

# **EPEE** **NEWS**

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

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## **EPEE News Headlines:**

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

On 5<sup>th</sup> March the European Commission received the letter signed by the Danish Environment Minister officially notifying the European Commission of Denmark's intention to phase out the use of HFCs from 2006 onwards. Directive 98/34 is likely to apply, which means that Commission and other Member States have until 6<sup>th</sup> June 2001 – the so-called standstill period - to deliver a detailed opinion which demonstrates that the measure may create obstacles to the free movement of goods within the internal market. If this happens, Denmark will have to wait an additional 3 months (i.e. until 6<sup>th</sup> September 2001) before the measure could take effect. In this case, Denmark would have to report to the Commission on the action it proposes to take on such detailed opinions. Denmark can be forced to wait until 5<sup>th</sup> March 2002 if, before 6<sup>th</sup> June 2001, the Commission 'announces its intention to propose or adopt a directive, regulation or decision on the matter .....

Independently from the notification procedure, the Commission can decide to start an infringement procedure if it finds that the Danish phase out measure is incompatible with the EU Treaty. The notification will be discussed by the Commission departments concerned on 17<sup>th</sup> April.

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).

Denmark has also launched a public consultation process in Denmark which will end on 17<sup>th</sup> April 2001. Danish industry and other parties affected by the measure are invited to contribute.

## **EUROPEAN CLIMATE CHANGE PROGRAMME (ECCP)**

### *ECCP WG5 - Industry Fluorinated Gases sub-group meeting, March 22, 2001*

The purpose of this meeting of the ECCP Fluorinated gases Sub-group of the Industry Working Group 5 was to investigate the possibilities of a number of industry sectors adopting voluntary actions/agreements to limit the emissions of fluorinated gases instead of potential regulatory means.

At short notice, it was also decided that the meeting would be a report-back from the Member State meeting held in Utrecht on March 6th to discuss their views on fluorinated gases.

Concerning Voluntary Agreements/Agreements, it was announced that a Commission Communication is due in the Summer discussing the content, legal basis and the involvement of the European Parliament. It was stressed that it is impossible to look on these as standalone instruments but a linkage with legislation is required. The meeting considered initiatives taken in the foam industry and in semi-conductor manufacture.

### Draft Report of the Member States' informal meeting

The Netherlands reported the findings of the informal meeting of Member States to discuss a framework on fluorinated gases held in Utrecht on 6th March. It was noted that the proposed framework includes a statement from Council to give policy direction on fluorinated gases and a Directive itself containing policies and measures. It also calls for voluntary actions from sectors that were not initially affected, and allows Member State to undertake national actions.

EPEE presented a submission giving voice to widespread concerns about the wording of the draft conclusions, whilst emphasising support for a policy framework. EPEE particularly noted the need to focus on emission control and energy efficiency and emphasised that safe and economical alternatives do not yet exist.

In its written contribution EPEE also expressed particular concern over the statement that "HFCs and PFCs cannot be seen as sustainable alternatives for ODS" due to the inevitability of emissions. In this sense it is particularly worried about recent moves in Denmark to ban HFCs in certain applications, which will undermine an EU-wide effort to reduce the environmental impact of refrigerants and create a trade barrier in the single market. EPEE stressed that containment of refrigerants in energy efficient products should be the aim of EU policy. Therefore, it calls for a Framework Directive that covers all greenhouse gas emissions from equipment, and not only focuses on F-gases.

### The next steps

The draft Final Report of the Fluorinated Gases sub-group will be available by the latest on 6th April and will be subject to discussions at the final ECCP meeting on 26<sup>th</sup> April. An overall ECCP Report (of all the Working Groups) with all recommendations will be discussed on 2-3 July during a general ECCP Stakeholders' meeting. In October or November the Commission will present a Communication with proposals to the European Parliament and Council of Ministers.

## **DIRECTIVE ON HAZARDOUS SUBSTANCES FROM ELECTRIC & ELECTRICAL EQUIPMENT/WEEE**

In an amendment to the proposed Directive on the elimination of hazardous substances from electric and electrical equipment, the Greens in the European Parliament have submitted amendments to attempt the phasing out of "gases that are ozone depleting or have a global warming potential above 15 in electrical and electronic equipment produced and placed on the market from 1 January 2005 onwards".

EPEE will formally oppose these amendments on three grounds. First of all HFCs are not hazardous. Secondly, their recovery and recycling are covered in the proposed Directive on Waste from Electric and Electrical Equipment. Thirdly, the Commission is developing climate change policy under ECCP.

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A vote in the Committee on the Environment, Public Health, and Consumer Policy on the approximate 300 amendments is scheduled on 25<sup>th</sup> April. Rapporteur, Karl-Heinz Florenz (German, Christian Democrat) has been asked to discuss possible compromises with his colleagues during the first week of April.

Meanwhile the Council of Ministers had already reached a broad agreement to disagree with the European Commission's proposal at the end of 2000. Yet, the Council is legally not allowed to agree a Common Position until the Parliament has finished its first reading. However, it appears that given the Council's disagreement with the Commission's proposal that amendments to the Commission's text, adopted by the Council in its Common Position, will differ significantly from those adopted by the European Parliament. Should this be the case a compromise will have to be sought between the two institutions during the second or third reading of the Parliament.

## **CLIMATE CHANGE: EU WORRIED ABOUT US POSITION**

Following recent statements from the US administration on the Kyoto protocol, Commissioner Margot Wallström said: *"The US position is extremely worrying."* She stressed: *"The US must understand that this is not a marginal issue for the EU. It has implications for external relations including trade and economic affairs, and it cannot be played down."* The Commissioner referred in particular to four points that are worrying in the US position: *"To suggest scrapping Kyoto and making a new agreement with more countries involved simply reflects a lack of understanding of political realities. It is like supporting European integration but on a different basis than the current EU. Kyoto is the platform we have to build upon and we would lose years of work if we were to start from scratch."*

She also said *"The international business community is interested in taking action. We must ensure a level playing field in the ways and means to reduce emissions, notably in the use of the "flexible mechanisms" such as emissions trading. Like the US, we are also interested in finding cost-efficient solutions. However, we need real actions on the ground, not just window-dressing. That is why we insist on sound rules. We are still open to discuss their problems, but the outcome must be balanced and meet the commitments undertaken; we will not allow the US to dictate the whole process."*

Meanwhile Canada joined the EU in their criticism of President Bush's statement. The Canadian Government issued a statement reiterating the sense of urgency. *"Climate change is a critical global problem requiring global solutions. The science behind climate change is increasingly compelling and the human impacts increasingly evident."* Mexico's Environment Minister, Mr Lichtinger said *"I'm certainly disappointed. Without the United States, it is difficult. It is a very important issue, and that's why we need to push, we need to react, we need to keep the United States in the process."*

The EU Troika (the Swedish Presidency, the Commission and Belgium as incoming Presidency) will during the week of 2<sup>nd</sup> April visit the USA, Russia, Iran (as President of G-77), Japan and China.

## COP 6 BIS

Meanwhile, renewed international talks to finalise rules for implementing the Kyoto climate protocol within the UN framework convention on climate change (UNFCCC), are still planned from 16 to 27 July in Bonn, Germany. A preparatory ministerial meeting will take place in New York on 21<sup>st</sup> April.

The Ministers at the European Union's Environment Council meeting in Brussels on 8<sup>th</sup> March 2001 urged agreement at the next round of COP6 talks on implementing the Kyoto Protocol and the Council President, Kjell Larsson listed nine questions to be debated:

- supplementarity (national measures and use of flexible mechanisms);
- the commitment period covered; rate of penalisation in the context of the observance mechanism (financial penalties or in terms of CO2 tonnes);
- financial resources for developing countries;
- carbon sinks, also as part of clean development mechanisms (CDMs);
- institutional dimensions of the financial instruments (funds);
- the compensation issue (demands by the oil-producing countries) adjustments (provided to help small island states and developing countries adjust to climate change);
- and, lastly, the composition of the various bodies.

The Member States' Environment Working Group on 6<sup>th</sup> April will examine the situation of the negotiations, the developing country issues, sinks and future work.

## **ENERGY EFFICIENCY**

### *Work Continues on Energy Efficiency legislation*

Officials in the European Commission's Transport and Energy Directorate General (TREN) are continuing to work on the drafts of two forthcoming legislative proposals on energy efficiency. A proposal on Energy Efficiency in Buildings is expected to be published before the end of April and sent to the European Parliament and Council of Ministers for approval.

The Commission has also started drafting proposals on Energy Efficiency in Electrical Appliances and publication in the fourth quarter of the year.

### *European Parliament adopts critical resolution on Energy Efficiency Action Plan*

Adopted on 14 March the resolution drafted by Ander Wijkman, (Swedish Christian Democrat) did not share the Commission's pessimistic view and instead called for annual reductions in final energy intensity of 2.5%.

The resolution does not have legally binding effect, but gives a political sign to the European Commission. The resolution also calls on the Council to pass legislation to introduce an EU-wide CO<sub>2</sub> energy tax to compensate for the external costs imposed on society by fossil fuel use that would not increase the overall tax burden. It furthermore calls on the Commission to propose a Directive to toughen standards for the construction industry for both new and existing buildings (including their heating systems). It also wants to see a new Directive to promote energy efficient electrical equipment. (Both initiatives are already foreseen by the Commission).

### ***New European Parliament initiative on Energy Efficiency***

Also on 14 March, four MEPs from four different political groups launched a cross-party and cross-border initiative dubbed *Energy Intelligent Europe* (EI-Europe) to make the EU 's economy the most energy-intelligent in the world. The MEPs point out that it is estimated that more than 30% of European final energy consumption could be saved by implementing the right energy efficiency measures. There are, however, several barriers to realizing this potential, such as lack of information about available technologies, market imperfections and discouraging taxation practices.

Whilst the resolution is not legislative, and therefore not binding, it does however set down a political marker for future action by the Commission and will be influential

## **ELECTRICAL & ELECTRONIC EQUIPMENT (EEE) DIRECTIVE**

On 6 March 2001 stakeholders were invited by the European Commission Enterprise Directorate General to discuss its working paper on the free movement of environmentally-friendly electrical and electronic equipment (EEE). 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. However, the same confusion is likely to surround any EEE Directive's scope as has been the case with the WEEE proposal.

The DG Enterprise EEE working paper focuses on providing a high level of environmental protection whilst at the same time ensuring that the internal market functions properly, allowing competition to flourish and providing incentives for companies to innovate in the area of environmental design.

Views from industry were in general rather positive. National governments raised practical issues, such as cost, and were in the main supportive. The Danish experts present were particularly critical from an environmental point of view. The NGOs present, mainly the European Environment Bureau, were very hostile to the proposal – viewed as a way for industry to by-pass environmental concerns.

The Stakeholder consultation will continue over the next seven months. A number of meetings will be held to ascertain stakeholders views. A study is being financed by the Commission of economic impact of the proposal. This will be finalised at the end of 2001. Stakeholders present at the meeting will be contacted by researchers and asked to give their views. The Commission will then prepare a proposal.

## **WORKING PAPER ON SUSTAINABLE DEVELOPMENT**

The European Commission has issued a consultation paper setting out some initial views on the challenges and opportunities of sustainable development. The second stage of the process will be the preparation of a Commission's proposal for a Sustainable Development Strategy for the Gothenburg European Council in June.

The paper identifies six important trends that pose a threat to sustainable development in the EU, amongst which climate change. The paper presents a policy toolkit for tackling these problems, but does not include specific objectives and measures. These will be contained in the Commission's proposal for a sustainable development strategy to the Göteborg European Council. The aim of the paper is to generate discussion and encourage input from other EU institutions and civil society. All stakeholders are therefore invited to express their views on these issues and to consider what more concrete measures should be included in the EU sustainable development strategy for Göteborg before 30 April. For this purpose, the Commission poses 10 cross-cutting questions.

The Amsterdam Treaty makes sustainable development one of the core tasks of the EU. The Union is also committed to producing a sustainable development strategy for the Rio + 10 Summit in South Africa next year that is being held as a follow up to the Rio Earth Summit in 1992 and the Rio + 5 Summit in New York in 1997. In this framework, the Ministers at the European Union's Environment Council meeting in Brussels on 8<sup>th</sup> March 2001 already started studying ideas for the World Sustainable Development Summit (Rio+10), and said the Johannesburg gathering in 2002 should reinvigorate the political commitment to sustainable development.

## **EPEE COMPANY GROUP MEETING**

The second meeting of the Company Group meeting took place on 8<sup>th</sup> March at the Brussels Skyport Meeting Centre. The meeting discussed the Danish HFCs phase-out proposal, EPEE's presence in the EU Member States, the website and EPEE's participation in ECCP.

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**UPCOMING EVENTS CALENDAR**

**EPEE Strategy Task Force Meeting:** (closed) 2<sup>nd</sup> May 2001 in Brussels

**EPEE Strategy Group Meeting:** (closed) 22<sup>nd</sup> May 2001 in Brussels

**EPEE Steering Committee Meeting:** (closed) 19<sup>th</sup> June 2001 in Brussels

**EPEE Company Working Group Meeting:** (closed) 21<sup>st</sup> June 2001 in Brussels

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

**ECCP General Stakeholders' Meeting:** 2-3 July 2001, Brussels  
Topic: Discussion of the general ECCP recommendations

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