



1 February 2008

CECED¹ submission

to the

European Commission Consultation Document

on the revision of the Energy Labelling Directive 92/75/EEC of 22 September 1992 on the indication by labelling and standard product information of the consumption of energy and other resources by household appliances

(1) How do you suggest the Commission could best ensure coherent product policy?

For a coherent product policy at European level the right balance needs to be found between three things:

- legislation establishing minimum performance requirements such as the implementation measures of the Energy-Using Products Directive;
- energy labelling;
- effective market surveillance and enforcement.

Proliferation of different labels should be avoided, be it multiple labels at European level or at European and national level. It would be confusing to consumers and lead to unnecessary burdens on producers without, in principle, an added value.

For products currently covered by energy labelling the most relevant impact occurs during use phase. In particular, the energy consumption during use plays a major role. The current energy label gives no differentiation any longer for most products on the market. The European Commission should, therefore, prioritise the review of the current energy labelling scheme. It should ensure that the energy label is dynamic to promote the most energy efficient products and should ensure that the

¹ CECED represents the household appliance industry in Europe. Its member companies employ over 200,000 people, are mainly based in Europe, and have a turnover of about €40 billion. If upstream and downstream business is taken together, the sector employs over 500,000 people. Direct Members are Arçelik, BSH Bosch und Siemens Hausgeräte, Candy Group, De'Longhi, Electrolux Holdings, Fagor Group, Gorenje, Liebherr, Indesit Company, Merloni Termosanitari, Miele, Philips, Saeco, SEB and Whirlpool Europe. CECED's member associations cover the following countries: Austria, Belgium, Czech Republic, Denmark, Estonia, France, Germany, Greece, Hungary, Italy, Latvia, Lithuania, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Spain, Sweden, Switzerland, Turkey and the United Kingdom.

energy label is flexible to allow Member States to promote the uptake of appropriate appliances for their needs.

Referring to recent experiences in Italy, Spain and Hungary the energy label can be used as a tool to increase the uptake of high efficient appliances combined with the replacement of inefficient outdated appliances.

(2) Do you agree to the general principle of reinforcing the use of energy labelling in order to more vigorously contribute to the Union's objectives on climate mitigation, competitiveness and sustainable product policy?

CECED agrees that, if the current concept is properly reviewed and its application is properly implemented and policed, energy labelling can make an important contribution to the European Union's objectives on climate mitigation, competitiveness and sustainable product policy. If energy labelling is not properly adapted to the new context calling for a very dynamic approach, however, the effects can be the opposite.

Below (see answer to questions (7) and (8)) we lay out our vision for a future energy label in more detail. A few key characteristics can, nevertheless, be mentioned here. For an energy label to have positive effects and make a real difference it has to be dynamic to accommodate future efficiency improvements. The label should provide the possibility of adding new energy efficiency classes on top to reflect technology developments. The future energy efficiency classes should be known in advance so industry has goal posts to aim at and a real incentive to continuously compete to bring the most efficient products on to the market.

Such a dynamically evolving scheme would avoid the problems which occur with the current labelling scheme where, in a lot of product categories, most models on the market have already reached the top classes and there is no possibility to show further improvement. Currently the label does not offer the possibility to show more efficient products than being in today's highest class. Thus the label does not really inform the consumer about products with higher energy efficiency than the highest label class.

(3) For energy using products, would you favour the use of an energy label focusing on the energy consumption at use or of an 'eco-design label', (near to the Eco-label showing the 'best') giving the global environmental performance of the product throughout its life-cycle?

CECED believes that the current energy label has the potential for addressing most of the questions raised here.

The presence of a top class, being updated as soon as innovation occurs or there is a sufficient uptake of the market, would respond to the request of showing the "best". It would fit much better in the EU strategy than the Energy Star approach that appears to be not ambitious enough, at least for household appliances.

The mention of other resources use, such as water consumption, for washing machines or dishwashers, is extending the environmental relevance of the label. We would recommend maintaining the focus on energy efficiency and energy during use.

CECED is aware of the relevance of the global environmental performance of a product. Setting a harmonised measurement method is a challenging target that requires the fundamental contribution of the experts' community at international level.

Household appliance manufacturers would be fully available to participate in the discussions on this issue.

Before such a demanding initiative is started we deem it necessary to assess how much could be covered by international standardisation or other international processes, such as the G8 Gleneagles agenda.

We take the view that this strategic development should not slow down the current process of updating the energy label. A quick update of the label to fit into the dynamic approach requested by the Union would provide the proper political support for the introduction on the market of a new generation of super efficient products, while works could proceed on the definition of the global environmental performance approach.

This must be the priority to ensure we do not lose the current momentum which exists on energy efficiency.

(4) Are you in favour of adding CO₂ on the energy label? How could reliable information be assured in the light of different energy mixes in the 27 Member States?

First of all, electrical household appliances do not directly emit CO₂ in the use phase - they only use electricity. The CO₂ emissions depend on the way electricity is generated.

CECED believes that adding accurate information on the energy label, even limited to the CO₂ related to the use phase, cannot be easily realised because of the different energy mixes offered by electricity providers in the 27 EU Member States. In some countries, consumers even have the choice to buy electricity with low or zero CO₂ emissions (green energy).

If the amount of CO₂ declared correlates, by a constant factor (equal for all Member States), with the energy consumed by the appliance, it would not correspond to reality.

In order to provide reliable information, it would also be necessary to come up with a figure taking into account durability, production conditions and logistic transport impacts.

We would support that such a perspective is seen in the context of the global environmental performance of products, dealt with in the previous question.

(5) Are you in favour of adding annual running costs on the energy label? How could reliable information be assured in the light of different energy prices in the 27 Member States?

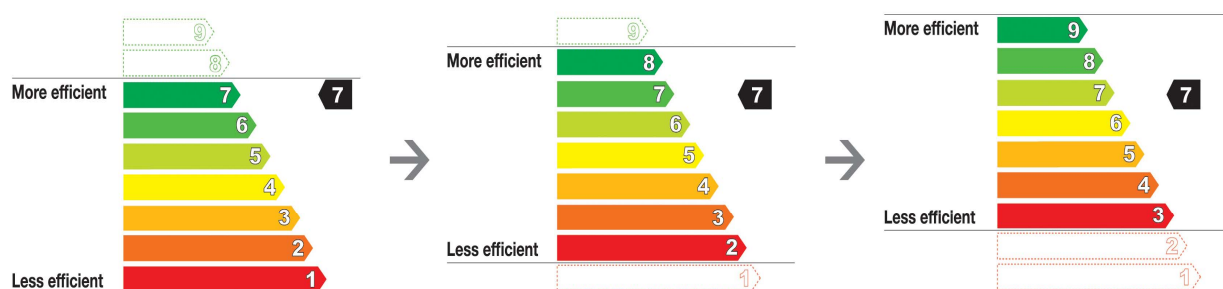
Adding running costs on the energy label is impractical and could even be counterproductive. It would be impractical because of the price differences of electricity providers in the free electricity market of the 27 EU Member States and would eventually be counterproductive. For the most energy efficient appliances the pay-back time of the higher investment would be longer than the expected energy savings during the use phase.

(6) Would you like to add other products to the scope of the labelling Directive than those covered at present (household appliances only)? If yes, which products would you suggest (non-household or non energy-using products, ‘energy-relevant’ product, services such as holiday packages or other)?

Today we see the need to extend the energy label to vacuum cleaners. In general we welcome the extension of the energy label to other products whenever this is appropriate. If the energy label is extended to more product groups it becomes even more vital that it is well-designed and that the experience in the field of household appliances is taken on board to optimise the quality and effectiveness of labels for other products. Notably the rating scale should be open-ended to enable a dynamic approach to performance improvement on an ongoing basis into the future.

(7) In view of dynamic labelling, which approach would you suggest for the transition from an existing labelling scheme to a new labelling classification in order to cause minimum distortions? and (8) Do you want to propose an alternative route beyond the considerations in this document?

CECED proposes a new open-ended labelling scheme which can be dynamically updated to accommodate the continued improvement of our products. Such a new energy label could be based on the following principle:



When more efficient models enter the market, a new Class “8” rating would be introduced and Class “1” phased-out. This allows for a gradual upgrade to keep up the competitive pressure and development of energy efficient appliances.

The open-ended scale should be conceived so as to allow new higher classes at the top. Every time a certain percentage of products reach the highest category another class will be added at the top of the scale. The colouring scheme would shift up, so the best performing products could always be identified by the deepest shade of green, and the least efficient by red.

A labelling scheme conceived along these lines would have a number of benefits:

1. It would allow for continuous updating to the top and phase-out at the bottom.
2. The colouring scheme would be kept for continuity with the past label and would ensure “recognition” by consumers.
3. The consumer would always be able to identify the best class when looking at the colouring scheme. The consumer will still be encouraged to “buy green” as they will see the products in this category as the products in the top parts of the scale and perception will be that these are the best products, in terms of efficiency.
4. The continuous updating will not confuse consumers because a category 7 appliance will always remain in category 7, even if new categories are added at the top.
5. The criteria for future categories 8, 9 etc. would be known in advance which would create predictability for business and flexibility for national support policies.
6. It would have the potential to be the basis of an international approach to energy efficiency rating and thereby to promote global convergence of appliance efficiency.

We suggest such a new labelling scheme and in addition phase out of appliances through legislation (instead of unilateral industry commitments). A possible phase-out (timing and level) depends on the available technology in the various product categories. The home appliance industry is ready to phase out current B-class refrigerators and freezers as soon as legislation is in place and A-class refrigerators and freezers by 2013. Authorities would have to ensure proper enforcement for all actors putting products on the market. As refrigerators and freezers are in constant operation, they are the most relevant from an energy efficiency point of view and should be the natural priority.

A certain “tolerance” is defined under the energy labelling scheme to take into account all the different sources of variation whenever authorities verify a declared value.

CECED is convinced that tolerance levels can be effectively reduced if each actor is held more fully responsible for the factors that are under his control. Companies are in control of the manufacturing of their products and should be held responsible for the factors under their control that determine product performance. Manufacturers, however, do not control reliability of testing laboratories or testing procedures. Testing laboratories should, therefore, be held fully responsible for their work and as a general objective the overall performance of testing laboratories should be significantly improved across the EU. An appropriate system should be implemented to ensure the future reliability of laboratory services.

A new labelling scheme combined with legislation to phase out least performing products and improved measurement accuracy would allow the market to work vigorously to improve the energy performance of our products. This approach would benefit consumers and be sustainable for manufacturers and beneficial for the environment.