

Revision of the Energy labelling Directive and certain aspects of the Ecodesign Directive

Consultation Forum meeting 12/06/14 - EPEE comments

July 2014

Dear Ms. Rogalska, Mr. Hodson,

EPEE – the European Partnership for Energy and the Environment – would like to thank the European Commission for giving us the opportunity to provide comments following the Consultation Forum meeting which took place on 11 June 2014 on the revision of the Ecodesign and Energy labelling Directives.

Overall, we support this revision exercise which aims at streamlining the Ecodesign and Energy labelling processes for the sake of all involved stakeholders in order to achieve greater energy savings. However, we would like to draw your attention on several aspects which we consider critical to address and consider during the revision process.

Our comments will address the five main challenges identified by the European Commission as well as additional issues.

- Level of ambition of requirements
- Weak enforcement
- Primary Energy Factor
- Effectiveness of the Energy label
- Other general comments

We hope that our comments will contribute positively to the Commission's work when developing its legislative proposal.

We remain at your disposal, should you have any questions or remarks regarding this position paper.

Kind regards,

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1. Level of ambition of requirements

EPEE calls on the Commission to maintain the LLCC approach for the development of ecodesign criteria in order to continue building on the success of the ecodesign framework.

- Whilst a certain level of ambition is necessary to guarantee that Ecodesign remains a valuable tool allowing the uptake of new and renewable technologies and achieving the promised energy savings, EPEE recommends basing the level of ambition on clear, measurable, and transparent criteria and methodology for each product group.
- Going beyond the LLCC approach may result in substantial cost increases where higher product investment costs may not be offset by energy savings within a reasonable time frame. Consumers may therefore opt for less efficient products, which would be counter-productive and undermining the successful ecodesign concept.
- Integrating learning curves may have the same detrimental impact. As a first step, EPEE would therefore like to ask the Commission to thoroughly investigate if and how the concept of a learning curve could be integrated into the LLCC approach, and to assess the added value of such an approach for each product group.

2. Weak enforcement

Market surveillance is key to ensure that Ecodesign and Energy requirements achieve their targets in terms of energy savings. EPEE strongly recommends a strengthening of the surveillance activities and is currently developing a detailed call for action on Market Surveillance in Europe. We will share these documents with the European Commission once they are ready for publication.

- Product databases: At the Consultation Forum meeting, the Commission presented the idea of having a database gathering mandatory product registration information to serve both rulemaking and market surveillance. EPEE would like to ask the Commission to give a more detailed explanation about this database and in particular:
 - What is the exact purpose of this database? Collecting up to date data for preparatory studies or an additional tool to facilitate market surveillance? Or both?
 - What kind of information would industry be asked to provide? Technology information or efficiency information? Or both?

- How to ensure that this database remains indeed mandatory? Who would control the registration process? How would companies be identified which have not registered in the database?
- Who would be collecting these data? With which human and financial resources? And most importantly, who would guarantee the confidentiality of the data collected?

3. The Primary Energy Factor (PEF)

EPEE favours an EU-wide use of the Primary Energy Factor (PEF) under Ecodesign and Energy labelling, as it allows direct comparison of products using different energy sources for the same function. Such factor needs to be dynamic and regularly updated in order to reflect the true average primary energy factor in the EU. For example the currently used primary energy factor only reflects the past composition of electricity production, where it should consider the composition of future electricity production to be truly relevant.

EPEE supports the call made by several Member States and stakeholders during the Consultation Forum, for the Commission to organise a dedicated meeting on the PEF with all interested and relevant stakeholders.

4. Effectiveness of the Energy label

EPEE calls for a label which builds on the success of the existing label, is easy to understand for consumers and avoids unnecessary administrative burden for the entire supply chain.

- **The layout of the energy label:** the layout of the energy label should be designed to avoid unnecessary administrative burden throughout the supply chain. To this end, EPEE is in favour of keeping the current energy label layout from A+++ to D. Another benefit of this scale is that it enables differentiation between products and a comparison between different technologies.
- **The energy efficiency value:** EPEE would like to see this value being displayed on the energy label as it constitutes an added-value when choosing equipment, such as a Heat Pump, and enabling consumers to compare products using this criterion. It should be noted that for these products the energy consumption is not necessarily the most relevant indicator as the product will work differently depending on the size of the application it is used in.
- **The “plug-and-play” approach:** The approach applied to products such as TVs, microwaves or washing machines should not be automatically applied to all products regulated by Ecodesign and Energy labelling. The methodology used needs to be flexible and adaptable to products with different technicalities and operating modes, such as air conditioners, heat pumps or condensing units. For example the requirement to place the energy label in the box has no added value for such

products. Moreover, the complexity of applying energy labels to such products needs to be properly evaluated in order to avoid counter-productive effects.

- **A business-to-business energy label:** a business-to-business label could lead to an oversimplification for what is usually a very complex product and may therefore be misleading. Most BtoB products cannot be sold “*off the shelf*”, the intervention of a professional is required to evaluate what product is best for what application and to install it.
- **The addition of environmental criteria:** the information on the label should remain easy to understand for consumers. Adding information will make it more complex and may therefore be counter-productive. EPEE therefore considers that the Energy label should continue to focus on energy consumption and energy efficiency. For best performing products, the Ecolabel has been developed and covers a wide range of environmental criteria.

5. Other general comments

- **Decision making process:** EPEE supports the decision-making process. As a European trade association, we appreciate the possibilities for stakeholders to comment and to input. This consultation spirit contributes to making the entire process very open and transparent. We however regret that moving to delegated acts reduces the opportunities for consultation.
- **Implementation time:** EPEE emphasizes the need for industry to have a minimum of two years between the publication in the Official Journal and the entry into force of the first batch of requirements, the so called Tier 1, as product ranges need to be adapted which takes time, in particular for complex products.
- **Revision time:** The revision of an individual Ecodesign / Energy labelling Regulation should only take place after a reasonable period of time, in order to enable a proper assessment of the impact of a Regulation on the market.
- **Long rulemaking process:** EPEE strongly supports the Ecodesign and Energy labelling Directives and their objectives to reduce the energy consumption of regulated products in order to make them more efficient, reduce energy consumption in Europe and to motivate consumers to go for greener products, hence contributing directly to the EU 2020 targets. When developing Ecodesign or Energy labelling requirements for a product group, EPEE recommends that the European Commission considers a realistic timeline for completing the work, instead of being too ambitious at the start and then having to delay the process. Indeed, setting a more realistic timeline right from the start will give more legal clarity and predictability to industry players in order to develop their business and product development plans.
- **The addition of environmental criteria to the MEErP methodology.** EPEE is not in favour of a revision of the MEErP methodology to capture non-energy environmental impacts. The main focus of the MEErP methodology and Ecodesign should remain the energy consumption and the efficiency of products. Other EU legislations exist and address non-energy environmental impacts, like the Ecolabel.

- **The extension of the scope to cover non-energy related products.** EPEE considers any discussion to expand the scope as premature. Indeed, EPEE recommends first completing and implementing all on-going measures for the product groups currently in place. The decision as to whether or not extending the scope to non-energy-related products shall be postponed. Such an extension would certainly mean a complete re-thinking of the Ecodesign and Energy labelling methodology and would require additional financial and human resources on the Commission side in order to cope with the significant increase of the workload.
- **Systems.** EPEE agrees with the proposal made by Sweden during the Consultation Forum meeting that the Commission should consider looking at systems for certain products in order to further explore the energy saving potential.

About EPEE:

The European Partnership for Energy and the Environment (EPEE) represents the refrigeration, air-conditioning and heat pump industry in Europe. Founded in the year 2000, EPEE's membership is composed of 40 member companies, national and international associations.

EPEE member companies realize a turnover of over 30 billion Euros, employ more than 200,000 people in Europe and also create indirect employment through a vast network of small and medium-sized enterprises such as contractors who install, service and maintain equipment.

EPEE member companies have manufacturing sites and research and development facilities across the EU, which innovate for the global market.

As an expert association, EPEE is supporting safe, environmentally and economically viable technologies with the objective of promoting a better understanding of the sector in the EU and contributing to the development of effective European policies. Please see our website (www.epeeglobal.org) for further information.

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