2nd Stakeholder Workshop.

Promoting the Most Energy Efficient Appliances in the Punjab

Punjab Endorsement Label

15thNovember 2023





Agenda

- Introduction/Recap
- Progress Update Since Last Workshop
- Update on Public Procurement in the Punjab
- Label Design
- Compliance Activities
- Registration System
- How Labeling will work!







A quick Recap / Background

Presented by:
Salman Zaffar (CLASP)

Four energy efficiency policies to transform markets



Minimum energy performance standards (MEPS)

• To remove the worst products from the market

Mandatory

Comparative label

To enable consumers to compare the performance of all products

Mandatory

Endorsement label

 To enable consumers and third parties to easily identify the most efficient products in class

Voluntary

Procurement

 Use the purchasing power of governments & others to 'pull' the top end of the market

Voluntary



4

Comparative Labelling

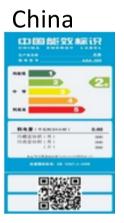


Comparative labels enables consumers to compare the energy consumption of similar products at the point of sale

- Ranks the product on the basis of efficiency/performance
- Often includes other attributes (noise, volume/size)
- May show Stars, Letters or Numbers
- Usually mandatory







Pakistan



Endorsement Labelling



Endorsement labels provide a **'seal of approval'** to inform prospective purchasers that the product is highly energy efficient for its class.

- Simple, no product information
- Voluntary

China



USA



Korea



India



How PEECA plan complements NEECA's proposal



• The aims of the two programmes are different

	NEECA MEPS & Comparative Labels	PEECA Procurement & Endorsement Label
Products	All products	Only the most efficient products
Regulation	Mandatory	Voluntary
Coverage	National	Only Punjab

- But they are linked:
 - Same test methods & energy efficiency metrics
 - Suppliers only test once



NEECA PEECA

MINIMUM ENERGY
PERFORMANCE
STANDARDS (MEPS)

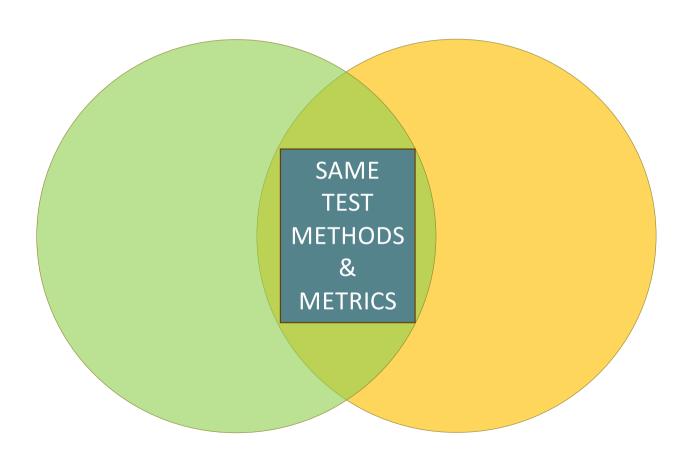
COMPARATIVE ENERGY LABELS

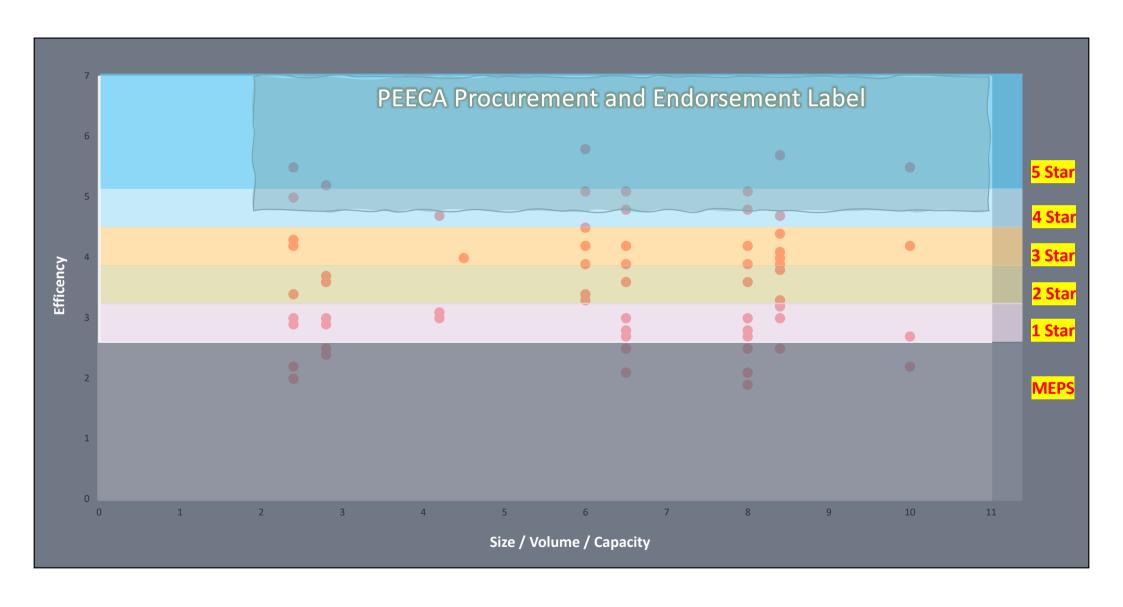
GOVERNMENT PROCUREMENT

ENDORSEMENT LABELS



NEECA PEECA

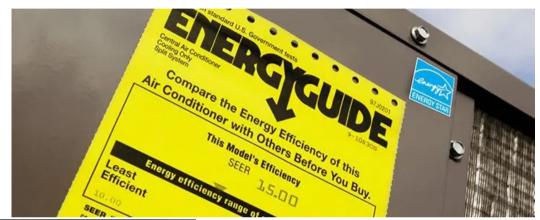




Comparison and Endorsement labels on same products

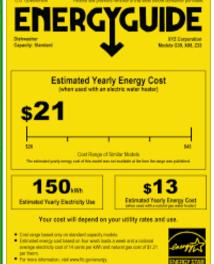


- Many countries
 have both
 comparative and
 endorsement labels
- E.g. Europe, USA & Canada, Singapore, India, China, Korea, etc













Broadly the specifications are as follows:

AC: 4 Star NEECA (GWP less than 700)

Ceiling Fans: 5 Star NEECA with 2 years Warranty

Motors: 3 Star NEECA Level - *IE2 Level*

Phase II: Launch Labels to Consumers



- Expansion to Consumers: Through the endorsement label, the scheme will be extended to consumers, enabling more individuals to benefit.
- **Promotional Activities :** PEECA is committed to actively engaging in market campaigns and conducting promotional activities to support and enhance the label's visibility and effectiveness.
- Working with Suppliers: Exploring options to help Suppliers to market their most efficient equipment to existing and new customers.







- To give participants a road map; and to clearly lay out the various steps involved in the process resulting in labeled products reaching retailer shelves.
- To fine tune / finalize certain aspects of the program for example:
 - Application of labels / durability
 - Authentication process for supplier registration
- To have Q and A sessions and gain maximum clarity regarding the label. (FAQs are already available)

Progress since last meeting in June

Presented by:
Salman Zaffar (CLASP)

Project Aims



To increase the uptake of energy efficient:

- Ceiling Fans
- Room Air conditioners
- Electric Motors

These three appliances account for > 80% of Punjab electricity consumption; high % of peak demand and greenhouse gas emissions







How are we planning to do it?



1

Use the purchasing power of Punjab government departments



Mandatory procurement of most efficient products

2

Encourage consumers to buy the most efficient products available



Label the most efficient products

Planned Timing



Preparation phase

Procurement

Endorsement Label







Draft Documents shared on SAMA^Verte Website SAMA^Verte

- PEECA Endorsement Label Compliance and Enforcement Policy Oct 23
- Supplier Registration Form
- AC Model Registration Form
- Fan Model Registration Form
- Motor Model Registration Form
- Supplier Agreement for Air Conditioner
- Supplier Agreement for Fan
- Supplier Agreement for Motor
- SAVE UP FAQs
- SAVE UP Brand Guidelines

Preparation Phase: Progress since the previous workshop (1)



Procurement	 Development of preferred approach for PEECA to mandate the purchase of labelled appliances by Punjab Govt. Materials to present to Dept. of Finance
Programme Requirements	 Further examination of current markets through surveys and supplier information Finalisation of product specifications Drafting of Supplier Agreements
Registration	 Finalisation of registration forms Development of technical specification for online registration Negotiations with Govt. IT service provider Development of interim hybrid registration system

Preparation Phase: Progress since the previous workshop (2)



Label Design	 Shortlist of design options tested in the market Selection of final design Development of Brand Guidelines 	
Label Printing	 Investigation of label materials & attributes Quotations and samples obtained 	
Compliance	 Development of PEECA compliance policy Development of independent testing capacity 	
Communication	Drafting of information for website, including FAQ, etc	

Shortlisted Label Design Options











Programme Requirements



Performance Specifications

- Re-examination of current markets and performance levels in response to queries raised at previous workshop
- Suppliers given the opportunity to provide performance data of current models
- Additional market surveys

Supplier Agreements

- Embodies the 'rules' of the programme
- Including the Product Specifications (one Supplier Agreements per type of product)
- Links Supplier Registration, Brand Guidelines & Product Specifications
- One-time signatory at time of Supplier Registration

Registration Process



- Integrated comments from the previous workshop
- We have agreed the technical specification for a fully-automated online system (as discussed at previous workshop)
- Implementation delayed by the service provider, despite best efforts by PEECA
- Threatened to delay ability to launch SAVE UP in 2023
- Therefore, decision by PEECA to use a semi-manual registration process as interm solution (see later presentation)
- Processes still the same as online version!
- We will still move to an online version asap!

Label Design



- Extensive process to test shortlisted label designs on consumers within likely demographic (see Typespace presentation)
- Preference for the selected SAVE UP brand was very conclusive
- Approved by PEECA
- Note addition of QR code linked to SAVE UP page on PEECA website. Enables to consumers to check that the model carrying the SAVE UP label is on the PEECA approved registration list.
 - An additional measure to verify compliance and act as a disincentive to fake labels
- We have also developed the *Brand Guidelines*
- We wish to encourage registered suppliers to use the brand, however these guidelines exist to protect the Brand Identity:
 - How registered Suppliers can use the SAVE UP logo on products & in media
 - The logo design format, colour, proportions, etc
 - What association can registered Suppliers claim
- The Brand Identity will also be protected as a registered Trade Mark



Label Printing



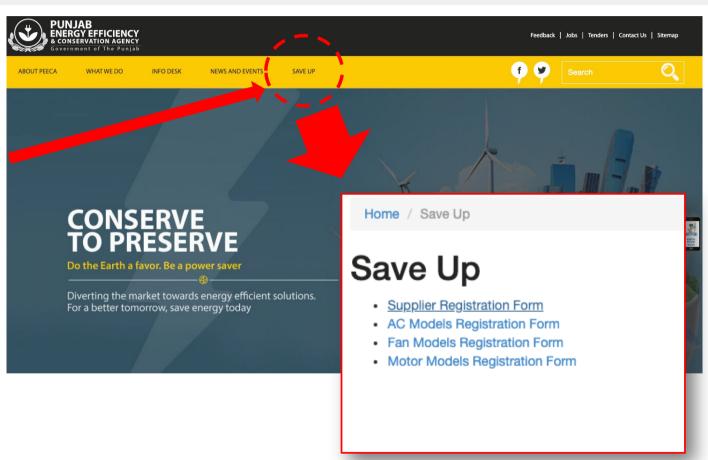
- At the previous workshop it was agreed that PEECA will print and distribute the labels, at least to begin with
- This is ensure consistency of design and materials, and minimise potential misuse
- We have been investigating:
 - Who can print the labels (several options in Pakistan)
 - Which materials to use, that balance durability vs cost
- We have arrived a limited number of options (see samples)



Communications



- There will be a number of documents on the PEECA SAVE UP website page
- Including:
- Access to Supplier & Model registration forms
- Guide to completing forms
- List of registered Products
- Frequently Asked Questions (this has been drafted and available for review)



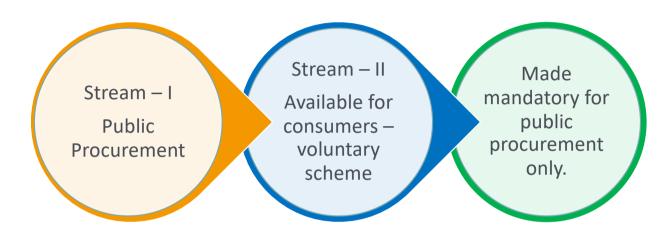
Update on Public Procurement in the Punjab

Presented by:

Waqas Ali Khan (PEECA)

Phased launch of the label





- Punjab Government procures substantial numbers of ACs, Fans and Motors each year.
 - Approximately 100,000 fans
 - ~ 8000 Air Conditioners
 - Large motors (e.g. 40 90 Kws and larger) are installed in the WASA system

Major Buyers



- WASA: Motors Installed Stock (Motors with Tube Well: 591 & Motors with Disposal Pumps: 650)
- **Healthcare Department:** Fans Installed Stock (>1,000,000)
- Education Department: Fans Installed Stock (>300,000)
- Several other government of Punjab departments and institutions.
- Retrofitting done by PEECA already:
 - More than 70,000 light bulbs and over 100,000 fans have been replaced

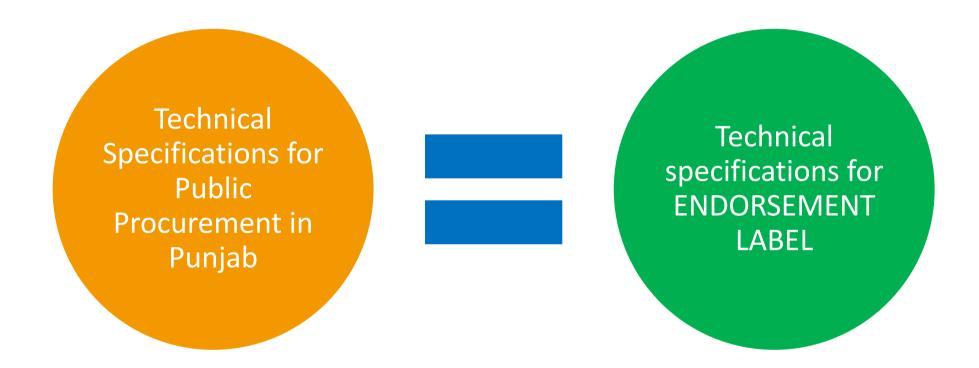
Procurement in Punjab



- PEECA has developed procurement specifications that prioritise the purchase of appliances with high energy efficiency ratings.
- These levels link directly with NEECA star levels from the mandatory comparative labeling and MEPS regime.
- PEECA will employ these already established energy efficiency standards for fans, ACs, and motors for procurement standard for these 3 appliances in the Punjab
- These procurement specifications will be made mandatory for Punjab governments departments during 2024
- However, Suppliers do not have to participate. It is a commercial decision for them.

Endorsement Label





Way Forward & Timelines



- PEECA will announce the label and will start accepting registration applications in less than 2 months time from now.
 - Announcement to suppliers by 29th December 2023
 - PEECA will start accepting supplier registration applications by 15th January 2024
- PEECA will issue a second announcement / advice to public procurers / buyers by 31st January 2024 advising them to buy SAVE UP products by June 2024 onwards.
- The last date is keeping in mind the time suppliers will take to comfortably get new labeled models into the market after registration.

Promotions Campaign



- PEECA intends to follow up the launch of the label with a strong communications and promotions campaign.
- This campaign is expected to kick off in mid 2024. However preparations will commence from January 2024.
- PEECA plans to allocate a substantial amount of funds out of an upcoming funding pool during 2024
- We recognize the importance of awareness raising and brand building and expect suppliers to augment these campaigns by following up with some of their own.

Question & Answer Session

Label Design

Presented by:
Nadia Saad (Type Space Studio)

Label Design



Slides link:

https://www.canva.com/design/DAFmbFO7yj4/nqckgg69L1JyKJpwJT_X0w/view?utm_content=DAFmbFO7yj4&utm_campaign=designshare&utm_medium=link&utm_source=publishsharelink

Registration System

- -supplier registration
- -product registration

Presented by:
Salman Zaffar (CLASP)

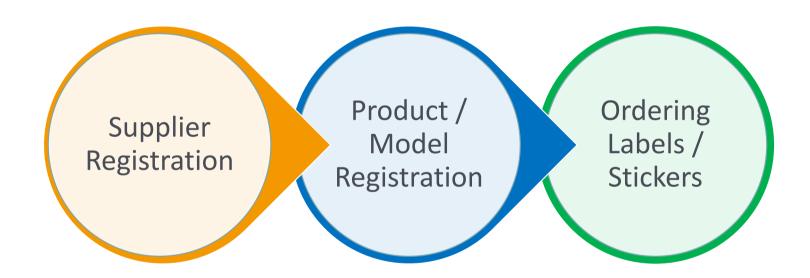
Introduction



- A robust registration system is needed for the PEECA label program in order to:
 - Check that labelled products meet the program requirements
 - Identify suppliers are bona fide and can be traced in the event of non-compliance
 - Establish a list of labelled products
- The following describes the three steps before you are ready to dispatch / distribute/ display labeled products:

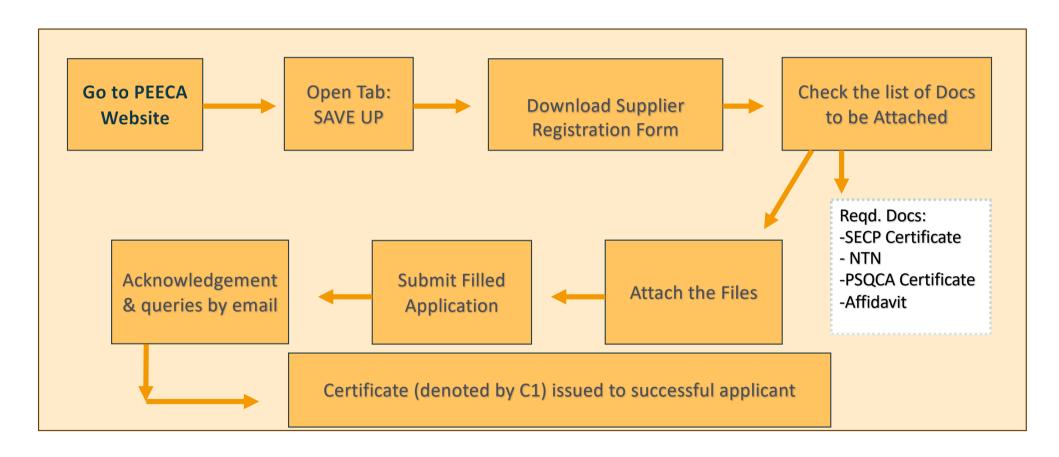
Process





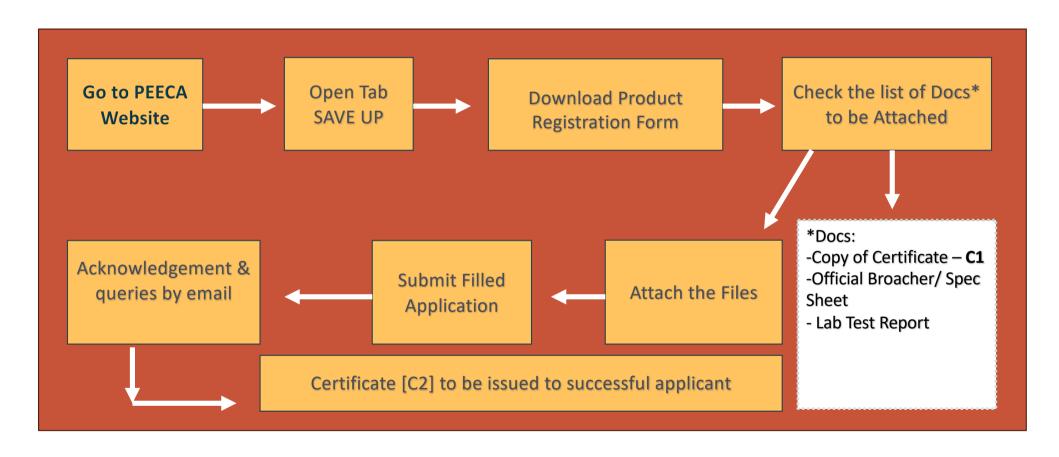
Registering as a supplier





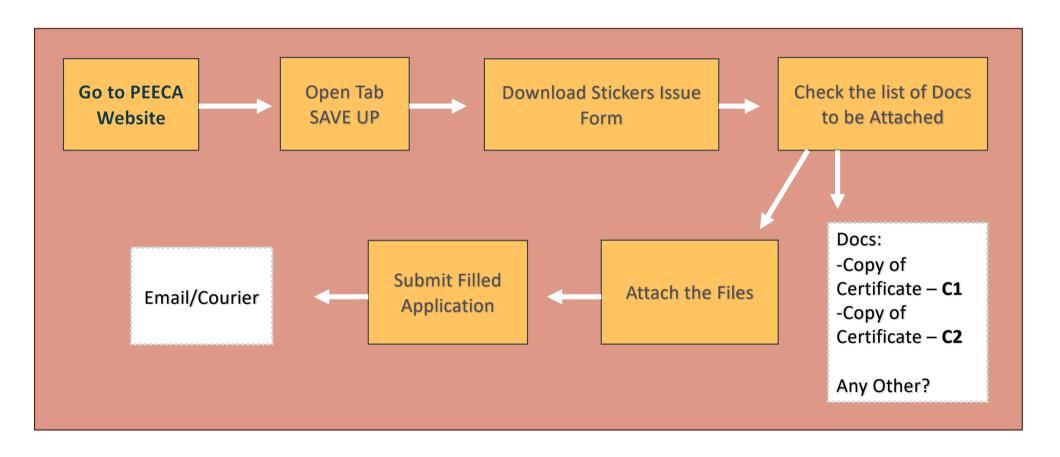
Registering your model





Getting your label / sticker





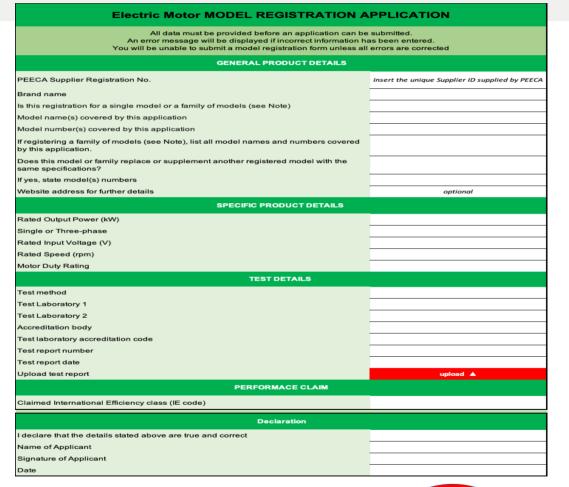
Supplier Registration Form



GENERAL II	NFORMATI	ON		
Registration No. / auto generated unique Supplier ID				
Name of Business/Institution				
Trading Name	Note: (if th			ird party and is being imported b
		a local organisat	ion; mention b	ussiness name)
Business Type				
NTN / PRA				
	T DETAILS			
Name of the company / local representative firm				
Contact Person				
Designation				
Mobile No			Email	
Telephone No.	*		Address	
Website	 		1	
Reelstered Address	Harras (Bud	Iding Name *		
registered Address	City*	rarng Name		Street Name*
	Province/s	rtata*		Postcode*
	Country*	state		Postcode
Correspondence Address	Country	House/Buill	dina Nama	
(If different from above)	House/Building Name City Street Name		Street Name	
1	Province/s	state		Postcode
	Country			
Preferred Mailing Address	Regis	Registered Address Correspondence Address		
I/we hereby agree that:				
* The information provided in this form is correct				
I affirm that I have read and understand the terms of the Partner				
Agreements checked in the following boxes and agree to abide by				
the terms of these Partner Agreements				
Partner Agreement for Air Conditioners (dated) Partner Agreement for Ceiling Fans (dated)	+H			
Partner Agreement for Ceiling Fans (dated) Partner Agreement for Electric Motors (dated)	+H			
Name		:		
Designation		:		
penginetoni		:		
Authorized Signature				
Date				Submit
Punjab Energy Efficiency & Conservation Agency (PEECA)			form
				IOIIII

- Prototype forms
- Designed to collect minimal basic information
- Quick to complete
- No fees involved
- Results in issuance of C1 certificate.
- Discussed in detail at the first Workshop
- Supplier agreement concurrence included in the form

Model Registration Form





- Once a Supplier has registered and received a unique ID with Supplier Registration Certificate
 C1, they can proceed with Model Registration
- Very basic data needed
- Required to upload a test report but this <u>can</u> be from a Supplier Laboratory until announced otherwise by PEECA
- Compliance by PEECA will be done at accredited labs.
- Approval of form results in issuance of certificate C2.



Summary



- We have tried to design a registration process that is:
 - Fit for the purpose
 - Quick to complete
 - Does not require highly technical input
 - Minimises any delays to market access
- Various documents uploaded on SAMA^Verte's website and link has been shared with all participants via email. Please review and give feedback within 14 days.

Compliance Activities

Presented by:
Salman Zaffar (CLASP)

Why is compliance important?



Ensure that **consume**r receive the performance they are paying for

Ensure **suppliers** who invest more in energy efficiency do not lose market share to unscrupulous competitors

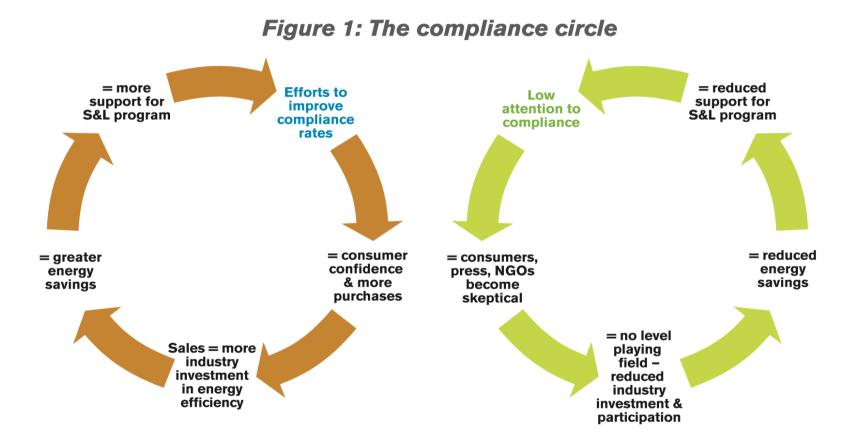
Compliance

Ensure **governments** get the outcomes they expect (programme objectives)

Safeguards the integrity of the programme – hard to win back confidence once lost

The benefits of building a compliance culture





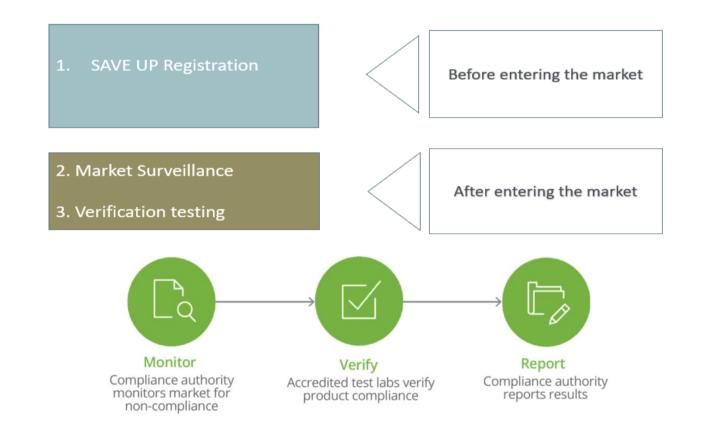
Compliance Framework



- The PEECA Save Up label has been developed to enable governments, consumers and others to easily identify the most energy efficient products in the Pakistan market. This has the potential to achieve substantial savings in electricity bills, greenhouse gas emissions and peak energy demand.
- To be effective, PEECA recognises the importance of protecting the brand identity of the **Save Up** label. As a result, PEECA has developed rules which aim to ensure the continued credibility of the **Save Up** label.
- Elements in the PEECA SAVE UP Compliance and Enforcement Policy document updated to the workshop papers on SAMA^Verte website: (Docs Link)
- Engagement and Education
- Monitoring Compliance
- Investigating Non-Compliance
- Respond to Non-Compliance
- Response Criteria

Key Components





Elements of a Compliance Framework



Summary of compliance activities and potential transgressions

- Registration: Collect supplier and model details, ensuring scheme requirements
- Store Surveys:

 Periodic inspections
 to check correct
 labeling and
 investigate potential
 transgressions.

are met.

Verification Tests:
 Physical tests of products to verify performance claims.

	PEEC	A CHECKS	POTENTIAL TRANSGRESSIONS
	1	Ensure model registrations are complete and reasonable	Missing information
)		Undertaken as part of the online registration process	Unrealistic information

2	Store Surveys to check registrations and labels	Products displaying labels not registered
	Periodic in-person investigations of places where products are sold	Labels printed incorrectly
		Labels displayed incorrectly
		Fake labels on registered products
		Fake labels on unregistered products

3	Test product from the market to verify performance claims	Measured performance ≠ claim
	Testing of a small selection of labelled products from the market	52

Compliance and Enforcement



Visibility of Compliance Activities

- Importance of increasing the perceived likelihood of detection.
- PEECA will publish:
 - Results of compliance actions (failed tests, fake labels found).
 - Number and frequency of all actions (tests conducted, store visits).
- Publicizing specific instances of noncompliance can be an effective sanction.

PEECA Response to Transgressions

- Routine checks and timely communication with suppliers for rectification.
- Serious transgressions may lead to more severe actions:
 - Removing supplier's model(s) from eligibility.
 - Exploring potential fines and consumer protection legislation.
- Some circumstances may limit effective sanctions outside Punjab's jurisdiction.

For more details you can check "Supplier Agreements" uploaded on SAMA Verte website for review.

Verification Tests



The key parts of the process are as follows:

- Government identifies a model for testing
- Government identifies laboratory to undertake the test (preferably an independent laboratory)
- Government purchases sample of model from the market (or requires test lab to do so)
- Laboratory proceeds to test sample
- If the test confirms the model as compliant, no further action is taken
- If the test confirms the model as <u>non-compliant</u>, the Supplier may:
 - Withdraw the model from the scheme voluntarily
 - Elect to have 2 further samples tested, at their own cost (samples selected by government)
- In cases where three samples of the same model are tested, if two of the samples are found to be compliant then no further action is taken.

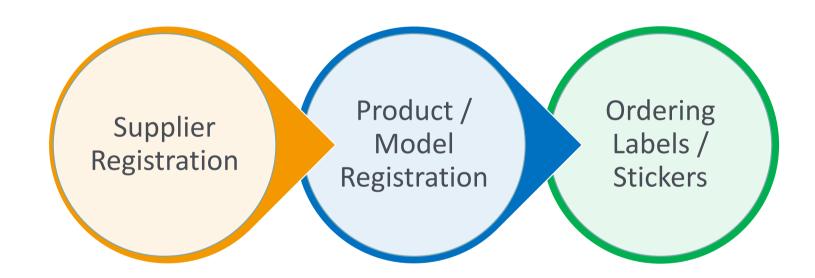
How labeling will work!

Presented by:

Waqas Hussain (PEECA)

Registration Process





Step by Step process from today onwards



- 1. PEECA will announce the registration process: 'OPEN'; once they are ready. This is expected to happen by the last week of December.
- 2. Suppliers will then start registering their organisations [supplier registration]
 - 1. Download forms from PEECA website(already discussed in last workshop and shown here as well)
 - 2. Fill them in and submit them along with other required documents mentioned on PEECA website. And get C1 certificate at the end of this process.
 - 3. You will be required to cognizant of:
 - Brand Guidelines document
 - Read and agree with the supplier agreements
 - PEECA Endorsement Label Compliance and Enforcement Policy
 - FAQs
 - Supplier Registration Required Documents List
- 3. This will be followed by product registration.
 - 1. Fill in the forms as above; and similarly attach / submit required documents / spec sheet, test reports with application
 - 2. Get C2 type certificate which is for a specific product / family.

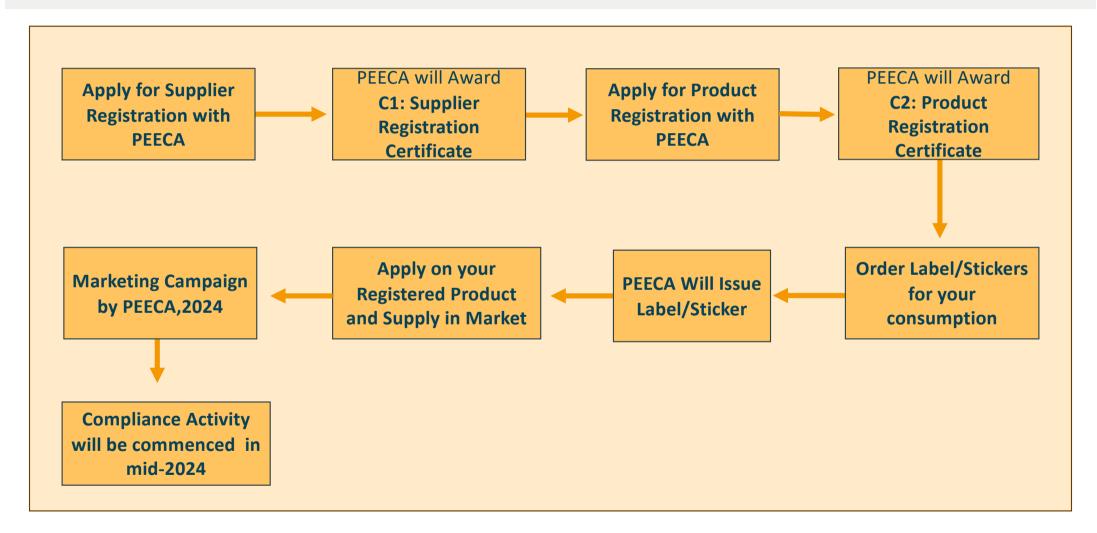
Step by Step process



- 4. Once you have C1 and C2 (for at least one product or family) you can apply for labels / stickers
- 5. Apply labels and distribute to the market
- 6. Marketing campaign from PEECA will start in 2024
- 7. Compliance activity will commence in mid-2024

The process illustrated





Promotions Campaign



- PEECA is set to roll out a communication and promotion campaign after introducing the label.
- The campaign is slated to start in mid-2024, with preparations starting in January of the same year.
- PEECA plans to allocate a substantial amount of funds out of an upcoming funding pool during 2024
- Recognizing the importance of raising awareness and building the brand, we expect suppliers to support these efforts by implementing their own campaigns.

Question & Answer Session

Thank You

SAMA[^]Verte

