Report Compiled by the Working Group on Classification standards for Retail Labeling (Summary)

• Regarding the Label Display Program for Retailers, the working group held discussions on actions to target equipment whose scope has changed in line with the revision of the Top Runner Program and other efforts, approaches to designing the standards used for the multiple-scale scoring, and revision of the designs of uniform energy efficiency labels, and compiled the discussion results into a report.

1. Background to preparation of the report

In FY2006, the System for Indication of Product Energy Efficiency by Retailers started in order not only to further advance energy efficiency in the private sector but also to help consumers choose energy-efficient equipment through provision of information on the energy efficiency of equipment in an easy-to-understand manner.

The working group believes that the system has been fulfilling a function to the extent that it is providing information to consumers and helping consumers choose energy-efficient products. Meanwhile, the results of the multiple-scale scoring system using the energy consumption efficiency rates of target equipment under the energy efficiency standards and the evaluation results of the energy consumption efficiency of the target equipment are sometimes inverted. In addition, the current uniform energy efficiency labels do not always cover a variety of shapes of products or sales conditions, causing retailers to face difficulties in indicating correct information on equipment. The working group considers it necessary to address such challenges and to revise the system so as to contribute to promoting energy efficiency of equipment more than ever.

2. Equipment subject to the system

Concerning the additionally listed equipment (showcases) and the equipment (lighting equipment and light bulbs) whose scopes have been expanded under the Top Runner Program, the working group compiled information on whether or not such equipment is subject to the system into this report. A then-council committed to formulation of the system and compiled approaches to defining the scopes of each information to be indicated by retailers in light of the "use of target equipment" and "amount of energy consumption." In accordance with these approaches, the working group decided to exclude showcases from the coverage of the system since they are equipment mainly not for household use. However, lighting equipment is to be covered by all of the energy-efficiency sticker system, the multiple-scale scoring system, the system for showing annual estimated charges for energy use and other systems. light bulbs are to be covered by the energy-efficiency sticker system, the system for showing annual estimated charges for energy use and other systems.

3. Multiple-scale scoring system

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(1) Method for designing new standards used for the multiple-scale scoring

Regarding the existing multiple-scale scoring system, a method for designing the standards used for the multiple-scale scoring is stipulated, which are the standards used for comparative indication of the energy-efficiency performance of target equipment by stickers. However, as some challenges in the system have been found, the working group revised the method to address these challenges.

Method for designing the standards used for the multiple-scale scoring

Principle 1: Regarding evaluation indices, use the energy consumption efficiency rates of each target product to the energy efficiency standards for, e.g., the category of the equipment with a large shipment volume under the Top Runner Program (hereinafter referred to as "multiple-scale-scoring rates").

Multiple-scale-scoring rate (rounding off tenths-place digits or less to the nearest integer)

Energy consumption efficiency of a target profuct Energy efficiency standard e. g. , for the category of target equipment with a large shipment volume

*If the energy consumption efficiency represents the amount of energy consumption, the right-hand side of the formula above should be inverted.

Principle 2: Evaluate target equipment by the points derived from the multiple-scale scoring between 1.0 and 5.0 by 0.1 points (hereinafter referred to as "scoring points"). The scoring point is shown by nine ranks using five stars, i.e., " $\star \star \star \star \star$," " $\star \star \star \star \star$," " $\star \star \star$," " $\star \star \star$," " $\star \star$," " $\star \star \star$," " $\star \star$," " $\star \star \star$," " $\star \star$," " $\star \star$," " $\star \star$," "

Principle 3: The standards used for the multiple-scale scoring are to be set based on the situations of the multiple-scale-scoring rates. Specifically, they are to be set according to the following steps.

A. If the average value of the multiple-scale-scoring rates regarding a type of equipment circulated in

markets is less than 100%, the scoring points for 100% of the multiple-scale-scoring rates are to be set at 3.0, while if the average value of the multiple-scale-scoring rates regarding a type of equipment circulated in markets is 100% or more, the scoring points for 100% of the multiple-scale-scoring rates are to be set at 2.0.

B. If a type of equipment circulated in markets falls under one of the categories for 100% or more or 100% or less of the multiple-scale-scoring rates, the standards are derived from equal division, by the scoring points of the equipment, of a mean value between 100% of the multiple-scale-scoring rates and the highest value (excluding the equipment falling under the top 2.5%) and the lowest value (excluding the equipment falling under the bottom 2.5%) of the multiple-scale-scoring rates. The lowest value is to be set at 1.0 as scoring points, while the highest value is to be set at 4.5 as scoring points.

C. If the highest value of the multiple-scale-scoring rates goes below 110%, set the highest value at 110%, while if the lowest value of the rates goes beyond 90%, set the lowest value at 90%.

(2) Calculation formula of scoring points under the multiple-scale scoring for each equipment

As for the equipment under discussion on the revision of the energy efficiency standards under the Top Runner Program, i.e., air conditioners and television sets, the working group decided to revise the standards in light of the burdens imposed on retailers and then to apply a method for designing new standards used for the multiple-scale scoring. Accordingly, it set the standards used for the multiple-scale scoring concerning: [i] lighting equipment, [ii] electric refrigerators for household use, [iii] electric freezers for household use and [iv] electric toilet seats.

4. Annual estimated fees for energy use, etc.

The working group stipulated a method for calculating annual estimated charges for energy use concerning lighting equipment and light bulbs as well as points to note.

5. New designs of labels

(1) New uniform energy efficiency labels

The information indicated on the stickers is to be revised with a simple design by reducing overlapping information.



Figure 1: Pictures of the former and new uniform energy efficiency labels (for refrigerators)

(2) New establishment of uniform energy efficiency mini-labels

The working group decided to newly establish mini-labels only indicating the results of the multiplescale scoring in order to help retailers secure opportunities to provide information on product energy efficiency in an easy-to-understand manner even when the sizes of the target products are limited or the virtual spaces for showing such products online are limited. Retailers should use the mini-labels only when they face difficulties in using regular stickers since the sizes of the target products are limited or the virtual spaces for showing such products, e.g., for online trading, are limited.



Figure 2: Pictures of mini-stickers

6. Indication of new labels and future challenges therein

The working group compiled the timing for retailers to indicate new stickers and future challenges therein.

7. Recommendations for energy efficiency, etc.

Proactive and continuous efforts by stakeholders are indispensable to disseminate the official energy efficiency stickers and other outcomes and further encourage the private sector to advance efforts for energy efficiency. The working group compiled recommendations with expectations for further efforts by these stakeholders, such as users, retailers, manufacturers and other businesses and the government.

 Reference: Member List of the Working Group on Classification standards for Retail Labeling and Conservation Subcommittee of the Committee on Energy Efficiency and Renewable Energy under the Advisory Committee for Natural Resources and Energy

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