

19 February 2008

## ***ANEC input to the Commission consultation document on the revision of the EU Energy Labelling Scheme<sup>1</sup>***

### **Summary**

ANEC, the European Consumer Voice in Standardisation welcomes the revision of the EU energy labelling scheme. The revised scheme should drive down energy use and push the industry to develop more energy efficient products.

The familiar format of the energy label with A-G colour bar ratings has achieved a high recognition by consumers. We therefore believe that it must be retained as the basis for imparting consumer information. However, the labelling scheme should be adapted in order to make it possible to update it in a flexible and dynamic way, without confusing consumers.

A precondition for the effectiveness and success of the future labelling scheme will be a timely reclassification of products to ensure that consumers always get one of the most energy efficient products on the market.

In addition, we strongly advocate the use of additional measures to increase the accuracy of testing and to improve the accuracy of information declared on labels. The currently permitted 15% tolerance in applicable test standards is unacceptable and should be reduced significantly.

Further, market surveillance by the Member States should be considerably strengthened through collective European action in order to ensure that the scheme delivers tangible results.

Finally, it is very important to ensure that test methods are based on typical consumer use of products, otherwise the intended energy savings will not be achieved in practice. E.g. also performance must be measured and maintained at a high level because a product

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<sup>1</sup> 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

which is energy efficient but performs poorly is of no value to consumers. Information on the most relevant performance aspects should be put on the label.

### Answers to consultation questions

The consultation document contains a number of imaginative suggestions which overall appear to improve and reinforce the current EU Energy Labelling Directive. We would like to offer the following responses to the questions posed in the Consultation Document.

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

*[The broader issue of European product policy is mainly addressed under question 3.]*

#### Revising the A-G ratings

Since the introduction of the scheme, European consumers have become familiar with the A-G energy label. It has achieved a high recognition due to its simplicity and comprehensibility and must therefore be retained. However, there is a need to adapt the scheme in order to make it possible to update it in a flexible and dynamic way, without confusing consumers.

Updates to the scheme should be carried out regularly, with the revised classes and criteria set in advance in the legislation. This will ensure transparency and predictability, in particular for manufacturers, and will steer the market towards more energy efficient products. This timely reclassification of products will also ensure that consumers always get one of the most energy efficient products on the market.

There may be product groups for which the conventional A-G point/colour band scale will not be appropriate and a simpler A-G label with less colour bands (e.g. four instead of seven) could be more appropriate. However, we do not support the abolishment of the gradual scheme as it would mean removing an important incentive for suppliers to improve the energy efficiency of their products.

Finally, any significant changes with respect to the scales need to be evaluated in a consumer survey to determine how the consumer views the label.

#### Improving the provision of consumer information

Currently the credibility of energy labelling is being damaged by the increasing propensity of energy efficient appliances to have negative “hidden” performance that consumers may only discover during use. For instance, an energy-efficient dishwasher may have a 3-hour washing cycle or A+ cold appliances may have a poor freezing capacity. A product which is energy efficient but performs poorly is of no value to consumers.

We consider that the revised scheme should not only provide information on energy efficiency but also on the actual performance efficiency, such as the cycle time for

dishwashers. This will be essential if the credibility of energy labelling is to be maintained with consumers.

On the other hand, there is scope for simplifying some of the information carried on the label, e.g. information on noise, as displayed today, is too technical to be understood by most consumers. Whenever noise is indicated on the label, it shall be presented in a comparable way, allowing consumers to have a meaningful comparison between the noise level of different products.

Any revision of the Directive should carry forward the opportunity that additional information (to energy) can be included on the label as a requirement in the implementing measures, following consultation of all stakeholders.

#### Improving test standards and market surveillance

Measures should be taken to increase the accuracy of testing and of the results declared. We strongly advocate the use of additional measures to also improve the accuracy of information declared on labels.

Recent ANEC research<sup>2</sup> shows that the energy consumption of many appliances only corresponds to their declared values because of the unacceptably high measurement tolerances permitted by the European standards. According to this research, available data from the UK Market Transformation Programme during 2003-2004 suggest that 15% of the tested A-rated washing machines and dishwashers were incorrectly labelled due to their high energy consumption. A further 64% of the appliances had a measured energy consumption which was higher than permitted for class A. However, as a result of the tolerance of 15%, they were still considered correctly labelled. The currently permitted 15% tolerance in applicable test standards should thus be significantly reduced..

In this context, we also strongly believe that test standards need to be revised and simplified to better reflect real life situations and use. For instance, a recent Nordic study<sup>3</sup> has shown that washing machines are often run at lower temperatures and with less than a full load, whereas testing is carried out at higher temperature and with full loads.

Furthermore, the above-mentioned ANEC study underlines that in order for labelling schemes to deliver benefits, stronger monitoring and enforcement of such schemes and related standards need to be ensured at the national level. ANEC stresses that market surveillance by the Member States should be considerably strengthened through collective European action, supervised by the European Commission, in order to ensure that the scheme delivers tangible results. We consider that concrete annual national minimum

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<sup>2</sup> 'A review of the range of activity throughout Member States related to compliance with the EU Energy Label regulations', ANEC report by Viegand & Maagoe, January 2007

[http://www.anec.eu/attachments/ANEC-R&T-2006-ENV-008%20\(final\).pdf](http://www.anec.eu/attachments/ANEC-R&T-2006-ENV-008%20(final).pdf)

<sup>3</sup> 'Impact of energy labelling on household appliances', Nordic Project (TTS Finland, SIFO Norway, Swedish Energy Agency, Swedish Consumer Agency), 2007

targets for market surveillance ought to be elaborated at the EU level, including third party testing and shop inspections. Also, in order to increase transparency and availability of data at the European level, all market surveillance activities in the Member States should be carried out according to common best practices, and be centrally registered and reported to the European Commission.

Finally, not all test houses follow the test procedures set in the standards as closely as they should. It is imperative that such practices are avoided and compliance with standards ensured.

#### Increasing cooperation between the EU Commission and Technical Committees

There is a need to establish a closer working relationship between the European Commission (the Energy Labelling Regulatory Committee, ELRC) and the Standards Bodies' Technical Committees which write the required test standards. Currently the activities of these Technical Committees are not subject to the scrutiny of the ELRC with the result that test standards are being modified by the Standards Bodies in ways that are not necessarily aligned to the requirements of the ELRC.

#### **(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?**

The energy labelling scheme is widely recognised as an effective and successful means to reduce energy demand of the products concerned. By making the energy efficiency of an appliance clearly visible, the scheme has helped pull the market up and encourage manufacturers to compete with each other by developing increasingly energy efficient appliances. The scheme has also been copied in countries outside of the EU, such as EFTA countries or China, further strengthening the position of the scheme and the European manufacturers using it.

In order to further reduce energy consumption in Europe, manufacturers/producers need to be encouraged to develop more energy efficient products and services, whilst consumers need information and incentives to buy them. Therefore, we strongly believe that a reinforced and more ambitious scheme should be considered as a part of the overall solution to reduce energy consumption in Europe, and to help achieve the goals of the

Commission Action Plan on Energy Efficiency<sup>4</sup>. We also consider the scheme to be an important driver of European competitiveness in the domestic appliances industry.

#### **(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**

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<sup>4</sup> Communication from the Commission, Action Plan for Energy Efficiency: Realising the Potential, COM(2006)545 final, 19.10.2006

**showing the 'best') giving the global environmental performance of the product throughout its life-cycle?**

ANEC considers that a legislative framework is needed for the standardised provision of environmental product information. Such a framework ought to cover not only the energy label but also the existing EU eco-label and other environmental information such as Type III eco-labels<sup>5</sup>. The final report of the European Commission's IPP Working Group on Product Information Needs<sup>6</sup> refers to an 'improved legal framework' based on existing European legal instruments. We believe that this recommendation is a step in the right direction in that it includes the possibility to specify detailed, compulsory requirements for certain product groups of high environmental concern via implementing measures.

Thus, whilst we consider it necessary to make use of any synergies between the existing labelling schemes, we do not consider it useful to drop the energy label and develop a new, more general 'eco-design' label instead. The legislative framework, suggested above, could ensure that there is minimal overlap between schemes, whilst also ensuring that all relevant information is provided to consumers in an easily understandable and coherent manner.

As already mentioned under question 1, we believe that any revision of the Directive should carry forward the opportunity that additional information (to energy) can be included on the label as a requirement in the implementing measures, following consultation of all stakeholders. .

**(4) Are you in favour of adding CO<sub>2</sub> on the energy label? How could reliable information be assured in the light of different energy mixes in the 27 Member States?**

Additional information on CO<sub>2</sub> is in our opinion not relevant, nor necessary, for consumers, as it is not the household appliance itself that produces CO<sub>2</sub>. In addition, consumers are already overloaded with labels and information.

Also, the CO<sub>2</sub> emission resulting from energy consumption of domestic appliances depends not only on the energy mix but also on other factors, such as the energy source. It will not be possible or meaningful to calculate a single CO<sub>2</sub> value for the whole of Europe. In addition, a CO<sub>2</sub> indicator tends to favour nuclear energy which is highly controversial.

Thus, in our opinion, there is more important information to be put on the label than CO<sub>2</sub> emissions.

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<sup>5</sup> Also known as 'environmental product declarations' or EPDs.

<sup>6</sup> IPP Working Group on Environmental Product Information, [http://ec.europa.eu/environment/ipp/ipp\\_wg.htm](http://ec.europa.eu/environment/ipp/ipp_wg.htm)

However, should the energy labeling scheme be extended to cars, we believe the current car labeling scheme should be merged with the energy labeling scheme, and in this case CO<sub>2</sub> should be indicated on the energy label for cars.

**(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?**

High electricity costs encourage consumers to both buy and use more efficient products and reduce their personal energy consumption. Therefore, in theory, annual running costs would certainly be important information to provide to consumers. Indeed, the price of an energy efficient product may sometimes be higher than that of a less efficient one whilst the related annual running costs tend to be lower.

Unfortunately, due to the high number of fluctuations in parameters, including the liberalisation of the energy market, it may not be practical or feasible to display annual running costs.

In the context of the upcoming Sustainable Consumption and Production Action Plan, we ask for fiscal instruments, such as tax incentives applied to industry, to be part of the legislative framework. Such measures can equally effectively apply to consumers by e.g. increasing taxes on unsustainable products, or reducing the costs of energy efficient products.

**(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)?**

We consider that the scope of the current labelling Directive should be extended to cover other product groups showing significant energy saving potential (including non-household and non energy-using products). The selection of products to be covered by energy labelling measures should be based on an energy saving impact assessment.

In particular, we call for the scheme to incorporate products such as cars, computers and other electronics, and heating appliances, as well as products which influence energy consumption but do not use energy themselves (e.g. windows or tyres).

**(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?**

In order for the transition to take place as smoothly as possible, with a minimum degree of confusion to consumers, the transitional period should be short (maximum 6 months). Member States will need to increase compliance monitoring during these periods.

Each time the scheme is revised, the year of publication of the new criteria shall be clearly communicated on the label, for instance next to “Energy” at the top of the label. We believe that this would help market surveillance authorities as well as consumers and retailers to identify the latest revision of the scheme and the criteria applied to the product in question.

It should be clear to the consumer that, regardless of the product group in question, class A is always the best, even after an upgrade due to technological progress. The current scheme using A+, A++, A+++, ... does not give an indication of which A+ is the best (e.g. is there an A ++++++++ ?). In order to create as little confusion as possible, A should be the top class for all products. This would mean that for some product groups, an A class would not exist yet, but could be shown on the label as an “empty / not available” class.

Finally, any significant changes with respect to the scales need to be evaluated in a consumer survey to determine how the consumer views the label.

**(8) Do you want to propose an alternative route beyond the considerations in this document?**

In addition to the above, we would like to highlight that the energy labelling scheme has accelerated the trend towards larger appliances. This causes a problem for small households in that small sized, yet energy efficient appliances are not readily available on the market<sup>7</sup>.

*ANEC in brief*

*ANEC is the European consumer voice in standardisation, representing and defending consumer interests in the process of standardisation and certification, also in policy and legislation related to standardisation. Our aim is a high level of consumer protection. ANEC was set up in 1995 as an international non-profit association under Belgian law. We represent consumer organisations from the European Union Member States and EFTA countries. The European Commission and EFTA fund ANEC, while national consumer organisations contribute in kind. The ANEC Secretariat is based in Brussels.*

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<sup>7</sup> See, for example, study noted in footnote 3.