



## COVERSHEET

<b>Minister</b>	Hon Simon Watts	<b>Portfolio</b>	Energy
<b>Title of Cabinet paper</b>	Energy Efficiency (Energy Using Products) Amendment Regulations 2025	<b>Date to be published</b>	17 November 2025

### List of documents that have been proactively released

Date	Title	Author
September 2025	Energy Efficiency (Energy Using Products) Amendment Regulations 2025	Office of the Minister for Energy
9 October 2025	Energy Efficiency (Energy Using Products) Amendment Regulations 2025 LEG-25-MIN-0197 Minute	Cabinet Office

### Information redacted

**YES / NO** (please select)

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Office of the Minister for Energy  
Chair, Cabinet Legislation Committee

**Energy Efficiency (Energy Using Products) Amendment Regulations 2025**

**Proposal**

- 1 This paper seeks authorisation for submission to the Executive Council of the Energy Efficiency (Energy Using Products) Amendment Regulations 2025.

**Executive Summary**

- 2 Cabinet has agreed to introduce or update Minimum Energy Performance Standards (MEPS) and Mandatory Energy Performance Labelling (MEPL) requirements across the following product classes: air conditioners/heat pumps > 65kW, clothes washing machines, dishwashers, rotary clothes dryers, household refrigerators and freezers, three-phase cage induction motors and external power supplies (CAB-18-MIN-0246.01, DEV-19-MIN-0131 and CAB-19-MIN-0240).
- 3 Cabinet has also agreed to incorporate minor technical and interpretive updates across a range of product classes (CAB-18-MIN-0246.01).
- 4 These changes give effect to policy decisions developed under the Trans-Tasman Equipment Energy Efficiency (E3) Programme, support the Trans-Tasman Mutual Recognition Agreement (TTMRA), and in line with international best practice. They will improve product energy efficiency and consumer information, while having a minimal effect on business compliance costs and costs to consumers.
- 5 Each proposal has been through public consultation and cost-benefit analysis for both New Zealand and Australia and all proposals have been adopted in Australia by the Council of Australian Governments Energy Council (now the Energy and Climate Change Ministerial Council).
- 6 Given the current energy shortage and security issues, I consider it timely to take forward these proposals to support the Government's objectives for the energy system, including lowering energy costs for businesses and households.

**Policy context**

- 7 MEPS and MEPL cover a range of energy-using products and are developed jointly with Australia as part of the Equipment Energy Efficiency (E3) programme.

- 8 The objectives of the E3 programme are to raise the energy efficiency of these products and support better outcomes for consumers by increasing awareness of product performance with regards to energy consumption. Regulatory alignment through E3 facilitates trade, reduces business costs, and achieves administrative efficiencies for both governments.
- 9 While New Zealand and Australia's energy efficiency regimes are already well aligned, divergences remain which limit our ability to adopt new energy efficiency measures at the same pace as Australia and therefore these amendments lag Australia. These divergences are caused by inefficiencies in updating the technical requirements for regulated products in the New Zealand system, which will look to be addressed through the Energy Efficiency and Conservation (Energy Flexibility and Regulatory Improvements) Amendment Bill, which is scheduled to be introduced later this year.
- 10 MEPS and MEPL are cost-effective tools to achieve the objectives of the programme and reduce costs across the energy system.
- 11 MEPS and MEPL are introduced for new product classes and are updated over time to reflect higher performance of products as technology improves and to support innovation for the benefit of consumers.

### The proposed amendments to the Regulations

- 12 The Energy Efficiency (Energy Using Products) Amendment Regulations 2025 give effect to Cabinet's decisions on 28 May 2018 (CAB-18-MIN-0246.01) and on 22 May 2019 (DEV-19-MIN-0131), detailed below, by introducing and updating the relevant standards, test methods and labelling requirements.
- 13 Cabinet agreed to introduce and update **MEPS** for air conditioners/heat pumps<sup>1</sup> > 65kW, rotary clothes dryers, household refrigerators and freezers, three-phase cage induction motors and external power supplies.
- 14 Cabinet agreed to introduce and update **MEPL** for clothes washing machines, dishwashers, rotary clothes dryers, household refrigerators and freezers, three-phase cage induction motors and external power supplies.
- 15 Cabinet agreed to update **test methods** for three-phase cage induction motors.
- 16 Cabinet also agreed to incorporate minor technical and interpretive updates across the following product classes: air conditioners, chillers, clothes washing machines, close control air conditioners, dishwashers, external power supplies, household refrigerating appliances, rotary clothes dryers, three-phase cage induction motors, and tubular fluorescent lamps.

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<sup>1</sup> This technology is commonly referred to as a heat pump in New Zealand where it is primarily used for heating, but may be referred to as air-conditioning (or climate control) in warmer climates.

- 17 More detail on Energy Efficiency (Energy Using Products) Amendment Regulations 2025 is attached at **Annex One**.

### Timing and 28-day rule

- 18 The Energy Efficiency (Energy Using Products) Amendment Regulations 2025 will come into force on 1 May 2026, which is six months after they have been notified in the *New Zealand Gazette*. This complies with the requirement that the Energy Efficiency (Energy Using Products) Amendment Regulations 2025 must not come into force until at least 28 days after they have been notified in the *New Zealand Gazette*. As noted in paragraph 23 below, a longer period is required than the standard 28 days to meet World Trade Organisation requirements.

### Compliance

- 19 The Energy Efficiency (Energy Using Products) Amendment Regulations 2025 comply with:
- 19.1 the principles of the Treaty of Waitangi.
  - 19.2 the rights and freedoms contained in the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993.
  - 19.3 the principles and guidelines set out in the Privacy Act 2020.
  - 19.4 the Legislation Guidelines (2021 edition), which are maintained by the Legislation Design and Advisory Committee.
- 20 The Energy Efficiency (Energy Using Products) Amendment Regulations 2025 comply with section 36(2) of the Energy Efficiency and Conservation Act 2000 which requires the Minister to notify the public of the proposal to make regulations, provide interested persons a reasonable time to make submissions, and consult with such persons as the Minister considers appropriate.
- 21 The Energy Efficiency (Energy Using Products) Amendment Regulations 2025 comply with the following provisions in the Legislation Act 2019, specifically:
- 21.1 Schedule 2, which (in this case) requires the Manager, Energy Use Policy, acting under delegated authority from the Chief Executive of the Ministry of Business, Innovation and Employment to give notice of the proposal to incorporate certain standards by reference into the Energy Efficiency (Energy Using Products) Regulations 2002, ensure copies of the standards are available, and provide a reasonable opportunity for people to comment. The advice of the Manager, Energy Use Policy is that the statutory prerequisite has been met.
  - 21.2 clause 1(d) of Schedule 2 of the Legislation Act 2019, which (in this case) requires the Manager, Energy Use Policy, after considering

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comments on the proposal to incorporate certain standards by reference, to be satisfied that:

- the proposed amendments to the Energy Efficiency (Energy Using Products) Regulations 2002 clearly identify those standards, and
- the means of making the standards publicly available is sufficient to enable persons to whom the law applies to find and obtain copies of those standards with reasonable ease, and
- it is otherwise appropriate to incorporate those standards as part of the Energy Efficiency (Energy Using Products) Regulations 2002.

- 22 The advice of the Manager, Energy Use Policy is that this statutory prerequisite has been met.
- 23 The Energy Efficiency (Energy Using Products) Amendment Regulations 2025 are not expected to have a significant impact on children, seniors, disabled people, women, people who are gender diverse, Māori, Pacific peoples, veterans, ethnic communities, and faith-based communities.
- 24 Requirements under the World Trade Organisation (WTO) Agreement on Technical Barriers to Trade (TBT) have been met for air conditioners, household refrigerators and freezers, and clothes washing machines, rotary clothes dryers, and dishwashers. No submissions were received in response to these notifications. The other regulatory changes proposed in this paper did not require a notification as they were considered minor changes.
- 25 Once the Energy Efficiency (Energy Using Products) Amendment Regulations 2025 have been notified in the *New Zealand Gazette*, the WTO will be notified that those regulations will take effect on 1 May 2026 (i.e. six months after gazettal).

### Regulations Review Committee

- 26 There are no grounds for the Regulations Review Committee to draw the Energy Efficiency (Energy Using Products) Amendment Regulations 2025 to the attention of the House of Representatives as a Standing Order requirement.

### Certification by Parliamentary Counsel Office

- 27 The draft Energy Efficiency (Energy Using Products) Amendment Regulations 2025 have been certified by the Parliamentary Counsel Office (PCO) as being in order for submission to Cabinet.

### Impact Analysis

- 28 The Regulatory Impact Analysis Review Panel reviewed the associated Regulatory Impact Statements (RIS) in 2018 and 2019 before receiving Cabinet approval.

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- 29 They considered that the information and analysis summarised in them met the criteria necessary for Ministers to fairly compare the available policy options and take informed decisions on the proposals in this paper. The other regulatory changes proposed in this paper did not require a regulatory impact analysis as they were considered only minor.
- 30 As time has passed since policy decisions were taken, the Ministry for Regulation was consulted and noted that there is no requirement to update the previous RISs with context or new dates. They concluded that '*A Regulatory Impact Statement was prepared in accordance with Cabinet's impact analysis requirements and was submitted at the time that Cabinet approval was sought for the policy relating to the relevant regulations [CAB-18-MIN-0246.01]<sup>2</sup> and [DEV-19-MIN-0131]<sup>3</sup>*'.

### Climate Implications of Policy Assessment

- 31 The Climate Implications of Policy Assessment (CIPA) team has been consulted and confirms that the CIPA requirements do not apply to this proposal as the threshold for significance is not met.

### Publicity

- 32 Once gazetted, the Energy Efficiency (Energy Using Products) Amendment Regulations 2025 will be notified on the websites and in newsletters of the Ministry of Business Innovation and Employment, and the Energy Efficiency and Conservation Authority.

### Proactive release

- 33 I propose to proactively release this Cabinet paper subject to any necessary redactions. This would be done within 30 business days following confirmation of Cabinet's decisions.

### Consultation

- 34 The proposed amendments for air conditioners/heat pumps, three-phase cage induction motors, rotary clothes dryers, dishwashers, clothes washing machines, external power supplies and household refrigerators and freezers have been through consultation and cost/benefit analyses for both New Zealand and Australia.
- 35 Stakeholder groups, including manufacturers and importers in Australia and New Zealand, have provided input for both the MEPS and testing methods for each product during multiple rounds of consultation.
- 36 On 5 May 2025, pursuant to section 36 of the Energy Efficiency and Conservation Act 2000, I notified my intention to update the Energy Efficiency (Energy Using Products) Regulations 2002 in the New Zealand Gazette. The Gazette notice also gave notice of the proposal to incorporate standards by

<sup>2</sup> <https://www.mbie.govt.nz/dmsdocument/149-impact-summary-household-refrigeration-and-freezers-pdf>

<sup>3</sup> <https://www.treasury.govt.nz/sites/default/files/2020-09/ria-mbie-air-con-sep20.pdf>

reference, pursuant to Schedule 2 of the Legislation Act 2019. Information was also published on MBIE's website and circulated in daily newspapers in major centres.

- 37 Feedback on the regulations related to perceived unfairness, these concerns are expected to be addressed through the Energy Efficiency and Conservation (Energy Flexibility and Regulatory Improvements) Amendment Bill. Submitters also provided feedback on the need for a reasonable lead in time between when the Energy Efficiency (Energy Using Products) Amendment Regulations 2025 are made and when they enter into force to support effective implementation. This is mitigated by the proposed lead in time, giving parties approximately six months to comply.
- 38 The following New Zealand departments and agencies have been consulted on the proposed amendments: MBIE – Building Systems Performance, MBIE – Trade and Supply Chains, Worksafe NZ, the Energy Efficiency and Conservation Authority, the Ministry for the Environment, the Ministry of Foreign Affairs and Trade, the Department of the Prime Minister and Cabinet, the Treasury, and the Ministry for Regulation.

### Recommendations

I recommend that the Cabinet Legislation Committee:

- 1 **note** the Energy Efficiency (Energy Using Products) Amendment Regulations 2025 give effect to policy decisions developed under the Trans-Tasman Equipment Energy Efficiency (E3) Programme;
- 2 **note** that on 28 May 2018 Cabinet agreed to introduce and update Minimum Energy Performance Standards, Mandatory Energy Performance Labelling requirements and test methods across the following product classes: clothes washing machines, dishwashers, rotary clothes dryers, household refrigerators and freezers, three-phase cage induction motors and external power supplies, and incorporate minor technical and interpretive updates as further detailed in Annex One [CAB-18-MIN-0246.01 refers];
- 3 **note** that on 22 May 2019 Cabinet agreed to revise the MEPS for air conditioners/heat pumps as further detailed in Annex One [DEV-19-MIN-0131 refers];
- 4 **note** that the Energy Efficiency (Energy Using Products) Amendment Regulations 2025 give effect to the decisions referred to in recommendations 2 and 3 above;
- 5 **note** that section 36(2) of the Energy Efficiency and Conservation Act 2000 requires that, before making regulations, the Minister for Energy must notify the public of the proposal to make regulations, provide interested persons a reasonable time to make submissions, and consult with such persons as the Minister considers appropriate;

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- 6 **note** the advice of the Minister for Energy that the statutory prerequisite in recommendation 5 above has been met;
- 7 **note** that the requirements for incorporating material by reference under the Legislation Act 2019 apply to certain standards incorporated by reference into the Energy Efficiency (Energy Using Products) Regulations 2002;
- 8 **note** the advice of the Manager, Energy Use Policy, acting under delegated authority from the Chief Executive of the Ministry of Business, Innovation and Employment that the statutory prerequisite in recommendation 7 above has been met;
- 9 **authorise** the submission of the Energy Efficiency (Energy Using Products) Amendment Regulations 2025 to the Executive Council;
- 10 **note** that the Energy Efficiency (Energy Using Products) Amendment Regulations 2025 will come into force on 1 May 2026.

Authorised for lodgement.

Hon Simon Watts

Minister for Energy

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## Annex One: Proposed amendments to the Energy Efficiency (Energy Using Products) Regulations 2002

Product Class	Regulatory Change
Air-conditioners / heat pumps > 65kW	Introduce MEPS for air-conditioners/heat pumps with a capacity over 65 kilowatts (used mainly in commercial and industrial premises) in line with those adopted in Australia in 2022.
Clothes washing machines	Update the regulatory labelling requirements for clothes washing machines to accommodate higher efficiency products, in line with those adopted in Australia in 2015.
Dishwashers	Update the regulatory labelling requirements for dishwashers to accommodate higher efficiency products, in line with those adopted in Australia in 2015.
Rotary clothes dryers	Update the regulatory labelling and MEPS requirements for rotary clothes dryers to accommodate higher efficiency products, in line with those adopted in Australia in 2015.
Household refrigerators and freezers	<p>Revise the MEPS for household refrigerators and freezers to levels adopted in the United States in 2014; apply the international test method IEC 62552:2018, both changes in line with those adopted in Australia in 2019.</p> <p>Update the regulatory labelling requirements for household refrigerators and freezers aligned to the new standards and test methods, in line with those adopted in Australia in 2019.</p>
Three-phase cage induction motors	<p>Adopt the international test methods IEC 60034 (2014/2017), IEEE 112 2004/2017 for determining the energy consumption of three-phase cage induction motors (electric motors) in place of the currently specified test method; increase the MEPS requirements, both changes in line with those adopted in Australia in 2019.</p> <p>Revise the labelling requirements.</p>
External Power Supplies	Introduce MEPL and introduce a designated efficiency level (Mark VI) to recognise higher efficiency products in the market, in line with those adopted in Australia in 2014.
Tubular fluorescent lamps	Minor technical update to remove tubular fluorescent lamps of a specialised nature that are supplied in very low volumes, therefore no longer warranting of regulation.
Chillers	Minor and technical updates to exclude certain chillers from regulation and clarify the appropriate test standard for certain chillers (liquid chilling packages).
Close control air conditioners	Minor technical update to remove from regulation a certain low volume close control air conditioner used in computer rooms.