

EPEE NEWS

MARCH – APRIL 2008

The EPEE Secretariat is pleased to present its bimonthly newsletter. Should you have any comments, questions or suggestions, please send us an e-mail at secretariat@epeeglobal.org.

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Message from the Director General

For EPEE members only!

I. Monitoring & recent events

Key recent events of significance to EPEE members

1. Emissions: EU Greenhouse Gas Emissions Decreased in 2006

The European Environment Agency (EEA) released end April preliminary data on EU greenhouse gas (GHG) emissions for 2006. Figures show that the EU-15 GHG emissions decreased by 0.9% or 35.8 millions tonnes CO₂ equivalent between 2005 and 2006. During the same period the EU-27 GHG emissions decreased by 0.3% or 15 million tonnes CO₂ equivalent.

Households and offices are the main contributors to this decreasing trend in emissions with 15.1 millions tonnes CO₂ equivalent saved in the EU between 2005 and 2006. France, Italy, and the UK have recorded the most significant emissions cuts in this sector.

The data has been submitted to the UNFCCC, and the EEA is expected to publish a more detailed analysis in June 2008.

Key documents:

For EPEE members only!

2. Climate Change: International Climate Change Negotiations

In early April, a meeting of the UN Convention on Climate Change (United Nations), was held Bangkok in order to set an agenda for the adoption of a post-Kyoto agreement. As the main outcome, the parties agreed to an extension of the carbon market beyond 2012, and on the inclusion of air and maritime transport into the sectors covered by efforts to reduce greenhouse gas emissions.

In parallel to the UN-level negotiations, a MEM (Major Economies Meeting) on energy security and climate change was held in Paris, gathering the representatives of the 16 biggest

economies. During this meeting outstanding issues which might block the international negotiations were discussed. The next MEM meeting will be held in July in Japan.

EPEE's action points/comments:

For EPEE members only!

3. CO2 Taxation: European Parliament rejects idea of a minimum CO2 Community tax

On 24 April, the European Parliament adopted with a large majority the own initiative report of MEP Anne Ferreira (PSE, France) on market based instruments for the environment. Although the idea of a minimum Community tax on CO2 was abandoned, the report does support the development of an EU Strategy to promote taxes, subsidies and incentives in order to counter environmental damage and correct the weaknesses of the market in this area.

Amongst other measures, the resolution encourages Member States to apply reduced VAT rates or tax credits for energy efficient products. The Resolution is non-binding but supports the European Commission and the Member States to further develop these policy instruments.

Key documents:

For EPEE members only!

4. EPBD: Commission launches its Public Consultation

On 28 April the European Commission launched a public consultation in order to review the 2002 Energy Performance of Buildings Directive which has so far been difficultly implemented in the Member States. The consultation is open for comments until 20 June 2008.

Currently, buildings under the threshold of 1000 square metres are exempted from the directive, but it has been shown that the total of all buildings below this threshold represent about 80% of total energy use by buildings.

It is aimed that under the revised proposal, the thresholds required would be set at a rate low enough to cover a much wider proportion of buildings and installations. Regarding the existing buildings, the performance standards would be upgraded. The European Alliance of Companies for Energy Efficiency in Buildings (EuroACE) has recently publicly supported the scrapping of the 1000 square meters threshold.

Meanwhile, the European Commission has launched an “operation facelift” for the European Quarter in Brussels. Starting in 2011, the Commission wants to give the priority to bicycles and public transport, and aims to introduce higher buildings of high environmental quality. Competition candidates can send their proposals for the EU Quarter until the end of May.

Key documents:

For EPEE members only!

EPEE's action points/comments:

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5. Refrigeration equipment : McDonald's chooses Forane 427A to retrofit its Swiss outlets

McDonald's is trying to anticipate the upcoming ban on the use of R-22 HCFC virgin fluid (end of 2009), by converting its equipment to a new generation HFC fluid, Forane 427A which has one of the lowest Global Warming Potential (GWP). The first retrofit installation includes an air/water heat pump and was done in December 2007 at one of its outlets in Montagny-sur-Yverdon, Switzerland.

McDonald's Switzerland seems satisfied with the result of the conversion with the new refrigerant and is hence planning further conversion of its equipment from R-22 to Forane 427A in the near future.

Key documents:

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6. Climate Change: US Developments

On the eve of the start of the Major Economies Meeting on energy and climate change last month in Paris, US President George W. Bush for the first time recognised the need for US legislation on GHGs and pledged to want to “stop the growth of US GHG emissions by 2025 and begin to reverse it thereafter”. EU member states have been very critical in their reactions to the little ambitious plans.

In the meantime, President Bush's pledge is being challenged by the Lieberman-Warner Congress bill, which currently being discussed, and which would introduce a cap and trade scheme covering 80% of US GHG emissions. Although this bill is said to be not as ambitious as the EU's at start, in the long term it is very ambitious and would cut down emissions by 70% in 2050, as compared to 2005 levels. In addition, several states, such as California, are pushing ahead with their own schemes and targets.

Key documents:

For EPEE members only!

7. WEEE Review: Commission Consultation Proposes Policy Options for Review of WEEE Directive

For EPEE members only!

Key documents:

For EPEE members only!

EPEE's action points/comments:

For EPEE members only!

8. RoHS review: Industry Opposes Review of Banned RoHS Substances

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Key documents:

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9. Climate Change: Parliamentary Committee on Climate Change Adopts First Report

On 1 April, the temporary Committee on Climate Change of the European Parliament adopted the first of its six reports giving a comprehensive assessment of the current knowledge on climate change and suggesting recommendations for decision-making. The Report backs IPCC scientific evidences on climate change as well as the EU's objective to limit global warming to two degrees. All the amendments questioning IPCC evidences were rejected and in addition the Report "condemns scientifically unsubstantiated" efforts to cast doubt on the IPCC's findings. The formal adoption of this report is scheduled for the plenary session on 19-22 May. The five other reports are expected to be adopted before September 2008.

Prior to the adoption of this Report, Rajendra K. Pachauri, chairman of the Intergovernmental Panel on Climate Change (IPCC), addressed the temporary Committee on Climate Change on 26 March, and put the emphasis on the EU which he considered as an example to be followed when combating climate change. Indeed, he mentioned the 2°C

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reduction as a clear commitment of the EU. He finally added “*I expect the EU to continue to play the leading role it has taken so far. The EU can set an example of fair action that will take the world a step forward*”.

Key documents:

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10. REACH: Commission Adopts Regulation on Fees

The European Commission adopted on 16 April a Regulation detailing the fees payable by companies in the context of the registration and authorisation procedures laid down by REACH.

Fees range from €1,600 for registrations of substances produced or imported in volumes of less than ten tonnes to €31,000 for substances over 1,000 tonnes. An authorisation for a substance in a particular use will cost €50,000.

SMEs will receive considerable discounts, and joint submissions (where companies team up to register the same substance) will receive a 25% discount. The Regulation also details separate fees for confidentiality requests.

The Regulation will be reviewed before 1 January 2013.

Meanwhile, the European Commission and the European Chemicals Agency (ECHA) have launched a publicity campaign to highlight the importance for companies to pre-register their substances before 1st December this year. This corresponds to the deadline as laid down in the REACH Regulation. Companies may begin pre-registering from 1 June.

Key documents:

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11. Flame Retardants: Commission Accepts ECJ Ruling on deca-BDE

The European Commission has declared that it accepts the European Court of Justice’s March ruling which decided that deca-BDE should be banned under the RoHS Directive. The Commission said that economic operators should consider 30 June 2008 as the final date for placing new products containing the substance on the market.

Key documents:

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12. Eco-Design: Commission plans to extend EuP to all manufactured products

The European Commission is expected to soon publish its “sustainable consumption and sustainable industry action plan”. This major package of measures will include plans to revise the EU eco-labelling scheme and boost green public procurement, but will also propose an extension of the EuP Directive to non-energy using products. An example of the extension of EuP to other products would be the insulation efficiency of windows.

Although the package was supposed to be presented on 14 May, the publication has been delayed due to internal disagreements over the measures at the European Commission, and it is argued that as a compromise only product groups with significant energy efficiency aspects could be included.

Industry associations, such as BusinessEurope and Orgalime, have already publicly contested the Commission’s plans to revise the EuP Directive. The proposal is now due out in early June.

13. Climate Change: MEPs want financial measures for Climate Change adaptation

On 10 April, the European Parliament largely backed a Resolution which calls on the Commission to integrate the economic adaptation to climate change into legislation. Financial measures for adaptation to climate change should be included in regional development, rural development as well as development aid policy, requested the Resolution.

Indeed, the less developed parts of the EU as well as developing countries will be highly affected by climate change with the least resources available.

Therefore, MEPs consider that the Commission should review its Green paper on adaptation to climate change by including economic adaptation measures through partnership programmes and technological cooperation.

Key documents:

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14. RES: MEPs want stricter rules for EU Renewables Law

Early April, speaking to the European Wind Energy conference in Brussels, Rapporteur Claude Turmes (Greens, Luxembourg) and shadow Rapporteur Britta Thomsen (Denmark,

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PSE) called on the European Commission to introduce stricter rules in the EU draft proposal for a directive on the promotion of renewable energies sources. They are pushing the Commission to adopt mid-term penalties for Members States that do not meet their targets. For the moment, only the 20% target for 2020 is binding.

According to the Commission, the enforcement measures in the current proposal are “sufficient” and penalties are already planned for Member States that will not meet the 2020 goal.

Meanwhile, on 28 March, the European Commission launched the Global Energy Efficiency and Renewable Energy Fund (GEEREF). Under this fund, 80 million Euros will be allocated over a period of four years to energy efficiency and renewable energies in developing and transition economies.

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