

EPEE NEWS



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

KEY ITEMS

Editorial by EPEE Director General Friedrich Busch 2

Proposal for F-Gas Regulation adopted 3

On 12 August 2003, the European Commission finally adopted by written procedure a proposal for a Regulation on certain fluorinated greenhouse gases. The main focus of the proposal is on containment and monitoring. The aim is not to phase-out HFCs in general but to ensure their responsible use. A Rapporteur in the European Parliament will be appointed from the Christian Democrat political group (centre-right) shortly. Meanwhile, the Italian Presidency held its first working group meeting on 8 September.

Update on Austria 4

In July, EPEE submitted a complaint to the European Commission concerning an Austrian Order that imposes a general ban on the import, sale and use of three synthetic greenhouse gases ('GHG's'). The Order was adopted purportedly to help Austria comply with commitments flowing from the Kyoto Protocol to the United Nations Framework Convention on Climate Change. EPEE believes the order is unnecessary, disproportionate and will not have a significant impact on the environment.

Update on Norway taxation measures 4

The Norwegian Heat Pump and Refrigeration Information Centre, as well as a number of individual companies have filed a complaint with the surveillance authority of the European Free Trade Association (EFTA) against Norway. Norway had introduced a tax on the import of HFCs and PFCs in January 2003. The complainants claim that this the tax has an equivalent effect to a customs duty and is a discriminatory internal taxation.

Monitoring mechanism of Greenhouse Gases 4

At the end of June, Guido Sacconi MEP (Italy, PSE), the Rapporteur on the proposal for a monitoring mechanism of Community greenhouse gas emission, presented his report to the Environment Committee of the European Parliament. The report supported fully the Commission's proposal as the Rapporteur believes that the harmonisation of information reporting is a trump card with which to address international obligations on emission reduction. The Committee endorsed the Rapporteur's approach in a vote on 9 September.

Informal climate change summit 4

In July, Energy and Environment Ministers from EU and accession countries met for a three-day joint session in Montecatini, Italy. Both EU Environment Commissioner Margot Wallström and the new Head of the European Environment Agency, Jacqueline McGlade, pointed out that most Member States were moving away rather than towards their Kyoto Protocol greenhouse gas limitation targets.

OTHER ITEMS COVERED

Joint Implementation/Clean Development Mechanism EU proposal adopted 5

Update on Switzerland 5

Scope of WEEE still under discussion 5

Eco-design proposal adopted 6

IPP Communication adopted 6

Working Document on Integrating Environment into Standardisation 7

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EDITORIAL



Dear Reader,

The proposal for an EU Regulation on Fluorinated Gases was adopted by the European Commission on 12 August. Consideration of the proposal will start this Autumn under the co-decision procedure. EPEE looks forward to the Council of Ministers and European Parliament moving forward on this proposal so the EU can meet its international commitment to reduce greenhouse gas emissions. EPEE and its members will be actively involved during the legislative discussions on this proposal, which are expected to run into 2005.

EPEE is pleased that the EU is taking concrete steps to reduce fluorinated gas emissions. The Commission's proposal is to be welcomed for the main part, in particular on its approach to monitoring and containment. EPEE strongly believes that all measures that are technically and economically feasible should be taken to minimise emissions of fluorinated gases. EPEE remains a strong supporter of an EU-wide fluorinated gases policy based on EU legislation and the success of which will ultimately rely on all the different industry sectors carrying out their obligations in the market place.

EPEE particularly welcomes the fact that European Commission has based its proposal on Article 95 (internal market provisions) of the Treaty. As the proposal contains provisions on the use and placing on the market of products and the likelihood that measures adopted by individual Member States could lead to distortions of the internal market, EPEE believes that this Regulation has to be based on internal market principles. In this respect, EPEE agrees with the Commission that Article 95 is the appropriate legal base.

It is essential that policies are based on the conclusions of the European Climate Change Programme and the resulting December 2001 Council conclusions. These successfully identified workable, cost-effective, market-oriented, EU-wide measures to reduce fluorinated gas emissions. Moves to disregard this work by pursuing command and control policies must be avoided in the legislative discussion on this proposal.

A handwritten signature in black ink that reads "Friedrich P. Busch". The signature is written in a cursive, slightly slanted style.

Friedrich Busch
Director General

Proposal for F-Gas Regulation adopted

On 12 August 2003, the European Commission adopted by written procedure a proposal for a Regulation on certain fluorinated greenhouse gases. The fact that the proposal was adopted by written procedure during the summer break was a sign of the high degree of consensus within the Commission on the content of the proposal.

Speaking on the proposal Environment Commissioner Margot Wallström stated 'This new proposal demonstrates our strong commitment to implement the Kyoto Protocol in the EU, by putting in place cost-effective measures to reduce greenhouse gas emissions.'

The proposal has three main elements

- provisions to improve the containment of fluorinated gases;
- reporting requirements to strengthen the monitoring of emissions;
- marketing and use restrictions where containment is not feasible or the use of fluorinated gases is inappropriate this include the phase-out of HFC-134a in air-conditioning systems of new vehicles.

The Commission has based its proposal on Article 95 (internal market clause) of the Treaty in order to make a significant contribution towards the European Community's Kyoto Protocol targets by introducing cost-effective mitigation measures, and to prevent distortion of the internal market.

The main focus of the proposal is on containment and monitoring. The aim is not to phase out HFCs in general but to ensure their responsible use. The proposal contains provisions on the frequency of

inspections for leakages and the obligations to install leakage detection systems for appliances containing more than 300 kg or more of fluorinated gases, as well as on the monitoring of the quantity and quality of the type of f-gases contained in systems containing 3kg or more of these gases.

In this context, the proposal also foresees that certain data will have to be communicated to the Commission by 31 March each year. This data will have to include the total production and the production of each fluorinated gas by producer and the quantities recycled or destroyed. Finally, fluorinated gases will have to be recovered from certain applications.

Only the use and marketing of certain HFCs in a select number of certain applications, such as use of F-gases to fill tyres, single component foams and use in magnesium die-casting will be banned (each application has its own specific date for the start of the ban). The most important ban concerns HFC-134 in mobile air-conditioning – there is a phased out ban running from 2009-2013- with a linked quota system.

The European Parliament officially received the proposal on 1 September. The formal appointment of a Rapporteur is likely to take place by the end of September. It was agreed on the 9 September that the Rapporteur will come from the Christian Democrat group. The first Council working group meeting consideration of the proposal took place on 8 September. A policy debate is expected at the October Environment Council.

The full proposal can be reviewed at:

<http://europa.eu.int/comm/environment/climat/eccp.htm>

Update on Austria

In July, EPEE submitted a complaint to the European Commission concerning an Austrian Order that imposes a general ban on the import, sale and use of three synthetic greenhouse gases ('GHG's'). The Order was adopted purportedly to help Austria comply with commitments flowing from the Kyoto Protocol to the United Nations Framework Convention on Climate Change. However, EPEE considers that the Order is not necessary to achieve the Kyoto objective of emissions reduction.

In EPEE's view, the Order establishes a general ban, subject to a number of derogations and exemptions, on new and recovered HFCs and new products containing HFCs. As such, the Austrian Order prevents the import and use of substances and products lawfully produced and marketed in other Member States of the European Union and therefore breaches the basic principle of free movement of goods set down in Article 28 of the EC Treaty.

EPEE's complaint aims to encourage the European Commission to open a infringement proceedings against this National measure as it blocks the full functioning of the internal market. EPEE submitted a similar complaint against the Danish national measure banning the use of HFCs in April 2003.

Update on Norway taxation measures

The Norwegian Heat Pump and Refrigeration Information Centre, as well as a number of individual companies have filed a complaint with the European Free Trade Association (EFTA) Surveillance Authority against Norway. They claim that Norway is breaching the Agreement on the European Economic Area. Norway had introduced a tax on the import of HFCs and PFCs in January 2003. The complainants claim that

the tax has an equivalent effect to a customs duty and is a discriminatory internal taxation.

A response from the Norwegian government to this complaint was due in early September. The EFTA Surveillance Authority response to the complaint will come once these various submission have been reviewed.

Monitoring mechanism of Greenhouse Gases

At the end of June, Guido Sacconi MEP (Italy, PSE), the Rapporteur on the proposal for a monitoring mechanism of Community greenhouse gas emission, presented his report to the Environment Committee of the European Parliament. The report supported fully the commission propels as the Rapporteur believes that 'the harmonisation of information reporting is a trump card with which to address international obligations on emission reduction.'

Some 18 amendments were proposed to the report which in the main aimed to make the reporting mechanism even more binding and effective. The environment committee largely endorsed the Rapporteur's approach on 9 September. However, certain issues, such as the reference year remained controversial. Therefore, the European Parliament's can still change its position at the vote in its Plenary session during the week of 22 September.

Informal climate change summit

In July, energy and environment ministers from EU and accession countries met for a three-day joint session in Montecatini, Italy. Both EU Environment Commissioner Margot Wallström and the new Head of the European Environment Agency, Jacqueline McGlade, pointed out that most Member States were moving away rather than towards their Kyoto protocol greenhouse

gas limitation targets. Therefore, Ms Wallström called for the EU to set a target of boosting renewable energy to 25% of energy consumption by 2020. This would be over twice the bloc's current target of 12% to be achieved by 2010.

In a paper prepared for the meeting the Italian presidency set out challenges for integrating energy and environmental policies.

Joint Implementation/Clean Development Mechanism EU proposal adopted

The European Commission adopted on 23 July the proposal for a new Directive, which will allow European companies to carry out emissions-curbing projects around the world and convert the credits earned into emissions allowances under the European Union emissions trading scheme. The proposal builds on the so-called market-based flexible mechanisms "Joint Implementation" and the "Clean Development Mechanism" envisaged by the Kyoto Protocol. The European Climate Change Programme (ECCP) expects that this measure will reduce the annual compliance costs for participants in the EU emissions trading scheme by approximately 25%.

The full text of the Commission's proposal is available at:
<http://europa.eu.int/comm/environment/docum/index.htm>

Consideration will now start on the European Parliament and Council of Ministers Alexander De Roo (Netherlands, Greens) has been appointed Rapporteur on this issues in the lead Environment Committee.

Update on Switzerland

As reported in earlier newsletters, Switzerland notified its modification to the draft Ordinance on dangerous substances for the environment, covering fluorinated gases. to the Committee of Technical Barriers to Trade (CTBT) of the WTO in May 2002. The European Commission prepared observations on the Swiss proposal notified through EFTA and the WTO. At a recent WTO/TBT meeting early July, the Swiss authorities submitted a very detailed answer to the Commission. This answer is currently being examined by the Commission's services.

Scope of WEEE still under discussion

Discussions on exact scope and the border line cases for inclusion within the WEEE Directive are still on-going between the Commission and Member States.

Further to a meeting between Member States and the Commission in late June, a sub-group of the Directive's Technical Adaptation Committee (TAC) met to discuss issues surrounding the scope of the WEEE and ROHS Directives on 11 July. Most Member States are at an early stage of consideration of these issues. There was cautious agreement from most Member States that generic criterion should be developed, in order to work towards guidelines for inclusion or exclusion of products. The guidelines will follow a model currently in use in the Netherlands.

Member States will take forward this work at a further meeting in late-September.

Eco-design proposal adopted

The Commission adopted its eco-design proposal at the beginning of August 2003. The proposal will pave the way to setting conditions and criteria for setting the requirements regarding environmentally relevant product characteristics. Its aim is to drive increased resource productivity and ease product access to the EU's internal market.

The proposal sets up a comprehensive and coherent legislative framework addressing eco-design requirements for energy using products with a view to contributing to sustainable development by:

- ensuring their free movement in the internal market;
- increasing security of energy supply;
- promoting a higher level of environmental performance.

There are no immediate obligations resulting from the proposal. The requirements will be fixed in the implementing measures through a comitology (Member States' experts and the Commission) procedure after consultation with interested parties and impact assessment.

The Commission believes the proposal will result in a 'flexible adoption to technology options and market sensitive is ensures and the potential impact of self- regulation by industry reinforces'.

Consideration of the proposal will start in September by the Council of Ministers and the European Parliament. There is currently a discussion on-going in the European Parliament as to which committee should take the lead in consideration of this proposal. Both the Environment and the Industry & Energy Committees are interested in taking the lead on this proposal.

IPP Communication adopted

A Communication on Integrated Product Policy was adopted by the Commission at the end of June 2003.

The Communication contains no immediate obligations but hints at areas that may be affected in the future, including life cycle analysis, environmental management systems, design obligations and some of the existing labelling systems such as energy labelling.

The Commission is looking for suggestions on pilot projects to demonstrate the benefits of IPP by 31 October 31. Support will also be needed by the Commission on the identification of products with the greatest potential for environmental improvement, as well as actions promoting the application of lifecycle thinking. Annexe II to the proposal mentions further aspect of the expected role for industry actors.

The aim of IPP is to look at the whole of a product's life-cycle, including the use phase, and to ensure that environmental impacts throughout the life-cycle are addressed in an integrated way. The Commission also hopes that environmental impacts will be addressed at the point in the life-cycle where they will best and most cost-effectively reduce the overall environmental impacts and resource use. The approach is based on five principles:

- Life-cycle thinking
- Working with the market
- Stakeholder involvement
- Continuous improvement
- Variety of policy instruments

In terms of actions to achieve its objectives, the Commission will establish framework conditions for continuous environmental

improvement of products throughout the lifecycle. It will also develop a focus on products with the greatest potential for environmental improvement.

All developments (including consultations and a copy of the Communication) will be notified via the IPP website, which can be found at:
<http://europa.eu.int/comm/environment/ipp/home.htm>

Working Document on Integrating Environment into Standardisation

The European Commission released a working paper on the integration of environmental aspects into standardisation in July 2003. The paper will act as a basis for a future Communication of this issue.

The Commission wishes to encourage all stakeholders in the European standardisation system to undertake sustainable steps to take the environment into account, bearing in mind that the impact on the environment produced by processes, products and services can be improved through appropriate provisions in

standards. In particular, the Commission aims to:

- contribute to the promotion of environmental thinking in standardisation;
- continue to support the representation of environmental interests by civil society at the European standardisation level;
- issue standardisation mandates that invite the integration of environmental aspects;
- where appropriate, aim at a standards-receptive European legal framework, amongst others also in the environmental field.

The Commission believes over time, these elements, in combination with market pressure and an appropriate regulatory framework will ensure that the environment can be effectively taken into account in European standardisation. The working document can be reviewed at:
http://www.europa.eu.int/comm/environment/standardisation/questionnaire_standardisation.pdf

U P C O M I N G E V E N T S C A L E N D A R

O c t o b e r

- 20 **EPEE Strategy Group Meeting** (Brussels - closed)
- 21 **EPEE General Assembly** (Brussels - closed)
- 22 **EPEE Steering Committee Meeting** (Brussels – closed)
- 27 **Environment Council**

D e c e m b e r

- 1-5 **Earliest possible vote at the European Parliament Committee on f-gases**
- 1-12 **COP9 in Milan**

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