

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

The Danish Environment Minister has signed a letter officially notifying the European Commission of Denmark's intention to phase out the use of HFCs from 2006. There will be a three month period (from the date of receipt of the Danish notification letter) for the Commission to consider its position and for other Member States to make their views known.

It has become clear that the phase-out:

- 1) will apply to all equipment containing HFCs imported/sold in Denmark;
- 2) will not apply to equipment exported from Denmark (nor to equipment used for transport refrigeration).

Please note that Denmark will also carry out a public consultation process in Denmark which will end on 17 April 2001. Danish industry and other parties affected by the measure are invited to contribute.

DANISH TAX UP-DATE

On 1st February 2001 EPEE formally submitted a complaint against the Danish Tax on Greenhouse Gases. According to the European Commission, a letter, requesting further information from the Danish Authorities concerning possible State Aid elements in the Tax Act, will be sent before 1st March, the day that the tax is due to enter into force. This would allow Denmark to notify or to delay the Act. DG TAXUD (taxation) and DG MARKT (internal market) are currently also investigating the Act in view of Articles 28 & 30, 90, and 23 & 25 of the EC Treaty.

Meanwhile, the Netherlands submitted its observations to the Commission, stating that the Danish measure is “not the most effective instrument to reach the ultimate goal, because:

- it goes further than European policy in any case;
- it excludes major groupings;
- the measure is disproportionate and constitutes unnecessary barriers to trade in the free movement of goods;
- as a result of which the intended effect, i.e. a reduction in fluoride emission levels, is called into question.”

EUROPEAN CLIMATE CHANGE PROGRAMME (ECCP)

ECCP WG5 - Industry Fluorinated Gases sub-group meeting, February 22, 2001

The Fluorinated Gases sub-group meeting of the ECCP Industry Working Group held on 22nd February, dealt with refrigeration and stationary air conditioning, and mobile air conditioning.

Following the European Commission's request, EPEE and EUCRAR presented industry's initial contribution for an EU policy framework to decrease the environmental impact of refrigeration and air-conditioning. The proposed policy framework would aim at:

- a) Reducing the impact of refrigerants on climate change by limiting the emissions of greenhouse gases by improved design;
- b) limiting CO₂ emissions generated from the production of energy required to power equipment / systems by improved design and system control for energy efficiency;
- c) ensuring the responsible use of refrigerants in equipment / systems.

The aim of policy should be three-fold:

- a) action on self contained equipment and major system components;
- b) action on installed systems at the design stage; and
- c) action during the use and decommissioning of equipment/ systems.

To achieve responsible use, the proposal would define the responsibilities for both producers of refrigerants, the manufacturers of installations as well as the users of refrigeration and air conditioning equipment. The proposal also defines the roles of the Member States and the European Union. Although a single legal framework should be developed at EU-level, individual approaches need to be tailored to the different product segments. The proposal calls for a sectoral approach, because the air conditioning and refrigeration industry is very fragmented and producers products with a multitude of applications.

There was discussion of cost and safety issues and of efficiency data needs. The Chairman concluded that the encouragement of alternatives should be at least mentioned in the final report. It was noted that there would be a Member State workshop on March 6th, to formulate a common position.

The Commission confirmed that it intends to submit a draft final report to WG members for comments by 4th April and that the ECCP meeting on 26th April will adopt the final report.

UNICE position

The European Community Employers' Federation (UNICE) called on the Commission to back wider use of voluntary agreements. EU-level agreements will not always be appropriate, UNICE acknowledges. It proposes nevertheless a new form of framework EU agreement, which would set general rules to be followed in national deals including detailed conditions and quantified targets. Such an approach could help to overcome a key obstacle to EU-level process industry agreements presented by differing national situations and policies. Following the request by the Lisbon European Council in March 2000, the Commission is currently working on "*alternatives to regulation, soft law, better regulation and the need for better public administration*" which should improve the effectiveness of alternative political procedures.

CLIMATE CHANGE: COP 6 *BIS* DELAYED

Despite increased pressure by the Commission to resume the COP-6 negotiations – following the failure at the Hague meeting in November last year – the United Nations climate change convention bureau in New York confirmed on 12th February that a two-week conference is now likely to be held between mid-June and late July, but possibly even later. The EU has expressed concern, however, that if delayed too much, the Belgian Presidency of the EU Council of Ministers will have the task of both organising COP6-bis and COP7 (November 2001). This delay constitutes a set-back for Commissioner Margot Wallström who, in reaction to the UN report on Climate Change, had hoped that negotiations would be wrapped up in Bonn in May. She said that the new UN Study on Climate Change demonstrates that climate change is occurring faster than anyone had thought and insisted that the world cannot continue down the path of continually increasing emissions. The Commissioner emphasized again that a range of alternatives to fossil fuels and technologies for reducing energy consumption already exist. She urged the introduction of incentives to promote the use of these technologies and once again reaffirmed the EU's determination to take the initiative in this area.

UP-DATE ON NATIONAL CLIMATE CHANGE PROGRAMMES

Finland

The Finnish Government announced it “will draw up and implement a national plan on how Finland will meet its minimum obligations on greenhouse gases reached at the Kyoto Conference on climatic impacts. These commitments will be met in such a manner that the measures needed to implement them will not impair economic growth and moves to strengthen employment nor prejudice steps to reduce the national debt.”

The preparations for the National Climate Strategy are based on sector-specific studies which will be compiled into a Background Report. Based on these studies, the Government will submit the proposal to Parliament in spring 2001. The focus will be on CO₂ emissions and energy efficiency. Fluorinated Gases could be tackled in a second phase.

France

France's parliament recently adopted unanimously a proposal introduced by the Environment Minister Dominique Voynet and her Green Party to make the fight against the greenhouse effect a national priority. The Minister announced that the government would be hosting a national conference on this subject in June. Concrete proposals concerning Fluorinated Gases are expected in May. It has become clear that France will not take unilateral proposals in the field of taxation. Measures are expected to focus on leakage control, qualification of refrigerants handlers, leak detection of components, and financing of research into alternatives.

France also submitted a proposal to develop a new R phrase to address substances and preparations with a high global warming potential, i.e. Greenhouse Gases as dangerous for the environment.

Just like ozone depleting substances are classified on the basis of their ozone depleting potential (ODP), France proposes to assign a specific phrase, associated with the N symbol to all substances with a calculated GWP (100 yrs. - relative to carbon dioxide) ≥ 700 . If accepted by other Member States and the Commission, the directive 67/548/CEE would be adapted in a way as outlined in annex to the French proposal. It is understood that the European Chemical Federation (CEFIC) will represent industry in the discussions.

Germany

Germany's Climate Change Programme is mostly focused on CO₂ emissions, although it also refers to Fluorinated Gases. The Government has indicated that it will not accept a "business as usual" approach. The German Environmental Protection Agency is developing more precise policies and measures to promote responsible use of refrigerants. EPEE will actively contribute to policy developments.

Sweden

On 31st January Sweden announced its intention to achieve a 2 % reduction in CO₂ emissions planned for 2010. It requested the Swedish Environmental Protection Agency to produce a study on measures and instruments. Awaiting the results of this study, the Government has decided to postpone a National Climate Change Proposal until September/October of this year.

UK

The UK published the Climate Change Programme on 7th November 2000. In response to a letter by EPEE's Director General, The UK Minister for Environment, Mr. Meacher has expressed the wish to strengthen existing voluntary agreements. He also announced that he has commissioned a study on energy efficiency of refrigeration equipment.

Meanwhile Britain's health ministry has published what it says is the first attempt in Europe to quantify the implications of climate change for human health. The report assumes that average temperatures will rise by 0.8 to 2.3 degrees celsius by 2050. On the positive side, the effect of this increase in fifty years' time would result in the number of winter deaths to fall by 20,000 annually, while deaths from heat-stroke would rise by only 2,800 per year. But these positive effects would be countered by increasing incidence of several serious ailments, such as skin cancers, cataracts, and food poisoning, as well as deaths caused by summer ozone pollution.

Norway

Norway is not an EU Member State, but Member of the European Economic Area. The Norwegian Pollution Control Authority (SFT) published on 13th February a report on f-gases. In this report SFT recommends a NKr250 (30 euros) refundable levy per tonne of CO₂ equivalent. This levy should reduce emissions by 40 %. The duty should be refundable, that is to say it would be paid back on delivery of HFCs, PFCs and SF₆ to a collection centre, or when they are removed from scrapped equipment. Interested parties are invited to make submissions before May, then Government is planning to submit its Climate Change Programme to parliament.

INTEGRATED PRODUCT POLICY GREEN PAPER

The European Commission on 8 February adopted a Green Paper on an Integrated Product Policy (IPP). The IPP strategy aims to improve the environmental performance of a broad range of products throughout their life cycle. The Green Paper proposes a strategy to strengthen and refocus product-related environmental policies to promote the development of a market for greener products.

The Green Paper suggests to develop thinking in the following areas in particular:

- Economic instruments: working on price mechanisms and possibilities for differentiated taxation
- Consumption: identifying tools and incentives for greening demand
- Public Procurement: identifying ways of promoting green public procurement
- Product Information: ways of generating more reliable information on the environmental characteristics of product
- Product Design: ways of making environmental aspects a key feature of product design
- Standardisation: ways in which IPP can contribute to greening the standardization process

The publication of the Green paper is the first step in the development of the policy and will be used to kick-off a consultation process with interested parties. A first hearing will be held on March 8/9 2001.

ELECTRICAL & ELECTRONIC EQUIPMENT (EEE) DIRECTIVE

A draft proposal for a Directive on the impact on the environment of electrical and electronic equipment (EEE) is scheduled for the 3rd of 4th quarter of 2001. The Directive will aim to ensure the circulation of electrical equipment in the Single Market whilst at the same time integrating environmental requirements into product design standards. The proposal is set to apply to all electrical equipment not exceeding 1000v Ac or 1500v DC, including electric domestic appliances and electrical machinery and apparatus. It therefore looks set to apply to air-conditioners. Following preliminary discussions with stakeholders during 2000, the Enterprise DG has prepared a working paper with the intention of launching a widespread consultation process on the proposed directive. A consultation meeting with stakeholders is being organised on 6 March (where EPEE will be represented).

At this meeting Commission officials will present the working paper, which represents the draft proposal of text for a directive, in order to solicit a first round of discussion and feedback. The meeting will involve the participation of Member State officials, industry, non-governmental organisations, and standards authorities. It will offer all stakeholders an opportunity to improve their understanding of the proposal and to express their views in order to influence the development of the proposal at an early stage. It is expected that the consultation process will continue throughout this year, in parallel with a detailed business impact study that will analyse the expected costs and benefits of such a directive.

WHITE PAPER ON CHEMICALS

A new strategy for a future EU chemicals policy was unveiled by the European Commission on 13 February. The main objective of the new Chemical Strategy is to ensure a high level of protection for human health and the environment, while ensuring the efficient functioning of the Internal Market and stimulating innovation and competitiveness in the chemical industry.

The Commission proposes setting up a single efficient and coherent regulatory framework providing equivalent knowledge about the hazards of chemicals marketed before and after September 1981 (“existing” and “new” chemicals) and their uses; reversal of responsibility from authorities to industry for testing and risk assessment of chemicals; promotion of innovation and competitiveness without compromising the high level of protection; introduction of a tailor-made authorization where stringent control is ensured for the most dangerous chemicals; and increased transparency and information about chemicals.

EPEE STRATEGY GROUP MEETING

The second meeting of the Strategy Group meeting, with over 25 participants, took place on 21st February at the Brussels Airport Sheraton hotel. The meeting discussed the EPEE/EUCRAR Refrigerants Framework Proposal for ECCP and the policy paper. It was decided to facilitate the work by setting up several smaller task groups to examine strategic issues, observe the further development of the Electrical and Electronic Equipment program of the Commission, Integrated Product Policy etc.

EPEE ASSOCIATIONS' MEETING

At the invitation of EPEE, 11 national and international trade associations in the field of air-conditioning and refrigeration – ACRIB, AFCE/AFF, AREA, ASERCOM, EUROVENT-CECOMAF, EUCRAR, FETA, CECED, EFCTC, ALLIANCE and EPEE – took part in a meeting at the Brussels skyport meeting centre, on 23 February 2001. The objective of the meeting was to better coordinate efforts, achieve synergies and to examine ways to reinforce the impact of work undertaken, both at the European, national and local level.

UPCOMING EVENTS CALENDAR

EPEE Company Working Group Meeting: (closed) 8th March 2001 in Brussels

EPEE Strategy Task Force Meeting: (closed) 2nd May 2001 in Brussels

EPEE Strategy Development Working Group Meeting: (closed) 22nd May 2001 in Brussels

EPEE Steering Committee Meeting: (closed) 19th June 2001 in Brussels

ECCP WG 5 Fluorinated Gases sub-group meeting: 21st March 2001, Brussels
Topics: foams, semi-conductors, technical aerosols

ECCP WG 5 Fluorinated Gases sub-group meeting: 26th April 2001, Brussels
Topic: Confirmation of final report

EEE Directive Consultation Meeting: 6th March 2001, Brussels

IPP Hearing: 8-9th March 2001, Brussels

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