



*Joint Submission on*

**Proposed minimum energy performance standards and  
labelling for computers and monitors**

*From*

**New Zealand Computer Society Inc (NZCS)**

**New Zealand ICT Group Inc (NZICT)**

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## Background

1. **This is a joint submission from the New Zealand Computer Society Inc (“NZCS”) and New Zealand ICT Group Inc (“NZICT”), two major ICT-related representative organisations in New Zealand.**
2. NZCS is the professional body of the ICT sector with thousands of members nationwide. NZCS has been representing the ICT profession in New Zealand for over 50 years.
3. The NZICT Group is an industry association made up of over 100 leading New Zealand technology companies. It was founded to provide a unified voice to address issues facing the industry as a whole.
4. NZCS and NZICT are independent organisations, however as the two main ICT groups in New Zealand share some concerns with the proposed compulsory energy performance standards and labelling for computers.
5. NZCS and NZICT strongly support sustainability in computing and the reduction of energy usage. However we believe there has to be a balance between the cost borne by manufacturers (and inevitably by consumers) plus the practicality of any proposal, vs the benefit of any proposed steps taken.
6. For the reasons outlined in this submission we find it difficult to conclude that the benefit of mandatory labelling or minimum energy performance standards outweigh the cost and other factors.

## Process and Consultation

7. **The submitters are concerned that insufficient consultation has occurred and request that the consultation period is extended to ensure the implications of these steps are adequately considered.**
8. The Discussion Document states:

*Relevant industry associations and stakeholders have been involved in developing the proposed standards through industry representation on standards committees, stakeholder meetings, and informal contacts in Australia and New Zealand.*
9. Neither NZCS nor NZICT, as the two leading ICT industry groups most relevant to this matter, have been consulted regarding these standards. The submitters have also enquired with other stakeholders and cannot find any that have been consulted prior to late 2011.
10. This apparent lack of consultation during the development of the proposal provides a perception of a *fait accompli*.
11. We also believe this has limited the opportunity for those likely to be significantly negatively impacted, such as smaller NZ-based “white box” manufacturers focused on performance machines, to provide feedback.

12. For these reasons the submitters ask that the **consultation period be extended by three months** to allow for more considered feedback and consultation with those impacted by these restrictions.
13. The submitters would be happy to partner with EECA and publicise the proposed standards more widely to aid with broader consultation to assist with ensuring widespread feedback from the industry.

## Energy Labelling

14. There is some confusion and conflicting statements within the consultation material about whether mandatory labelling is being proposed for monitors only, or computers and monitors.
15. The Discussion Document states (page 4):

*Through consultation with Australian industry in late 2010, it was agreed that energy rating labelling of computers would be difficult and likely to be of little informative value due to the variety of component and feature options that can be configured in the same base model. Computer monitors, however, could lend themselves to energy rating labelling similar to TVs, to allow consumers to identify models better than those just complying with MEPS. It is proposed to introduce energy rating labels for monitors in this way in about October 2012. [our emphasis]*
16. On the face of it the submitters agree with this statement and given the difficulties and likely low informative value, cannot support the proposal for mandatory labelling of computers without evidence of significant benefit to New Zealand. Such benefit is not currently apparent.
17. As implied in the statement above, the measurement of energy consumption can be difficult for all but mass-produced computer equipment.
18. We support the “*deemed to comply*” concept for smaller manufacturing runs but believe that compulsory compliance would still result in significant cost to white-box (“custom built”) manufacturers in New Zealand, especially those catering to performance computing.
19. The implementation of mandatory labelling could also significantly disadvantage smaller-run, primarily New Zealand-based manufacturers given the significantly different per-unit cost of measuring and labelling larger-run “mass produced” computers vs one-off units.
20. At a bare minimum, consultation with smaller NZ-based white-box manufacturers should be extended and a cost/benefit analysis completed before the implementation of any mandatory labelling requirements.

**21. The submitters strongly recommend that:**

- a. **Energy labelling be implemented on a voluntary basis only and the intention to move to a mandatory requirement in 2012 be revoked.**
- b. **If mandatory energy labelling should proceed on computers, those assembled by white-box manufacturers within New Zealand be exempt (including from “deemed to comply”) given the cost per unit that would otherwise be imposed and the difficulty in measuring and labelling short-run computer configurations.**

## **Minimum energy performance standards (MEPS)**

22. As mentioned at the outset, the submitting organisations strongly support sustainability in computing and the reduction of energy usage.
23. However computing is different from home appliances and the proposal does not appear to consider the nature of computers and computing and the diverse and varied performance requirements consumers and businesses may have from their computer equipment.
24. The submitters do not believe that *per-machine* energy restrictions accurately reflect the energy consumption footprint of computing, especially given the widespread adoption of virtualization technologies.
25. For example, whereas previously a small business might have operated three servers (eg a File Server, Mail Server and Domain Controller) it’s not unusual to find all three “virtual” servers now implemented within a single physical server. In this circumstance a single small server capable of successfully hosting these three servers might not meet the proposed minimum energy standards, but in actuality use significantly less energy than three separate physical servers.
26. Implementation of minimum energy standards in a business environment could result in the reverse of the intended behaviour: a necessitation for a greater number of physical servers with a consequential higher overall energy footprint.
27. In a home computing or small office environment there are in some cases strong requirements for performance-based computing that might run counter to the MEPS proposal. For instance, computers built for high-end gaming or graphical manipulation might not meet MEPS standards, however in many cases have a compelling need for greater energy usage.
28. Provided the consumer or business is aware that performance computers consume greater levels of electricity, we believe the decision on whether or not to utilise this equipment should not be mandated by Government.
29. Additionally, for the same reasons as outlined in the Energy Labelling section, the cost of measuring energy performance in low-run quantities would be prohibitive.

30. The ICT industry has taken sustainability very seriously and a number of global and local initiatives around green computing have successfully led to the reduction in energy usage in computers. Chips are more energy efficient and the advent of virtualization and Cloud Computing have seen a significant drop in the number of physical servers required in businesses.
31. However we remain unconvinced that mandatory standards will have any material impact on energy usage while at the same time imposing unnecessary cost onto the manufacturers of computers, especially New Zealand companies focusing on niche white-box markets.
32. Both organisations also support similar standards in place in both New Zealand and Australia and hence note the apparent Australian decision to not proceed with mandatory labelling for computers.
- 33. For the reasons outlined above, the submitters cannot at this time support the implementation of mandatory minimum energy performance standards for computers in New Zealand and urge EECA to maintain a voluntary approach to energy labelling only.**

## **Education campaign**

34. The submitting organisations support in principle the concept of increased consumer and manufacturer education around energy usage.
35. We believe an education-based approach would be more effective at reducing energy usage than mandatory government-imposed labelling and energy restrictions as proposed and preferable for New Zealand.
36. NZCS and NZICT would be happy to participate in any education campaign designed to reduce the energy usage of computers.

This submission is made by the New Zealand Computer Society Inc (NZCS) and the New Zealand ICT Group Inc (NZICT).

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