

ecee comments on the consultation document of the Commission on the revision of the Energy Labelling Directive 92/75/EC

6 February 2008

Executive Summary: call for urgent action

ecee believes that the Labelling Directive still has strong merits and a full use of its present potential can soon deliver significant energy and carbon dioxide savings. The scheme forms an indispensable part of a broad energy-efficiency policy. The main asset of the EU energy label is its mandatory lay-out (especially the A-G scale, the coloured arrows), the display of the label at point of sale, and the simple message it gives: A is the most efficient. So ecee is strongly in favour of keeping this valuable instrument.

However, the label scheme has become obsolete for many products and has lost its informative value to the consumer. Therefore it urgently needs an update and a revision to resume its role in transforming the market towards more efficient appliances. Furthermore, a revised energy label scheme is needed to complement minimum efficiency standards (implemented via the Eco-design Directive).

Facing the challenges of realising the EU energy savings potential, the EU Commission and Member States must act now by way of short term and medium term actions. Therefore we ask the Commission to take the following actions:

In the short term (adoption by the Commission before summer 2008):

- Upgrade the label for cold appliances (based on the results of the eco-design study lot 13);
- Revise Directive 2003/66/EC by removing the A+ and A++ classes and redefining the A-G scale so that appliances in the A class must have a market share not exceeding 20%.
- Introducing a label for televisions (based on the results of the eco-design study lot 5).
- Introducing a label for water heaters and boilers (based on the results of the eco-design study lot 1 and 2).

In the medium term:

- Upgrade the label for air conditioners (based on the results of eco-design study lot 10).
- Automatic review of the labelling to be built in to the revision of the Directive and where appropriate, the labels updated in the light of technological progress and/or market shares in the A class
- Tighten the tolerances for products in terms of the classification between adjacent bands of the label in any future revision of the Labelling Directive
- Extend labelling to additional household appliances and other consumer electronics and to non-electrical appliances
- Extend labelling to non-household energy using products which consume considerable energy such as HVAC and refrigeration equipment
- Extend labelling to cover products which in themselves do not directly use energy but which have significant impact on energy consumption e.g. windows, vehicle tyres etc.

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In addition to these actions, the EU Commission and Member States have to agree on the best way to cover other appliances currently outside the scope of the Labelling Directive. This is likely to require an exploration of how the energy label and the information instruments under the Eco-design Directive can be better co-ordinated. A follow-up study resulting in concrete proposals could start in the beginning of 2009, based on the results of recent Commission labelling studies.. The results could then be used both in the first revisions of the Eco-design implementing measures and revisions of the implementing measures for the energy label.

eccee is also conscious that for the EU Commission to act with the urgency that we believe is warranted on strengthening the Labelling Directive, then staff and resources within the Commission need to be increased to match the important task ahead.

Introduction

The European Council for an Energy Efficient Economy (eccee) is a non-profit, independent organisation promoting energy efficiency, with individual and organisational members from government agencies, industry, research institutions and citizen organisations.

eccee welcomes the European Commission's consultation document on the revision of the Energy Labelling Directive 92/75/EEC of 22 September 1992 as an important recognition of the key role that energy labelling plays in energy efficiency policy. Our response to the specific questions raised in the consultation document is detailed in section 4. However, we believe it is important to state clearly the strengthening that is required to the existing Labelling Directive to ensure it can continue to deliver significant energy and carbon dioxide savings in the future – this is discussed in section 2. Finally, section 3 contains the short-term and medium-term actions that are required by the EU Commission and Member States in order to realise the full potential of energy labelling now and in the future.

The key improvements to the existing EU energy labelling Directive

The existing EU Energy Labelling Directive has been in place for over 15 years and has been widely hailed as a great success. It links closely with the EU directives on minimum performance standards for energy using products, the latest of which is the Eco-design of Energy Using Products Directive. In effect, one Directive defines and labels the product in question according to its energy efficiency performance while the other eliminates the poorest performing products, while also providing common test methods for the energy performance levels which require labelling

Given the continuing growth in the number of household appliances, it is clear that the process of energy labelling of the most important energy consuming products needs not only to continue, but to be expanded in the range of products covered. eccee strongly supports most of the stakeholders comments on revision to the energy labelling directive as laid out in section 3 of the European Commission's consultation document on the revision of the energy labelling directive. In particular, eccee would like to see the following included in any revised energy labelling directive:

- Labelling extended to additional household appliances such as televisions and other consumer electronics and boilers
- Labelling extended to non-household energy using products which consume considerable energy such as electric motors
- Labelling extended to cover products which in themselves do not directly use energy but which have significant impact on energy consumption e.g. windows, vehicle tyres etc.

- Automatic review of the labelling being built in to the directive and where appropriate, the labels being updated in the light of technological progress and/or market shares in the A class
- To cope with the dynamic labelling suggested in the point above, we believe it will be necessary to put the calendar year (which the label criteria refer to) on the energy label
- The labels should be as simple and clear as possible so as not to create a barrier to consumers gathering the information; due to the variation of the carbon dioxide content of electricity across Europe and with time, we are only in favour of including carbon dioxide emissions for non electricity products e.g. gas boilers
- With the continuing growth of appliance sales via the Internet, any revision to the Labelling Directive needs to ensure that this sales channel is fully covered
- In the light of the many complaints from consumer bodies across Europe about the existing tolerances for products in terms of the classification between adjacent bands of the label, we believe that the tolerances should be tightened in any future revision of the Labelling Directive
- Better enforcement of the labelling requirements is necessary in respect of both manufacturers' declarations on the label and retailers' display of the information on the label. Special provisions to this end should therefore be included in the revised Directive
- Any revision to the EU Labelling Directive should ensure that there is adequate legal protection against unauthorised use of the label

The way forward

eccee believes that perhaps the main weakness of the existing directive has been in the failure to revise the energy labels in a consistent way for those products which have undergone significant improvement in their energy performance. The best examples of this are in the refrigeration and washing machines labels: for refrigeration new labels were uniquely introduced at A+ and A++; in the European washing machine market, virtually all of the products are now A-rated.

eccee advocates that at the time of setting performance standards for the label classifications, no more than 20% of those products on the marketplace should be able to attain an "A" classification. Furthermore, an automatic review of the energy label should be built in to the labelling process which would be triggered whenever the market place transforms such that more than (say) 30 to 40% of the products sold attain the A-label class.

eccee believes that revising the Labelling Directive and in particular, getting rid of the A+ and A++ labels should be the first priority for the EU Commission.

eccee is also conscious that for the EU Commission to act with the urgency that we believe is warranted, then staff and resources within the Commission need to be increased to match the important task ahead.

Facing the challenges of realising the EU energy savings potential, the EU Commission and Member States must act now by way of short term and medium term actions. Therefore we ask the Commission to take the following actions:

In the short term (adoption by the Commission before summer 2008):

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In the medium term:

- Upgrade the label for air conditioners (based on the results of eco-design study lot 10).
- Automatic review of the labelling to be built in to the revision of the directive and where appropriate, the labels updated in the light of technological progress and/or market shares in the A class
- Tighten the tolerances for products in terms of the classification between adjacent bands of the label in any future revision of the labelling directive
- Extend labelling to additional household appliances and other consumer electronics and to non-electricity appliances
- Extend labelling to non-household energy using products which consume considerable energy such as HVAC and refrigeration equipment
- Extend labelling to cover products which in themselves do not directly use energy but which have significant impact on energy consumption e.g. windows, vehicle tyres etc.

In addition to these actions, the EU Commission and Member States have to agree on the best way to cover other appliances currently outside the scope of the Labelling Directive. This is likely to require an exploration of how the energy label and the information instruments under the Eco-design Directive can be better co-ordinated. A follow-up study resulting in concrete proposals could start in the beginning of 2009, based on the results of recent Commission labelling studies. The results could then be used in the first revisions of the Eco-design implementing measures and revisions of the implementing measures for energy labels.

Answers to the specific questions in the consultation

In what follows, eceee has used the same numbering system as in the EU Commission's consultation document.

1. Ensure coherent product policy
It is essential for a coherent product policy that the technical basis (including the measurement process to define energy performance) for product policy is the same for all policy instruments (labels, minimum efficiency standard, etc.). It does not mean that is a necessary for such policy instruments to merge. On the contrary the instruments can be seen as different market transformation tools that need to adapt to specific "market situations", e.g. pulling the most efficient products or blocking the least efficient products, or serving consumers or the business-to-business market. Coherence means that each instrument fits logically in the complete policy package to achieve EU and national energy efficiency/environmental targets and uses compatible and consistent test methods and procedures.
2. Reinforcing the use of energy labelling
Yes, eceee certainly sees an important role for a reinforced energy label in order to more vigorously contribute to the Union's objectives on climate mitigation, competitiveness and sustainable product policy. EU householders are increasingly aware of climate change and the fact that it is caused by man-made carbon dioxide emissions. To help them act to decrease their carbon dioxide footprint, it is

essential to provide them with standardised and easily recognisable information i.e. the EU energy label.

3. Energy label versus eco-design label

As the eco-design studies show for energy-using products there will be no or little difference in result (when comparing products) between energy consumption in use and global environmental performance throughout the life-cycle. The reason is that energy consumption during use is the main environmental aspect of energy-using products. So for energy using-products eceee favours the use of an energy label.

4. Add CO₂ on the energy label

There are practical problems of adding CO₂ on the energy label for energy-using products. Perhaps the most obvious is that the carbon dioxide content of electricity across the various European countries varies considerably and that the carbon dioxide content of electricity within one country can change dramatically with time. However, it would be possible to label energy-using products which do not use electricity, for example gas boilers. For practical reasons, eceee advocates that the carbon dioxide emission information is restricted to those products where the overwhelming emissions arise from the end use of the product and hence can avoid an inevitably difficult calculation on controlling the boundaries when considering a complete “cradle to grave” analysis of carbon dioxide emissions.

5. Add running costs on the label.

eceee is not in favour of adding annual running costs on the label. Running costs depend on energy prices that vary in time and throughout the EU (and in Member States), whereas the information on the label should be “timeless” and valid EU wide. Certainly, running costs are important information for the consumer, but given the “individual” character of energy prices, this information should be supplied in a more tailored way than the energy label (or any EU wide label) can provide, e.g. through national websites or by retailers using e.g. attached fiches. A website has a further advantage that user behaviour that influences the running costs, e.g. actual use, can be taken into account and helpful advice provided at the same time.

6. Extend the scope to other products

Given the success of the energy labelling scheme, including the fact that the concept is known to the consumer, it seems logical to extend the scope of the energy labelling concept to non-household energy using and non energy using products and energy relevant products. In both cases, the guide to the relevance of the product should be based on the potential energy savings that introducing an energy labelling process might achieve coupled with consideration of whether the energy label would be an effective marketing tool with the target group for the product. It may well be that the alternative policy measure of minimum performance standards might be a more effective route to achieving energy and carbon dioxide savings, although even here both labels and minimum performance standards can complement each other..

7. Transition to Dynamic Labelling

The transition to a revised labelling classification could follow the same route as the implementation of a new directive. When the revised directive is adopted by the Commission, stakeholders will have about two years after the adoption to prepare

for and implement the transition; this should be sufficient for most products. The transition to a revised labelling classification should be complemented by informing the public (and retailers) on the revised labels around the time these labels should appear in the shops. As eceee advocates automatic triggering of the revision of the energy label in the light of technological progress and increased market shares for the A class, then we believe it is essential to include the calendar year in the label to which the energy label performance relates. Using information from the eco-design requirements, signals can be sent to the product manufacturing industry as well as to consumers on possible forthcoming or expected changes in performance requirements, possibly in fiche information format.

8. Alternative route

As the EU energy label has proved so effective we are reluctant to see a major change in the information and style this is presented to consumers. It is clear that in the future there will need to be a greater coordination with the many other energy labelling and minimum performance schemes that exist in other countries. The view of eceee is that the first and most logical step is to ensure that for all globally traded products, there is a common standard of measurement for the energy efficiency performance of these energy-using products. It would be helpful though not essential, if there were similar banding approaches between the different regional labels. eceee believes that it is not essential for the final energy labels to look identical in the different regions of the world - it is much more important that consumers continue to look for the information from the energy labels that they are used to.

Without common standards of measurement for the energy efficiency performance of globally traded products, it will be extremely difficult to attain global agreement on removing the worst performing of these products through globally agreed minimum performance standards.

About the European Council for an Energy Efficient Economy (eceee)

eceee is a non-profit, membership-based European NGO. The goal of eceee is to stimulate energy efficiency through information exchange and co-operation. To facilitate this, eceee provides an information service through its website and e-mail newsletter, arranges workshops and conferences, and takes active part in the European Policy making process.

One of eceee's principal events is the Summer Study, held for five days every odd year in the early summer. It is Europe's primary event for cross-cutting discussions on energy efficiency. The Summer Study attracts more than 350 participants from a wide range of backgrounds.

eceee and its summer study offer governments, industry, research institutes and citizen organisations a unique resource of evidence-based knowledge and access to reliable information.

eceee promotes the understanding and application of energy efficiency in the energy research, policy and commercial organisations. It offers membership for both individuals and organisations.



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