

EPEE ***NEWS***

*A Newsletter from
The European Partnership for Energy and the Environment
(EPEE)*

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**EPEE is a business partnership committed to
responsible global energy and environmental policy**

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DANISH HFCs PHASE-OUT PLAN & TAX ACT

Making use of the extended stand-still period (until 6th September), following the submission of detailed complaints by the Commission and some Member States, EPEE has continued meeting Commission Officials. This gave EPEE the opportunity to discuss in great detail the different arguments developed in the advocacy paper. Once the results of these meetings have been fully analysed, it will be possible to identify more precisely the areas where more business information is needed.

Danish HFC Tax Act up-date

The meetings also gave indications on the status of the HFC Tax Act in the Commission, which has not yet completed the analysis of the answer from Denmark to the Commission's request for further information following EPEE's complaint. Further information from EPEE members on the consequences of the tax (i.e. in terms of trade flows) would be very helpful in reinforcing EPEE's case to the Commission. This would provide evidence that the tax measure is breaching EU law and could trigger the infringement procedure.

EUROPEAN CLIMATE CHANGE PROGRAMME (ECCP)

According to Commission sources, a first draft of the ECCP Communication has now been finalised and will be discussed in September within DG Environment. It will then be reviewed by other services in the Commission. It is expected that the Commission will adopt the Communication by the end of October, in time for COP7 meeting in Marrakech.

Concerning fluorinated gases, EPEE has been informed that the Communication will follow the recommendations of the ECCP final report and will focus on containment measures, but will also propose measures to promote the development of alternative fluids and not in kind technologies (NIK). Furthermore it will stress that new policies should not undermine the phase out of ozone depleting substances under EC Regulation 2037/2000.

CLIMATE CHANGE IN THE EU

International negotiations on climate change

After 4 days of marathon negotiations and a non-stop 25-hour meeting in Bonn from 19-23 July, the signatory states finally approved on 23rd July a political compromise aimed at overcoming their huge differences about how the Kyoto Protocol should be implemented, and therefore opening the way for countries to ratify it. The 1997 Kyoto Protocol aims to reduce global carbon dioxide emissions by 5.2 percent of 1990 levels by 2012. The agreement means that the Protocol can come into force, as planned, in the run up to the World Sustainable Development "Rio + 10" Conference in 2002.

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The key elements of the deal are:

- Countries can use carbon sinks to achieve their reduction targets (the EU gave in quite substantially on this issue);
- A special Climate Change Fund and a fund for least developed countries will be established to help developing countries adapt to climate change. A Kyoto Protocol adaptation fund will be set up to finance concrete adaptation projects and programmes;
- Rules were adopted on the Clean Development Mechanism (nuclear energy was excluded);
- Rules were also agreed on the international emissions trading regime and the Joint Implementation regime;
- Compliance with the Protocol will be overseen by a Compliance Committee. No financial sanctions were foreseen for non-compliance. If a country does not reach the targets, it will have to do better in the second period from 2013. The rules on compliance will be further discussed at COP7 in Marrakech.

Commissioner Wallström indicated that right after the summer break the Commission will start working on proposals for the EU ratification of the Kyoto Protocol by the end of the year (each Member State also has to ratify the Treaty individually). She also said that the Commission will present the proposals on emissions trading in the Autumn. Furthermore, the ECCP communication is planned for October, before the Marrakech meeting.

While the Commission and Member States reacted in a euphoric way, closer examination of the agreement leaves reason for some doubt, as to the possible differences of interpretation and to its relative emptiness. Therefore there is a real risk that many aspects of the compromise will have to be re-negotiated at the next Conference (COP7) which will open in Marrakech (Morocco) on 29th October 2001.

The business community at large reacted positively to the deal. Some American business representatives criticized the Bush Administration for having rejected the agreement because they felt that this stance may isolate the US on the international scene. Jos Delbeke, a senior Commission official expressed the view that US industry may force President Bush to change his position. Under the “clean development mechanism”, companies in participating countries will earn credits for exporting low-emissions technologies to developing countries; the credits can then be traded for cash. *It's an extra economic benefit*” said Delbeke. *“There's now a huge world market for these companies to exploit.”*

ENERGY EFFICIENCY

EPEE's Director General and Secretariat had a meeting with officials from DG Transport and Energy (DG TREN), to explain EPEE's position, contribution to the ECCP process and its interest in energy efficiency. DG TREN invited EPEE to contribute to the proposed Framework Directive on minimum energy efficiency standards of household appliances. A first draft of this Directive is expected in September. There is a possibility that a link will be made to the Framework Directive on energy labelling.

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The Directive on Energy Efficiency in Buildings was also discussed. The Commission explained that it had chosen a not too radical approach in order to obtain the support by the Member States.

In the European Parliament's Committee on Industry, External Trade, Research and Energy, Mr Alejo Vidal-Quadras (ES, Christian Democrat), the Rapporteur for the proposed directive announced that the provisional timetable for considering the proposal should be the following:

September 17-18	Industry Committee first exchange of views
October 22	Draft report deadline for translation
November 5-6	Industry Committee consider report
November 20	Deadline for amendments
December 3-4	Debate in Industry Committee
December 17-18	Industry Committee vote
January/February 2002	Plenary vote.

This means that the proposed Directive could be adopted by the European Parliament and Council in the first half of 2002 (during the Spanish Presidency).

6th ENVIRONMENTAL ACTION PLAN

Discussions with Commission Officials confirmed that the new wording of the 6th Environmental Action Plan agreed by the Environment Council on 8th June is rather unfortunate. On reducing greenhouse gases in industrial production, the Environment Ministers called for "encouraging the development of more environmentally sound and technically feasible alternatives aiming at reducing emissions, phasing out the production where appropriate and feasible and reducing the use of industrial fluorinated gases HFCs (hydrofluorocarbons), PFCs (Perfluorocarbons) and SF₆ (sulphur hexa fluoride)". The reference to phase out could give Member States an excuse for presenting proposals to ban HFCs.

EPEE prefers the European Parliament's report which makes a more general remark on the need to reduce industrial greenhouse gases. The Parliament's second reading of the Action Plan takes place in the Autumn.

SAFETY DEVELOPMENTS

EPEE's safety standardization task force is actively monitoring the vote on the international standard IEC60335-2-40 (Appliances for air-conditioners for household and similar purposes) which is taking place in the CEN and IEC until mid-September. Martin Dieryckx, Daikin, is calling upon all EPEE Members to make sure that EPEE's position on the vote is communicated to their national standardization bodies. He is willing to provide more information on this matter should this be required.

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ASERCOM SYMPOSIUM ON LEGISLATION AND STANDARDISATION

At the upcoming ASERCOM Symposium which will take place prior to the IKK in Hannover, on 9th October, competent speakers will discuss draft proposals and revisions to legislation and standards, and in particular the consequences for the European market. These issues will be dealt with during two sessions. The first session will focus on the changes and revisions of EN standards which are relevant for the refrigeration and air conditioning industry. The following session will deal the national and the EU climate change programs. A number of EPEE members will speak at this conference.

For more information and registration please contact the ASERCOM Office, Jochen A. Winkler, Motzstr. 91, D-10779 Berlin, Germany (email: asercomjaw@t-online.de fax: +49 30 21479871)

UPCOMING EVENTS CALENDAR

EPEE Strategy Group Meeting: (closed) 23rd October 2001 in Brussels

EPEE General Assembly: (closed) 24th October 2001, in Brussels

EPEE Steering Committee Meeting: (closed) 25th October 2001 in Brussels

EPEE Company Working Group Meeting: (closed) 27th - 28th November 2001

International Conference on Refrigerant Management and Destruction Technologies Technologies of CFC's: 29-31 August, Dubrovnik, Croatia

CLIMA 2000 Napoli 2001: 15-18 September 2001, Napels, Italy

IKK Hannover: 10-12 October 2001, Hannover, Germany

TABD (Trans Atlantic Business Dialogue): 11-12 October 2001, Stockholm, Sweden

ARI Annual conference/General Assembly: 09-14 November 2001, Ft. Lauderdale, USA

Please submit items for EPEE NEWS and the UPCOMING EVENTS CALENDAR to:
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