

EPEE NEWS

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

I. F-Gas Regulation Update 2

On 31 January 2006 a final agreement was reached around the F-gases Regulation conciliation. This agreement was approved by the European Parliament on 4 April. A key element of the agreement was a cut-off date of 2005 for Member States to introduce national legislation going beyond the EU Regulation, as well as a deadline of 2012 for the ending of existing Danish and Austrian legislation. The formal Council vote is expected in late April.

II. WEEE/RoHS Update 2

A number of the deadlines set by the WEEE and RoHS Directives are approaching fast, including the reaching of collection, recovery and recycling targets for and the banning of hazardous substances in electrical equipment from 1 July 2006. The scope of these Directives is under continuous review by the TAC committee, and stakeholder consultations are also taking place regularly. Key ongoing discussions include the selective treatment annex, fixed installations and grey area products.

III. ECCP II Process Update 3

EPEE is involved in the Second European Climate Change Programme (ECCP II) through two working groups in the ECCP Review, namely *Gases Other than CO₂* and *Energy Demand*. A final plenary meeting of all working groups will take place on 2 May 2006.

IV. Eco-Design for Energy-using Products (EuP) 4

The deadline for nominating representatives to the consultation forum set up under Article 18 of the Eco-Design Directive passed on 31 March 2006. In addition to this consultation, the Commission also published a call for tender for contractors to undertake the studies to prepare possible implementing measures on eco-design requirements in the priority products areas identified. It is currently in the process of announcing contractors for this, with work expected to run 12-18 months.

V. Eco-Labeling of Heat Pumps 4

The EU is currently looking into establishing an eco-label for heat pumps. Criteria for the attribution of the eco-label are being developed by a heat pump working group chaired by the Swedish competent body, SIS eco-label, under the auspices of the EU Eco-label Board (EUEB). Final criteria are expected towards the end of the year and then need to be agreed by regulatory commissions of national authorities and the Commission.

VI. Commission Energy Green Paper Released 5

Commission adopted on 10 March 2006 its Energy Green Paper entitled "A European Strategy for Sustainable, Competitive and Secure Energy." The Paper outlines how a European Energy Policy could meet three objectives: sustainable development, competitiveness, and security of supply. Following this consultation, it is expected that the Commission will propose a series of concrete energy measures, with energy efficiency expected to be high on the agenda.

VII. The Spring European Council 6

At the Spring Summit, held in Brussels on 23-24 March 2006, energy issues were top of agenda. Annex III of the Council Conclusions includes an indicative list of actions that will contribute to environmental sustainability, including an Action Plan on Energy Efficiency to be submitted by mid-2006, full implementation of existing legislation on the Energy Performance of Buildings (EPB), development of renewable energies, a review of the EU Emissions Trading Scheme (ETS), and support for research and development measures.

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

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I. F-gases Regulation Update

A final agreement was reached on 31 January 2006 on the F-gases Regulation conciliation. As expected, the main focus of this agreement was around the compromise text on the grandfathering of the Austrian and Danish legislation, as well some final tweaking to the other amendments.

Key elements of this agreement include:

- A cut-off date of 31 December 2005 to stop Member States (other than Austria and Denmark) from introducing further national measures that go beyond the EU Regulation;
- A cut-off date of 1 January 2012, which will see an end to the Austrian and Danish legislation;
- Recognition that any national measures must be compatible with the Treaty;
- Labelling provisions which would limit reference to GWP to the instruction manuals.

The remaining unknown is what will happen to the ongoing infringements with Denmark and Austria as a result of this agreement. The issue was raised via a Parliamentary Question placed by the Danish MEP Peter Bonde and his Dutch colleague (who is also chair of the Environment Committee) Johannes Blokland, on behalf of the Independence and Democracy political group in early February. In a written response in mid-March the Commission publicly stated that it was still reviewing the infringements in light of the conciliation agreement.

The Conciliation agreement was formally approved by the European Parliament on 4 April. There was a certain amount of controversy around this debate linked to a Commission declaration on the legal interpretation of this provision. This controversy saw a delay of 24 hours before the vote. Several MEPs speaking ahead of the

vote said that the Commission's attempt to repeat the Treaty provisions that would force Denmark and Austria to notify their measures and get approval from the Commission goes against the spirit of the conciliation agreement reached between the Council and the Parliament. Prior to the vote, Rapporteur Avril Doyle reiterated her belief that this declaration was disrespectful to the Parliament and the Council.

Speaking for the Commission, Commissioner Kyprianou confirmed that the Commission will re-evaluate its infringement proceedings, in the spirit of the conciliation agreement. Mrs Doyle phrased this approach somewhat differently stating that she had a personal reassurance from Commissioner Verheugen that, should the legislation enter into force, he will propose the withdrawal of infringement proceedings against Austria and Denmark in this matter. A formal decision on the next step on the infringements is awaited from the Commission.

This controversy did not change any of the content of the conciliation agreement. The final vote was a roll-call vote, with 476 voting for, 46 against, and 25 abstaining.

The formal vote is expected on 27 April in the Council at the Justice and Home Affairs Council. Publication of the legislation in the Official Journal can be expected in the months following the vote. The Regulation will apply for most articles from 12 months after the date of entry into force, which is 20 days after its publication in the Official Journal.

II. Waste of Electrical and Electronic Equipment (WEEE)/Restriction of Hazardous Substances (RoHS) Directives Update

A number of the deadlines set by the WEEE and RoHS Directives are approaching. The collection, recovery

and recycling targets set out in the WEEE Directive must be met by the end of 2006. By 1 July 2006 under the RoHS Directive, electrical and electronic equipment will no longer be allowed to contain hazardous substances, namely no lead, mercury, cadmium, hexavalent chromium, polybrominated biphenyls (PBBs) or polybrominated diphenyl ethers (PBDEs).

In line with the Directives' stipulation that their scope be reviewed periodically and that they be amended to account for scientific and technical progress, the Technical Adaptation Committee (TAC) for the two Directives has been discussing a number of issues.

- During the last TAC meeting in February 2006, there was a presentation on the possible revision of Annex II of the WEEE Directive, namely on the selective treatment of materials and components of waste equipment;
- There was also a short discussion of a new Commission table of grey area products, or products which are not clearly in or out of the scope of the WEEE Directive;
- Finally, the TAC discussed the term "fixed installations" (such as split-system air-conditioning units) and whether these are explicitly covered by the WEEE Directive or not.

This latter discussion was in relation to the Commission's FAQ, or non-binding guidelines, on the implementation of the WEEE and RoHS Directives

(http://europa.eu.int/comm/environment/waste/pdf/faq_www.pdf). These state that "fixed installations" do not fall under the scope of WEEE, although the Directive itself does not say this explicitly and some Member States assumed that "fixed installations" are included in the scope.

As far as the scope of the RoHS Directive is concerned, there has been a series of stakeholder consultations on specific exemptions from the Directive. One such consultation is due to close on

15 May, 2006,

(http://europa.eu.int/comm/environment/waste/rohs_5_consult.htm). The Commercial Service of the US Mission to the EU has posted a comprehensive list of applications exempt from the scope of RoHS as well as requests for exemptions published by the European Commission thus far on their website (http://www.buyusa.gov/europeanunion/rohs_exemptions.html).

Finally, the Commission has recently published a call for tender to pick a contractor to undertake the "2008 Review of Directive 2002/96/EC on waste electrical and electronic equipment (WEEE)." This review would provide analysis, in particular by giving a thorough evaluation of the impacts, efficacy and efficiency of the Directive from an environmental and economic, and as far as possible, a social perspective, by analysing the management (collection, treatment) of different categories of WEEE.

III. The 2nd European Climate Change Programme (ECCP II) Process Update

ECCP II was launched in October 2005 with a stakeholder Conference held in Brussels. The conference was attended by over 450 delegates representing a broad spectrum of stakeholders, including EPEE. The European Commission intends to use the results of the conference to further develop specific activities in these areas and has set up a number of stakeholder working groups to develop recommendations between December 2005 and June 2006. EPEE is involved in two of these working groups focusing specifically on ECCP Review, namely *Gases Other than CO₂* and *Energy Demand*.

Two meetings of the first working group have taken place so far, from which it is clear that F-gases are no longer an issue for ECCP II, which is perfectly in line with the EPEE position. The second working group is focused on the Commission's

Green Paper on Energy Efficiency expectation that most significant emission reductions are to come from energy efficiency. A final plenary meeting of all working groups constituting the ECCP Review will take place on 2 May 2006.

As part of the *Gases Other than CO₂*, EPEE made a submission which outlined F-gases and their impact on climate change. The submission also included EPEE's recommendations for the ECCP II review concerning F-gases in particular, including that

- A timely implementation of the different measures is necessary to achieve a high level of environmental and climate protection as soon as possible through responsible use of F-gases.
- Not enough objective and scientific evidence/information exists about alternative technologies to phase out HFCs.
- Any decisions about further measures are premature for the moment and should be left to the very comprehensive review process.
- Focusing on "flanking policies" will assist in the effective containment of F-gases while ensuring that their energy efficiency benefits are captured to the maximum extent possible – this means promoting a regulatory framework that facilitates the recovery, reclamation and end-of-life destruction of F-gases, as well as measures that promote the use of energy-efficient equipment.

IV. Eco-Design of Energy-using Products (EuP)

The deadline for nominating representatives in the consultation forum set up under Article 18 of the Eco-Design Directive passed on 31 March 2006. The task of the group *"is to contribute in particular to the definition and review of the implementing*

measures, to monitoring the efficiency of the established market surveillance mechanisms and to the assessment of voluntary agreements and other self-regulatory measures taken in the context of the Directive".

EPEE nominated Els Baert from Daikin Europe as EPEE's representative to the consultation forum, and is awaiting a response from the Commission to this nomination.

In addition to the consultation, the Commission published in July 2005 a call for tender for contractors to undertake the studies to prepare possible implementing measures on eco-design requirements in the priority products areas identified. The products included of interest to EPEE are residential room conditioning appliances and commercial and domestic refrigerators and freezers. The contractor for the residential room conditioning appliances is the company Armines in France. The contractors for the commercial and domestic refrigerators and freezers lots have yet to be published. This work is expected to run for the coming 12-18 months.

V. Eco-Labeling of Heat Pumps

The EU is currently looking into establishing an eco-label for heat pumps. In this context, criteria for the attribution of the eco-label are being developed by a heat pump working group chaired by the Swedish competent body, SIS eco-label.

The European eco-label is based on the vision of greening non-food products all over Europe in a joint and common approach of all European stakeholders brought together in the European Union Eco-labelling Board (EUEB).

Proposals for the definition of product groups and ecological criteria are made either on the request of the EUEB or by the Commission. The Commission gives a mandate to the EUEB (lead Competent Body) to develop or review

the eco-label criteria.

On the basis of these mandates the appropriate EUEB member, supported by a working group and the Commission, will draft appropriate eco-label criteria and the assessment and verification requirements related to these criteria.

Finalised criteria are submitted to the Regulatory Committee of national authorities and voted upon. If the Committee takes a favourable view of the proposal, the Commission proceeds with its adoption and publication. Otherwise, the Committee submits the proposal to the Council of Ministers for decision.

EPEE has criticised the current approach of the working group to the definition of eco-labelling criteria, favouring instead the establishment of TEWI (Total Equivalent Warming Impact) as fair criteria. In order to remain workable in the coming years, EPEE believes that such criteria should be "target based" and not "methodology based". In EPEE's view, the recent proposals contain too many technological prescriptions which will limit the possibilities for future innovations.

There will be further meetings on heat pump in the coming months and finalised criteria are expected to be established towards the end of the year. This means that they should be formally adopted in 2007.

VI. Commission Energy Green Paper Released

Commission adopted on 10 March its long awaited Energy Green Paper "A European Strategy for Sustainable, Competitive and Secure Energy." This specific initiative has been taken as the Commission feels that there is an urgent need to:

- Complete of the internal energy market (liberalisation of gas and electricity markets);

- Fight against climate change (in particular the EU's commitment to comply with the Kyoto Protocol); and
Increase the security of supply.

The paper is also a reaction to rising oil and gas prices.

The Green Paper outlines how a European Energy Policy could meet three objectives, namely sustainable development, competitiveness, and security of supply. To achieve these ends the paper calls for, amongst other initiatives:

- an action plan to help the EU save 20% of the energy that it would otherwise use by 2020;
- a new long term pact with Russia on energy supplies;
- new legislation on oil and gas stocks to ensure that Europe has an emergency gas stockpile;
- a mechanism to ensure a rapid and co-ordinated response to supply emergencies (create "European energy solidarity" in the event of supply emergencies);
- the completion of the internal energy market through measures such as a European energy grid code (including a new energy regulator at European level to help complete the EU's internal market);
- efforts to make Europe a world leader in low carbon technologies;
- an EU strategic energy review, to be presented regularly to governments and the European Parliament.

The Communication confirms the intention of the Commission to move forward with an Action Plan on energy efficiency later this year as set out in Green Paper on energy efficiency ("Doing more with less") dating from June 2005. A separate chapter is dedicated to energy efficiency with the sub- heading on how to tackle climate change. The Commission believes that improving energy efficiency will

contribute to security of supply and “help limit the EU’s growing dependence on imported energy. Examples of possible action include:

- mechanisms to stimulate investment in energy efficiency projects and energy services companies;
- Increased focus on rating and showing the energy performance for the most energy-using products including appliances, vehicles and industrial equipment;
- Long term targeted energy efficiency campaigns, including efficiency in buildings.

Following this consultation, it is expected that the Commission will propose a series of concrete measures; most likely in the form of a Communication – towards the end of 2006. A “Communication” can go as far as proposing actual legislation – which in turn will have to be approved by EU Member States and the EP; in other words the Green Paper is just a very first step in a long decision making process.

VII. The Spring European Council

At the Spring Summit, in Brussels on 23-24 March, energy issues were top of agenda. Discussions focused around three main issues, namely the Lisbon Agenda, maintaining economic/social momentum, and an Energy Policy for Europe.

Based on the Commission’s suggestions presented in the March Energy Green Paper discussions around an Energy Policy for Europe (EPE) came up with three objectives, namely increasing security of supply, improved economic competitiveness and the promotion of environmental sustainability.

Annex III of the Council Conclusions includes an indicative list of actions that are to contribute to the environmental sustainability objective. Actions relevant for EPEE include the:

- Adoption of an “ambitious but realistic” Action Plan on Energy Efficiency which

would bear in mind the EU energy saving potential of 20% by 2020;

- Full implementation of the legislation on Energy Performance in Buildings and end-user efficiency and energy services;
- Continuation of an EU-wide development of renewable energies;
- Completion of the review of the EU Emissions Trading Scheme (ETS) as an instrument to achieve climate change objectives; and
- Provision of adequate support for RD&D measures for energy efficiency, sustainable energies and low emission technologies.

In terms of maintaining economic and social momentum, the Council outlined maintaining environmentally sustainable growth as one of its goals and endorsed, among others, the following lines for action:

- Promoting of eco-innovations and environmental technologies, through the Environmental Technology Action Plan and the setting of performance targets;
- Following up the Montreal Climate Action plan under UNFCCC, including preparation of options for a post-2012 arrangement consistent with meeting the 2°C objective;
- Promoting more sustainable consumption and production patterns, including the development of an EU SCP Action Plan and fostering green public procurement; and
- Exploring further incentives/disincentives and reform subsidies that have considerable negative effects on the environmental are incompatible with sustainable development.

The complete Council conclusions are available at

http://ue.eu.int/ueDocs/cms_Data/docs/pressData/en/ec/89013.pdf.

Diary

April 24th, 2006	EPEE Communications Working Group Meeting H&K Offices, Av de Cortenbergh 118 14h00-17h00
April 25th, 2006	Meeting of EPEE Steering Committee Brussels, Sheraton Airport
April 26th, 2006	Meeting of EPEE-Strategy Group Brussels, Regus Airport Centre 9h00-13h00
April 26th, 2006	EPEE Working Group "Making F-Gas Regulation a Success" Brussels, Regus Airport Centre 14h00-17h00
May 04th, 2006	ISK-SODEX
November 11th, 2006	ARI General Assembly La Quinta, Ca November
November 22th, 2006	Deutsche Kälte-Klima-Tagung Dresden, Maritim Hotel, Ostra-Ufer 2

**Please submit items for EPEE NEWS and the UPCOMING EVENTS CALENDAR to
<mailto:secretariat@epeeglobal.org>**