

# ***EPEE*** ***NEWS***

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

**Vol. 2 No. 6**

**10<sup>th</sup> July 2001**

## **EPEE News Headlines:**

- DANISH HFCs PHASE-OUT PLAN & TAX ACT
- EUROPEAN CLIMATE CHANGE PROGRAMME (ECCP)
  - PROPOSED WEEE/ROHS DIRECTIVES
  - CLIMATE CHANGE IN THE EU
  - ENERGY EFFICIENCY
- 6<sup>TH</sup> ENVIRONMENTAL ACTION PLAN
  - SAFETY DEVELOPMENTS
- CONFERENCE ON TECHNOLOGICAL INNOVATIONS
  - EPEE MEETINGS
- ZERO LEAKAGE – MINIMUM RATE CONFERENCE
- UPCOMING EVENTS CALENDAR

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

## **DANISH HFCs PHASE-OUT PLAN & TAX ACT**

Following the submission of detailed complaints by the European Commission, as well as Belgium, Germany, Italy and Spain, the stand-still period was extended until 6<sup>th</sup> September. EPEE used this time by encouraging other Member States to submit detailed opinions too, and by reinforcing its argumentation with the support of further information and evidence.

To discuss the legal arguments as developed in its advocacy paper, EPEE is meeting Commission officials in DG Enterprise, Internal Market and Environment. Both within the Commission and with the 4 Member States mentioned above, a high level of consensus existed on the arguments used in the detailed opinions. It has also become clear that, although the Commission cannot do anything more before Denmark has reacted, it welcomes all additional evidence EPEE can provide.

Denmark is not required to reply before 6<sup>th</sup> September, but it cannot adopt the measure before it has done so.

It seems that Denmark adopted this unilateral measure because of frustration with slow progress achieved on developing EU legislation to contain the environmental impact of greenhouse gases. Now that the ECCP process has come to an end, and the Commission will be working on the recommendations, EPEE would hope that Denmark continues to contribute to this work and ensures that national measures are coherent with EU policies in this field. The Commission indicated that a unilateral Danish approach could trigger off the infringement procedure.

### *Danish HFC Tax Act up-date*

Following EPEE's submission of a complaint based on an extensive legal analysis, on 1st February the Commission requested on 27th February further information from Denmark on the various issues raised by EPEE. In April, the Commission received an extensive answer from Denmark which it is still examining.

It now seems to become clear that, although the Commission has not taken a definitive position yet, it is unlikely that the Danish tax can be linked to State Aid. Yet, the Commission is still considering to investigate further other aspects of the tax measure which could have the effect of a custom duty and be discriminatory. If this were the case, this could well lead the Commission to start the infringement procedure.

## EUROPEAN CLIMATE CHANGE PROGRAMME (ECCP)

### *ECCP Report*

The European Commission presented on 11<sup>th</sup> June the final European Climate Change Programme report. European Environment Commissioner Margot Wallström said it is now up to the EU and its Member States to show the political will to progress and prepare to apply the necessary initiatives. The report coincided with preparations for the EU Summit in Gothenburg on 15<sup>th</sup>-16<sup>th</sup> June.

According to the ECCP report, the EU should be able to meet its Kyoto Protocol obligations without putting any excessive financial burden on the European economy, if all sectors are called upon to make a contribution, i.e. -8% in greenhouse gas emissions by 2008-2010 relative to 1990 levels. This would minimise the compliance cost of EU climate policy for society as a whole. The ECCP investigated more than 40 measures in total using selection criteria such as their contribution to the reduction of greenhouse gas emissions, cost effectiveness and the time-frame within which they could be realised. The programme could identify cost-effective options costing less than Euro 20 /tonne of CO<sub>2</sub>eq. totalling 664765 MtCO<sub>2</sub>eq. This is twice the size of EU's required emission reduction under the Kyoto Protocol (336 MtCO<sub>2</sub>eq.).

Concerning fluorinated gases, the report recommended:

1. Make a clear political statement on the importance of reducing fluorinated gas emissions.
2. Establish a regulatory framework in a "Community Directive on Fluorinated Gases"  
The key objectives of such a Directive would be:
  - Improved monitoring and verification of emissions of fluorinated gases.
  - Improved containment of fluorinated gases.
  - Marketing and use restrictions in certain applications, such as SF<sub>6</sub> in tyres and windows.
3. Use existing or planned EU legislation to the extent possible for the reduction of fluorinated gases. The working group noted that policies should not undermine the phase out of ozone depleting substances under EC Regulation 2037/2000.
4. Examine the appropriateness of selected voluntary agreements primarily in the semi-conductor, switchgear and foam sector.
5. Carry out integrated, independent assessments of relevant technologies in order to facilitate a comparison between the use of fluorinated gases and alternatives.
6. Promote the development and appropriate use of alternative Fluids and not in kind (NIK) technologies.

### *ECCP Stakeholders meeting, 2-3 July 2001*

The aim of this conference was to give political clout to the outcome of the ECCP process by reviewing and evaluating the proposals contained in the ECCP Programme Report and by seeking views on the next steps and priorities.

EPEE

40 Rue d'Arlon 1000, Brussels Belgium  
secretariat@epeeglobal.org  
Web: [www.epeeglobal.org](http://www.epeeglobal.org)

The conference was attended by representatives from the Commission as well as the other EU institutions, Member States, academics, industry, and NGOs (about 250-300 people in total).

In her introduction, the Environment Commissioner Ms Margot Wallström, noted that all stakeholders had been consulted during ECCP and that now concrete measures must be taken. The Commission plan is to present a strategy to implement the Kyoto Protocol in the Autumn of 2001. Another round of consultations with industry and Member States is planned for September before developing a formal proposal.

The meeting discussed sectoral policies, horizontal issues, policy instruments and cross-cutting themes.

The Fluorinated Gases report was briefly discussed during the work group session on industry, with the conclusion that a Directive should be prepared which focused on containment. The environmental NGOs continued to stress their position of the need to consider substitution as the only long term viable policy and also the need to discourage use. Denis Clodic (Ecole des Mines) noted that containment "was not a short term policy". The Chairman of the Fluorinated Gases group stressed the large costs of substitution and the need for any measures to be proportional to the actual levels of emissions.

The summary of the session by the rapporteur, Mr Jochen Harnish, was presented to the plenary session without comment. It stated:

*General agreement on the recommendations **BUT***

- *Where is the right balance between alternative technologies and containment ?*
- *Some NGOs and Member States support more radical approaches*
- *Support of alternative technologies still needs to be defined*
- *How ambitious will the Directive and VAs be?*

The Commission seems to be confident that the work on the Directive on a Fluorinated Gases Directive is expected as a priority. Work may commence in the Autumn of 2001, once approval procedures have been cleared.

EPEE will continue to actively monitor this process and will contribute when possible and appropriate.

## **PROPOSED WEEE/ROHS DIRECTIVES**

On 7 June the Council of Environment Ministers unanimously reached a political agreement on the proposed Directives on the treatment of waste from electrical and electronic equipment (WEEE) and on the limitation of hazardous substances in such equipment (RoHS Directive). Formal adoption of the Common Positions will take place at a next Council of Ministers meeting (probably in September or October), following legal and linguistic finalisation of the text.

EPEE

40 Rue d'Arlon 1000, Brussels Belgium  
secretariat@epeeglobal.org  
Web: [www.epeeglobal.org](http://www.epeeglobal.org)

The agreement was reached on the basis of compromise mainly tackling the question of the deadlines for the entry into force of the key provisions, i.e. the setting-up of the collection and financing systems and the introduction of the collection and recovery targets.

The European Parliament's amendment to the RoHS proposal implying that HFCs are hazardous and should be subject to future proposals was not adopted by the Council of Ministers. The European Parliament will carry out its Second Reading of the proposals in the Fall and MEPs may try to re-introduce the HFC amendment into the RoHS text, but must do so by an absolute majority of 314 MEPs (out of a total of 626). Given the opposition of the largest political party in the European Parliament against this amendment during first reading, it will be hard to achieve this majority, but EPEE will continue to monitor this carefully.

The Council's political agreement on the WEEE Directive includes the European Parliament amendment, which narrows the scope of the Directive to air conditioning appliances. The wording of the original European Commission proposal would have covered all air conditioners. Given that both Parliament and Council have now accepted this amendment, it can not be removed in the remainder of the legislative process.

## **CLIMATE CHANGE IN THE EU**

As was expected, although the EU and the US did not try to conceal that differences on ratification of the Kyoto Protocol continued to persist, both the US and the EU used lots of conciliatory language to demonstrate their commitment to climate change problems and to cooperation on this matter. The US President indicated that the US would take part at the COP 6 bis meeting in Bonn.

The statement by US President Mr Bush, European Commission President Mr Prodi and Swedish Prime Minister Mr Persson read *"We had an interesting and open dialogue here in Gothenburg on climate change, which will continue. We recognise that climate change is a pressing issue that requires a global solution. The EU and the US are both committed to providing strong leadership on climate change. Prompt, effective and sustainable action is needed, consistent with the ultimate objective of the UN Framework Convention on Climate Change (UNFCCC) of stabilising greenhouse gas concentrations in the atmosphere.*

*We are determined to meet our national commitments and our obligations under the UNFCCC through a variety of flexible means, drawing on the power of markets and technology. In this context, we agree on the importance of intensifying co-operation on climate-related science and research. We disagree on the Kyoto Protocol and its ratification, but we are determined to work together to address climate change and will participate constructively in the resumed COP 6 in Bonn. Our efforts must ultimately result in an outcome that protects the environment and ensures economic growth compatible with our shared objective of sustainable development for present and future generations."*

To prepare the Bonn negotiations, delegates from 110 countries gathered in The Hague on 25-28 June. The meeting was widely viewed as constructive, even though it exposed significant differences between the EU and many of its partners. Champions of the Kyoto protocol stressed that the treaty can be ratified in spite of its rejection by the US. It can enter into force if it is backed by 55 countries and countries representing 55 per cent of the industrialised world's emissions. Significant concessions to Japan on the treatment of its forest "sinks", which absorb carbon and other significant changes to the treaty were discussed.

In an effort to find allies for its position, a high level EU delegation travelled to Australia on 6<sup>th</sup> July to meet Australian Minister of Environment, Senator Robert Hill, who reiterated Australia's position that it would not ratify the Kyoto Protocol without the US. On 9<sup>th</sup> July, the delegation visited Japanese Foreign Minister Makiko Tanaka who said that Tokyo will steadily continue to urge the US to participate in the pact, adding Japan and the EU should make lead efforts to the effect. Yet, the EU did not receive assurances whether Japan would ratify the Kyoto Protocol despite the US.

Meanwhile, on 5<sup>th</sup> July, the European Parliament adopted a resolution prepared by Rapporteur Ms Caroline Jackson (EPP-ED, United Kingdom) stressing its commitment to the Kyoto Protocol and criticizing the US for abandoning it. It urges the European Union to take the lead in careful discussions with the other members of the umbrella group, the developing countries and other parties, in order to devise an appropriate strategy for further progress in the absence of a renewed US commitment to the Kyoto Protocol and in order to ensure sufficient participation to meet the thresholds for entry into force of the Kyoto Protocol before the Rio + 10 Conference.

## **ENERGY EFFICIENCY**

Initiated by Spanish Energy Commissioner Ms Loyola Palacio and adopted by the European Commission on 15<sup>th</sup> May, the European Parliament started preparing its opinion on the draft directive on energy performance in buildings, on which the Industry, Trade, Research and Energy Committee will take the lead. Due to pressure from the Spanish delegation within the Christian Democrat group, Mr Alejo Vidal-Quadras was appointed as rapporteur. The Environment Committee will also draft an opinion on the proposal and there too the rapporteur will be a Spanish Conservative, Ms Christina Garcia-Orcoyen Tormo. The real negotiations on the Directive are expected to during the Spanish Presidency in the first half of 2002. Given the position of Spain on energy efficiency and the Kyoto Protocol, the two rapporteurs are not likely to take a radical position on this matter.

DG Transport, Regional and Energy policies (DG TREN) is currently finalising the Commission Directive on energy labelling of air-conditioners, to implement the framework Council Directive 92/75/EEC. Once adopted by the Commission, such a directive is published in the EC Official Journal and enters into force. Because it concerns the implementation of existing legislation, no role is played by the European Parliament or the Council of Ministers (of course Member States have their input through the expert committee). The next meeting of the expert group will take place in mid/end September.

It is intended that the experts will vote on the text at this meeting. If it is adopted (highly likely) it will then be sent to translation and scheduled for adoption by the College of Commissioners in December 2001 or January 2002. It is intended that Member States will apply the Directive from 31 December 2002.

## 6<sup>th</sup> ENVIRONMENTAL ACTION PLAN

The Sixth Environmental Action Plan, was presented by the Commission on 24th January 2001, as a framework programme for environmental policy for the next ten years. It covers many areas among which climate change.

On 8th June, the Environment Council unanimously reached an agreement on the new Environmental Action Programme. Whilst referring to the results of the European Climate Change Programme and adopting effective common and coordinated policies and measures on its basis, Council also specified actions for various sectors complementary to domestic actions in the Member States. On reducing greenhouse gases in industrial production, Council 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 SF<sub>6</sub> (sulphur hexa fluoride)”. It also requested “promoting energy efficiency notably for heating, cooling and tap water in the design of buildings”.

EPEE’s position is that gases *emissions* should be tackled rather than its use. In this sense, the wording on fluorinated gases chosen by the European Parliament in its report is to be preferred as it calls for the reduction of industrial greenhouse gases as such. The Parliament’s second reading of the Environmental Action Plan will take place in the Autumn, and EPEE will present its views for this purpose.

## SAFETY DEVELOPMENTS

On 25<sup>th</sup> June, the Council of Ministers and the European Parliament reached agreement on the amendment to Directive 92/59 on general product safety. The new Directive places greater onus on the producers of goods in particular through the statutory responsibility of producers and distributors to sell only safe products. Companies can expect penalties when they market products that are dangerous for consumer safety or health. The new Directive is due to be formally adopted in the next months and will then have to be transposed in national legislation within two years of its introduction.

EPEE’s safety standardization task force has started work on the international standard IEC60335-2-40 (Appliances for air-conditioners for household and similar purposes) which is undertaken jointly with the European standardisation body CEN.

## **EUROPEAN CONFERENCE ON TECHNOLOGICAL INNOVATIONS**

EPEE's Director General, Friedrich Busch, gave a presentation on European Regulation and the Choice of Refrigerants to the IX European Conference on Technological Innovations in Refrigeration, air Conditioning and in the Food Industry, in Milan, 29-30<sup>th</sup> June 2001. He said that EPEE promotes the EU-wide containment of all refrigerants in energy efficient equipment. This will reduce not only direct but also indirect emissions (i.e. to operate and run equipment) which account for almost 84%. EPEE Director General called for political leadership by the Commission and for Member States to follow the ECCP recommendation regarding a European Directive for refrigerants and responsible use.

## **EPEE MEETINGS**

### *EPEE Steering Committee*

CEOs from 12 EPEE Members participated in the third meeting of the Steering Committee which took place on 19<sup>th</sup> June. The meeting adopted EPEE's strategy paper, and discussed ECCP progress, HFC developments in EU Member States, the GREEN Programme as well as EPEE's website, communication strategies and membership. Members welcomed the revised website and the new brochure on HFCs which had just been published.

### *Company Action Group*

The third meeting of the Company Action Group took place in Brussels on 21<sup>st</sup> June and discussed how the effectiveness of EPEE's presence in the Member States could be improved. In this sense, the meeting also discussed cooperation with the national air conditioning, heat pump and refrigeration associations.

## **ZERO LEAKAGE – MINIMUM RATE CONFERENCE**

The International Institute of Refrigeration has just announced its conference "Zero leakage - minimum charge; Efficient Systems for Refrigeration, Air Conditioning, and Heat Pumps", which will be held in Stockholm, at the Royal Institute of Technology, 26-28 August 2002. The organisers aim at bringing together not only the scientific community, but also policy makers. More information can be downloaded at: [www.egi.kth.se/zero/](http://www.egi.kth.se/zero/)

EPEE

40 Rue d'Arlon 1000, Brussels Belgium  
[secretariat@epeeglobal.org](mailto:secretariat@epeeglobal.org)  
Web: [www.epeeglobal.org](http://www.epeeglobal.org)

**UPCOMING EVENTS CALENDAR**

**EPEE Strategy Group Meeting:** (closed) 23<sup>rd</sup> October 2001 in Brussels

**EPEE General Assembly:** (closed) 24<sup>th</sup> October 2001, in Brussels

**EPEE Steering Committee Meeting:** (closed) 25<sup>th</sup> October 2001 in Brussels

**EPEE Company Working Group Meeting:** (closed) 27<sup>th</sup> - 28<sup>th</sup> 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:*  
[secretariat@epeeglobal.org](mailto:secretariat@epeeglobal.org)