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Date: 17 Nov 2023

Registrar, Board of Architects (BOA)
Registrar, Professional Engineers Board (PEB)
President, Singapore Institute of Architects (SIA)
President, The Institution of Engineers, Singapore (IES)
President, Association of Consulting Engineers Singapore (ACES)
President, Singapore Contractors Association Limited (SCAL)
President, Real Estate Developers' Association of Singapore (REDAS)
Secretariat, Singapore Chemical Industry Council (SCIC)
Secretariat, Sustainable Energy Association of Singapore (SEAS)
Chief Executives, Corporation Representatives and Energy Managers, Registered Corporations under the Energy Conservation Act

Dear Sir / Madam,

INDUSTRY CONSULTATION ON PROPOSED ADMINISTRATIVE AMENDMENTS TO THE ENERGY CONSERVATION ACT

Introduction

The National Environment Agency (NEA) of Singapore is seeking feedback on proposed administrative amendments to the Energy Conservation Act (ECA). They include amendment to expand the definition of “New Venture” in the ECA to include URA Plan Lodgment scheme cases and the extend the role of energy manager to prepare and endorse the Energy Management System (EnMS) and Energy Efficiency Opportunities Assessment (EEOA) reports for the registered corporations (RC). The consultation exercise will commence on 20 Nov 2023 and end on 20 Dec 2023.

Background

2 Singapore ratified its enhanced climate pledge, or Nationally Determined Contribution (NDC), and Long-Term Low-Emissions Development Strategy (LEDS) to the UNFCCC in 2020. Subsequently, Singapore submitted the second update to its NDC and an addendum to its LEDS in November 2022. We have committed to reduce emissions to around 60 MtCO₂e in 2030 after peaking emissions earlier, and to achieve net zero emissions by 2050. The industrial sector, accounting for a lion's share of Singapore's greenhouse gas emissions, has the largest potential for emission reduction. Improving industrial Energy Efficiency (EE) is thus an important strategy in Singapore's decarbonisation journey to reach our net zero emissions goal.

3 The ECA which came into force in 2013 and enhanced in 2017, applies to energy-intensive facilities in the industrial sector with annual energy consumption of 54TJ or more. The key requirements of the ECA are as follows.

- a. appoint at least one certified energy manager from among its employees;
- b. monitor and report energy use and performance;
- c. develop an energy efficiency improvement plan and update annually;
- d. implement structured EnMS;
- e. conduct EEOA periodically for RCs;
- f. conduct EEOA for new ventures (NV i.e. new industrial facilities or major expansions); and
- g. implement energy performance measurement.

4 In addition to the above, Minimum Energy Performance Standards (MEPS) for motors and Variable Refrigerant Flow (VRF) air-conditioners and Minimum Energy Efficiency Standards (MEES) for water-cooled chilled water systems were also introduced to raise the energy efficiency level in the industrial sector.

Observations and rationale for proposed amendments:

5 To promote energy management discipline from the facility development stage, companies investing in new ventures with potentially large energy consumption are required to review the facility design for energy efficiency and develop economically feasible energy efficiency opportunities. At the start of the development of the new ventures, companies would be required to apply for Planning Permission or Plan Lodgment scheme with URA. Currently, companies with new ventures that have projected annual energy consumption of 54 TJ or more and have applied for Planning Permission from the URA are already required to conduct EEOA. Most of the new ventures go through this route of development. This first proposed amendment will now require new ventures that have projected annual energy consumption of 54 TJ or more and applied for Plan Lodgment scheme under URA to also conduct EEOA. This will help ensure that all new energy-intensive industrial facilities have considered and incorporated economically feasible energy/carbon efficiency opportunities into their facility design.

6 The ECA currently prescribes that RCs are to appoint qualified energy managers from among its employees to prepare the energy use report and energy efficiency improvement plan, train and educate employees on energy conservation practices, encourage energy conservation efforts as well as assist the RCs to generally comply with the requirements under the ECA. With the introduction of the EnMS and EEOA requirements following the enhancement to the ECA, the energy managers are now also assisting the RCs to comply with the EnMS and EEOA requirements. The second proposed amendment will thus formally extend the role of the energy managers to prepare and endorse the EnMS and EEOA reports for the RC.

7 The above proposed amendments, although administrative in nature, are part of Singapore's efforts to reduce energy consumption and carbon emissions in the industrial sector. As these new requirements are slated to be introduced in 4Q 2025, NEA would like to consult the industry stakeholders and gather feedback.

Details of proposed amendments:

	Requirements / Information
1) Definition of "new venture" (from 4Q 2025)	<ul style="list-style-type: none">• Amendment to update the definition of "new venture" to include new energy-intensive facilities (projected annual energy consumption equal or more than 54TJ) in the industrial sector that applied for URA Plan Lodgment scheme.• Companies with new ventures that applied for URA Plan Lodgment scheme will need to conduct EEOA and submit the assessment report for approval before applying for a clearance certificate under Section 33 of the Environment Protection and Management Act.
2) Energy Manager role (from 4Q 2025)	<ul style="list-style-type: none">• Amendment to extend the role of Energy Manager to prepare and endorse the EnMS and EEOA reports for the RC.

Industry Consultation

8 This paper serves as an invitation to an industry consultation exercise with the various stakeholders including members of The Institution of Engineers, Singapore, Board of Architects, Professional Engineers Board, Association of Consulting Engineers Singapore, Qualified Persons (QP), and companies regulated under Energy Conservation Act (ECA).

9 The consultation exercise will end on 20 Dec 2023. Interested parties can submit their feedback through FormSG (go.gov.sg/eca-ic).

10 All comments received during the consultation exercise will be reviewed and taken into consideration to finalise the amendments to the ECA.

Yours faithfully

(Transmitted via email)

SURESH. K
DIRECTOR (CARBON MITIGATION DIVISION)
NATIONAL ENVIRONMENT AGENCY