

INPUT TO THE COMMISSION CONSULTATION DOCUMENT ON THE REVISION OF THE EU ENERGY LABELLING SCHEME¹

¹ 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.

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Summary

BEUC, the European Consumers' Organisation, 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. In particular, also products' performance must be measured and maintained at a high level because a product 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.]

a) 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, transparency 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 a simpler A-G label with less colour bands (e.g. four instead of seven) could be more appropriate, as the least efficient products will not be on the EU market anymore.

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.

b) 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.

c) 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 research² 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 study³ 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. BEUC 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 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.

d) 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 '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)

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

(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?

European leaders have set relatively ambitious targets to meet the challenge of global warming⁴. They have committed to improve energy efficiency by 20% by 2020 and reduce greenhouse gas emissions by at least 20% compared to 1990 levels. Energy labelling has been a success for the European Commission and is helping to achieve the above target.

The EU 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 support the use of a reinforced and more ambitious scheme extended to cover further products as a part of the overall solution to reduce energy consumption in Europe. It will help achieve the Union's objective on climate mitigation, competitiveness and sustainable product policy and in particular the goals of the Commission Action Plan on Energy Efficiency⁵. We also consider the scheme to be an important driver of European competitiveness in the domestic appliances industry.

However, it is important to remember that any shift of a specific market is only achieved through a combination of labelling and standard setting, via regulation (and voluntary industry agreement), and initiatives to reduce the price of the highest rated products. We hope these conditions will be extended to all other markets that the label will cover.

(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?

BEUC 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-labels⁶. The final report of the European Commission's IPP Working Group on Product Information Needs⁷ refers to an 'improved legal framework' based on existing European legal instruments. We believe that this recommendation is

⁴ For more information on EU actions to tackle climate change, see:
<http://europa.eu/scadplus/leg/en/lvb/l28188.htm>

⁵ Communication from the Commission, Action Plan for Energy Efficiency: Realising the Potential, COM(2006)545 final, 19.10.2006.

⁶ Also known as 'environmental product declarations' or EPDs.

⁷ IPP Working Group on Environmental Product Information,
http://ec.europa.eu/environment/ipp/ipp_wg.htm

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. A UK research Green Choice, what choice?⁸ showed that consumers can be confused by, or unaware of existing environmental information. Consumers want to be able to compare goods and services directly, and labels are a useful information shortcut to aid sustainable choices. Consumers express a desire for simple labels they can trust. The colour-coded A-G label that is already used on electrical appliances across the EU serves this purpose well.

Firstly, it allows consumers use the label to make meaningful comparisons between products; to achieve this, any energy labels adopted would need to appear on all consumer electronic products. The Eco-label, appearing on the best products, does not give consumers the information they need because they are not able to compare all goods in a category.

Secondly, people are already confused by environmental information that is on display. It will be hard to communicate details of the global environmental performance of the product throughout its life-cycle to consumers and may confuse them further. The current colour-coded graded scheme has good recognition and understanding with consumers and it would be a folly to change this.

As a conclusion, a future legislative framework for the standardised provision of environmental product information, 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.

(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?

Additional information on CO₂ is in our opinion not relevant, nor necessary, for consumers. CO₂ is not a recognised metric among consumers and it is not the household appliance itself that produces CO₂. It would be very complicated to try and communicate this effectively to people. Moreover, the current colour-coded graded scheme has good recognition and understanding and overloading the label with too much information may be counter productive, making the label harder to decipher.

Also, the CO₂ 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 CO₂ value for the whole of Europe. In addition, a CO₂ indicator tends to favour nuclear energy which is highly controversial.

⁸ National Consumer Council (2003). Green choice, what choice?

Thus, in our opinion, there is more important information to be put on the label than CO₂ emissions. However, should the energy labelling scheme be extended to cars, we believe the current car labelling scheme should be merged with the energy labelling scheme, and in this case CO₂ 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?

BEUC is not in favour of adding annual running costs to the energy label. 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 and may make the grading more meaningful for people. 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.

However, there is the huge problem of giving an accurate figure for the running costs on the energy label. There are huge differences in energy prices between Member States and even within different companies in one country. Any number used as a running cost would have to be so averaged and altered; it would not give an accurate representation of what the running costs would be. This has the potential of misleading consumers.

Therefore, due to the high number of fluctuations in parameters, we believe that it may not be practical or feasible to display annual running costs on 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)?

In spring 2007, the UK National Consumer Council launched a report called 'Information blackout: why electronics consumers are left in the dark'. This was based on a shopping survey in the UK which covered 8 different stores, from department stores and supermarkets to specialist electrical stores. The survey aimed to mimic the consumer experience when buying consumer electronics. This survey revealed, even in the 21st century, that there is little information available to shoppers in stores. Telephone helplines and websites also do little to help customers make greener choices when purchasing everyday consumer electronics items.

The survey looked at DVDs, TVs, set-top boxes and laptops, covering around 350 items. Of all the products, only one TV out of 200 had an energy label sticker on it. None were found on other products. After asking staff about the energy efficiency of products, as well as calling customer helplines and looking on websites, it was found that none were able to provide information on the energy efficiency of any products, with the exception of one brand.

Some consumer electronic products are more efficient than they were but the amount of products people own is growing so these benefits are cancelled out. Households are buying more than one TV for their home with the average figure expected to rise to 2.6 sets per household by 2020⁹.

In this context, we consider that the scope of the current labelling Directive should be extended to cover other areas showing significant energy saving potential. 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).

In theory, we would also support the extension of the Directive to cover non domestic products and services but we would want the colour coded A-G labelling scheme to be used.

(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?

We do not support a new labelling classification. The strengths of the colour coded A-G labelling scheme have been mentioned at length throughout this document. We would strongly advise against changing this scheme.

Whilst we believe that the familiar format of the energy label with A-G colour bar ratings must be retained, we believe that the scheme should be adapted in order to make it possible to update it in a flexible and dynamic way. 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 as short as possible (maximum 6 months). Member States will need to increase compliance monitoring during these periods.

When the scheme is revised, the year of publication of the new criteria could be clearly communicated on the label, for instance next to "Energy" at the top of the label. We believe that this would help - at least during the transition period - 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, A products would not exist yet, but could be shown on the label as a "not available" class.

⁹ <http://www.energysavingtrust.org.uk/uploads/documents/aboutest/Riseofthemachines.pdf>

Finally, any significant changes with respect to the scales need to be evaluated. There would need to be extensive consumer research and testing with consumers to check that the new system would be appropriate. There would also need to be funding for an extensive communications campaign to establish recognition and understanding of the new labelling scheme just to the levels of current recognition and understanding. This is likely to cost large amounts of money.

(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 there is a 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 market¹⁰.

END

¹⁰ See, for example, study noted in footnote 3.