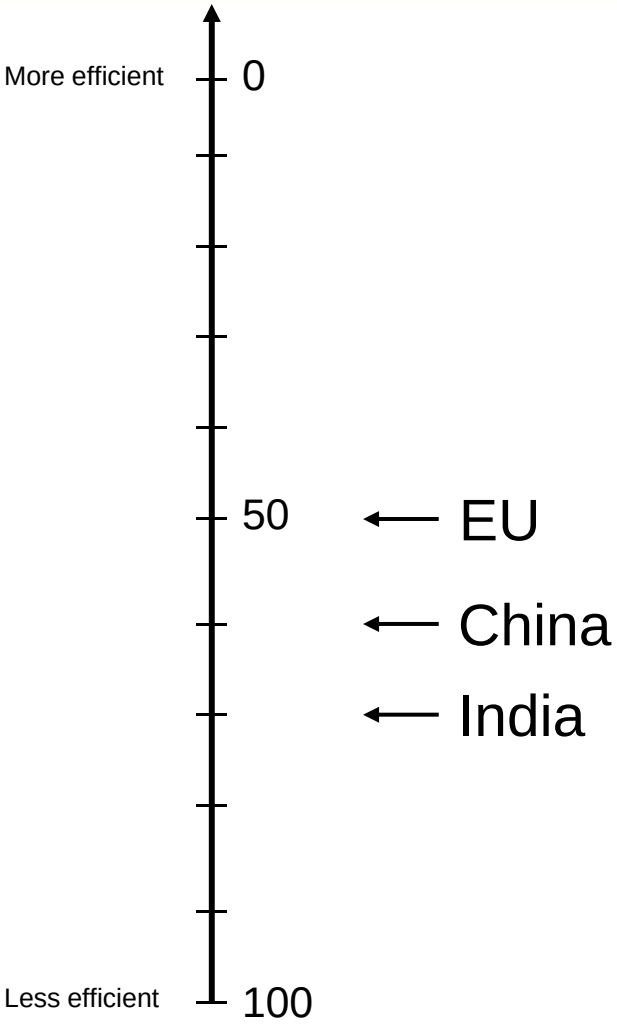

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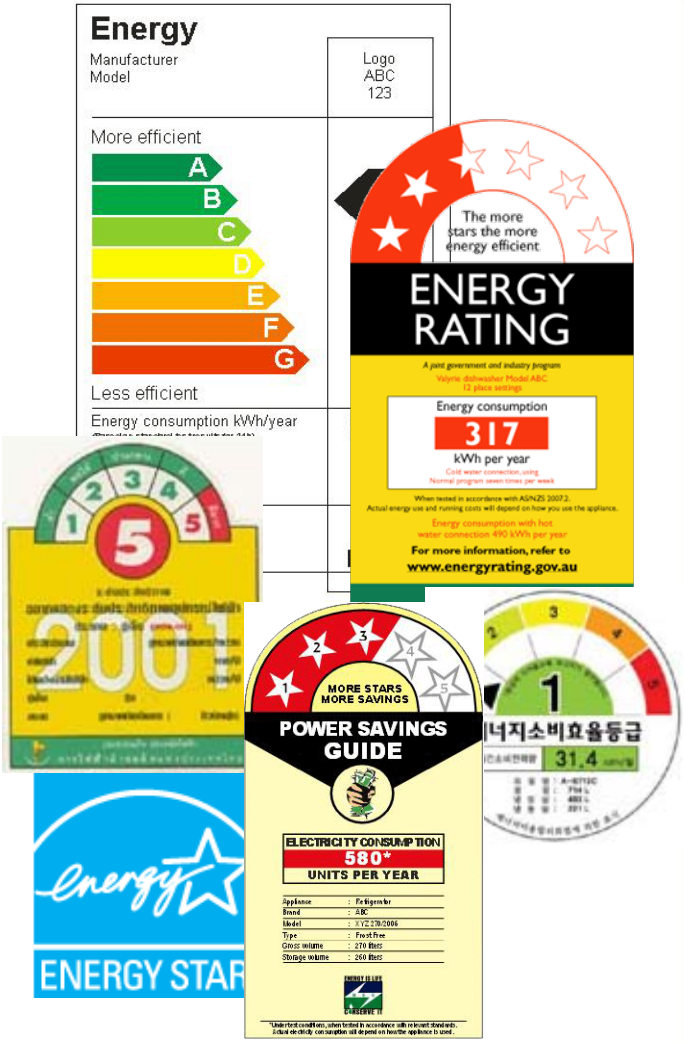

The theory is simple…

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Incentives for change

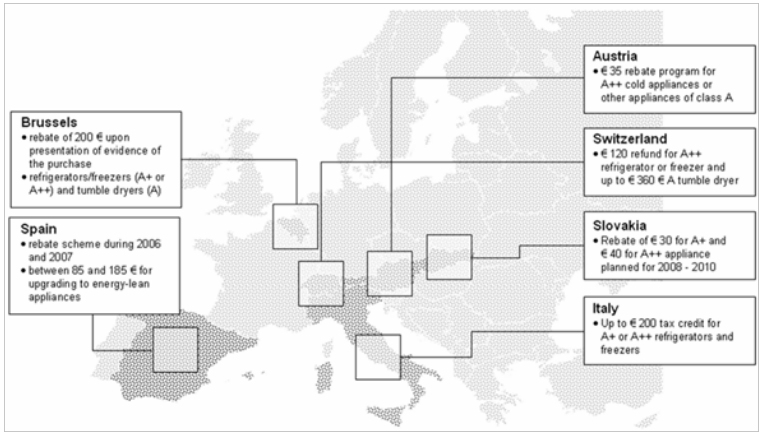
Local design of labeling schemes

Local settings of MEPS

Defined global efficiency levels

Harmonized measurement standards

Incentive schemes in Europe



…and number of countries in the pipeline to evaluate schemes, like Germany, Poland etc

Conclusion: Policy measures to speed up market transformation

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1. Encourage the development of energy efficient technologies, through R&D programs, technology procurement, etc.

   - to promote investments in new technologies

2. Adopt harmonized measuring standards (IEC)

   - applying the same standards globally

3. Implement energy labeling schemes

   - to provide POS information to consumers

4. Introduce MEPS, in parallel with labeling schemes

   - to eliminate the products with the worst performance

Conclusion: Policy measures to speed up market transformation

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5. Implement incentives schemes for consumers

   - to promote the sales of efficient products

6. Market enforcement (compliance) activities must be in place

   - to create a leveled playing field, and eliminate unserious producers

7. Respect the industry's investment cycles when implementing policies

IEC global product standards will soon be in place.
Policy makers should adopt it into national legislation.

For more information go to www.electrolux.com/sustainability

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Electrolux Award Winner 2007