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### **Comments from the Danish Energy Authority on the consultation document on the revision of the Energy Labelling Directive.**

The Danish Energy Authority (DEA) considers an Energy Labelling scheme to be a valuable tool in the effort to direct consumer choices towards more energy efficient appliances. However the present labelling scheme needs to be reinforced and upgraded to capture the potential of technological development. The DEA welcomes the consultation document as an important step towards revitalization of the labelling scheme.

#### General.

The DEA supports amending the framework directive in order to inter alia extend the scope of the labelling scheme to non household products. Amending the directive should however not cause a delay to other urgent initiatives, which could be implemented on a short notice. We therefore support that updating existing implementing directives and introducing implementing directives on additional household products should be initiated in parallel.

Before commenting on the individual policy options mentioned in the consultation document, the DEA would like to recommend the following principles and priorities as guidelines for the revision of the labelling scheme:

- Labelling is an important instrument for promoting the most energy efficient products, provided that the requirements are dynamic and are continuously adapted to technological development
- Initially, for any product no more than 10-20 percentages of the appliances sold should be in class A
- Criteria for automatic upgrading of the classification should be included in the scheme
- The label should be clear, accessible and understandable and provide a clear guidance as to which products are the most efficient
- The classification of cold appliances should be adjusted to ensure a fair method for achieving a top classification rather than the current scheme which favours larger or multi feature models

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- The number of classes could probably be reduced taking into account the efficiency requirements of the eco-design regulation
- Control tolerances should be reduced and should only reflect measurement deviations between test laboratories
- Surveillance by member states should be strengthened and should be supported by provisions on among other things technical documentation and compliance check and by information sharing and data bases

Comments to the policy options in the consultation document.

**Policy options 1, 2, and 3:** The DEA is in favour of extending labelling to additional household appliances, to non household energy using appliances, and to non energy using products with a large energy saving potential such as windows.

In parallel to the process of amending the framework directive there should also be prepared proposals for new implementing measures for the products already covered by labelling directives.

For refrigerators/freezers, washing machines, dishwashers, air-conditioners and light sources eco-design studies are likely soon to be finalised and the results can be used as background for the eco-design requirements and the revision of existing labelling criteria. A revision of the scale for cold appliances in order to remove the A+ and A++ classes should be given a high priority.

For the remaining already labelled products driers, ovens and combined washer driers no new technical data or analyses exist. The DEA recommends the Commission to start preparatory studies for these products in the next round of the eco-design studies.

The most important product to be labelled next and in the short term is the television, because televisions will consume large parts of energy in the households in the future due to larger screens. The eco-design preparatory study on television is finalised.

In order not to have the labelling of television delayed by the amendment of the framework directive, it may be considered to implement a label for television in the context of the existing framework directive and at the same time prepare for a revision to be implemented as soon as the new framework directive is in place.

**Policy option 4:** The DEA strongly supports reinforcing a dynamic labelling in order to make sure that the scheme at any time stimulates technological development and increasing energy efficiency.

However dynamism could be introduced in several ways, and the DEA does not wish at this moment to take a firm position on the measures to be chosen. The DEA will make its stance clear when the working group on the subject has finished its work

At present the DEA therefore can only outline below some initial considerations and principles that in our view should be taken into account when making further decisions. We welcome the opportunity to debate the issue further in the working group:

- It is crucial that the label is designed in a way that ensures easy, accessible and understandable information to the consumer. This should be a basic requirement for any successful labelling scheme. The current A-G scale has proven very successful in this respect. The DEA initially favours to maintain the A-G scale with the inclusion of dynamic elements, but is open to discuss other solutions.

- Another crucial objective is that the scheme should stimulate manufacturers to develop and introduce products with higher energy efficiency. To create further incentives for the industry the criteria for future top classes could be announced well in advance. The creation of foreseen future top classes should, however, be based on existing knowledge about possible and realistic improvement options and not only on a theoretical scenario of new energy efficiency classes. Further new efficiency classes on the top should not be too narrow.

- Whether or not the future top classes should also be presented on the label is another matter. It could be confusing for the consumers to have top classes presented that are not actually in force. Therefore as an alternative, a voluntary quality label awarded to the most efficient products might be added “on top” of the mandatory labelling classification to give manufacturers a possibility to communicate the super efficiency of their products to consumers.

- As for the mechanism for securing timely upgrading of the classification system in the future, this could be designed in various ways. One possibility is to require that when the market coverage of products in the top class exceeds a certain percentage a revision should take place. Although a revision should only take place if further cost effective saving potential exists. Another route could be to introduce an upgrading of the current classification scales as soon as possible and at the same time prescribe another revision/upgrading after the elapse of a certain period.

- The choice between mechanisms should inter alia depend on the technological potential for each product. For instance it seems clear that for many products currently covered by the implementing directives, the scope for adding further classes on top of the current A level is rather limited (provided that the width of the classes is similar to that of the current classes below A). This indicates that for many products future upgrading of the classification will not be a continuous and ever lasting process, and the choice of mechanism should reflect this recognition.

- If it is possible to establish a close interaction in the revision process of the products covered by both eco-design requirements and energy labelling; only a few energy categories will be needed on top of the level of an ambitious minimum energy efficiency requirement. Therefore, in the light of the coming minimum energy efficiency requirements under the eco-design directive it should be considered to simplify the classification by reducing the number of classes, e.g. from 7 to 5 or even 4 classes.

- Indeed, for some products for instance set top boxes, the scope for labelling “above” the efficiency requirements may well be so limited as to make a mandatory labelling with several classes (such as the present A-G scale) pointless. In these cases it could be considered to substitute the mandatory labelling by a voluntary quality label awarded only to the most efficient

products on the market as in the Energy Star Programme. The label should be designed to have a clear message and without need for translation into national languages.

- In a labelling system in which only the best products are labelled, the label could be applied directly on the products/packaging of the manufacturers (no need for obligations on shops and distributors). Enforcement would be easier and less expensive because control measures could be focussed on a minor part of the market. The system would also have disadvantages, inter alia that the label will include less information than the existing declaration, and that products, which do not comply with the energy efficiency criteria, will not be labelled (this might confuse the consumer).

- When upgrading the classification in a long term perspective, an effort should be made to avoid favouring more energy consuming models. For instance, within fridges and freezers and washing machines, the categorisation of appliances tends to favour bigger models on behalf of smaller. The smaller appliances may use less energy than a bigger, but the bigger may be labelled in a higher (i.e. a more energy efficient) group than the smaller. Thus an incentive to buy bigger and more energy consuming appliances and to avoid smaller and less energy consuming appliances is embedded in the labelling system.

**Policy options 5a and 5b:** The DEA prefers the label to give information on energy consumption and efficiency and a few other factors with relevance for the energy consumption and the performance of the product for instance washing quality. Therefore DEA is – with some qualifications - sceptical about adding other new environmental information to the label, cf. the answers to questions 3, 4, and 5 below.

**Policy options 6a, 6b, and 6c:** As the market share of internet sales is ever increasing, the DEA believes that there is a strong need to secure that consumers purchasing via the internet are provided with similar information as that provided on the label and have easy access to information corresponding to the content of the fiche. This also applies for advertising in other media such as TV, newspapers, magazines and so forth, perhaps with a subset of the label information. The DEA therefore supports reinforcement of the labelling scheme in this field.

To the extent that reinforcement requires amending the directive, the DEA strongly supports such amendment. However Article 5 of the framework directive already gives considerable scope for action and actions within this scope should not be halted by the amendment procedure. In this light the DEA proposes that already in connection with drafting the forthcoming implementing directives practical solutions to internet sales and labelling are considered, for instance the possibility of introducing a (simplified) electronic label.

When amending the framework directive to reinforce the provisions on internet sales, advertising on TV etc. the DEA proposes that it should be laid down explicitly that the required information should be provided in all cases, even if the customer has a possibility to see the product for instance in a shop. Although the DEA believes that such is the natural understanding of the current provision in article 5, it would be helpful if this understanding was stated explicitly in the directive.

**Policy option 7:** A simplification of the verification method is urgently needed. The control tolerance of 15%, contained in some European measurement standards, is much higher than necessary. Experiences show that the producers are able to manage the production with less tolerance. The DEA therefore recommends that only tolerances which are necessary in order to secure “inter subjectivity” i.e. to allow for the deviation/variance due to the difference between measurements conducted between different labs, should be included. Thus the tolerances should only allow for deviations in measuring, not for deviations in production.

**Policy option 8:** In order to ensure a proper functioning of the labelling directive the DEA strongly recommends that the market surveillance by the Member States should be considerably strengthened and that the Commission should play an active role in supporting this.

The DEA recommends that it should be considered to set up annual national minimum targets for market surveillance in the directive. The market surveillance should at least include shop inspections, as well as testing of appliances.

The basis for an improved enforcement could be strengthened by the establishment of central communications tools, for instance a database run by the Commission. The database should contain information about surveillance results as well as technical data covering all energy labelled appliances on the market. Member States should report market surveillance activities and results. Manufacturers should provide technical data. The data could be stored in a password restricted area.

The database can be used as a valuable tool by control authorities in the Member States. It will make it possible in an easy way to exchange information about planned and on-going control activities and on non-complying products.

At present, for products covered by the labelling directive, the tolerances and the number of tests required for compliance check are described in the relevant measurement standard for the product group. The DEA recommends that the tolerances and the number of models required for testing in the future is included in the implementing measures for the products, leaving only the description of the measurement method to the standardisation body.

The DEA further recommends that the number of tests required for compliance check should be reduced. A possible way could be that if the test of one appliance does not confirm the information on the label, two additional appliances are tested.

There is a need for a more detailed description of the technical documentation to be provided by the manufacturer in order to prove compliance. For instance, the directive might require that manufacturers shall provide results of measurements carried out for a certain number of randomly chosen units of the same model. The measured values shall fulfil the requirement for the relevant energy class without applying any tolerances to the measurement result.

Moreover, the member states should be allowed to require the technical documentation from the manufacturers.

Eventually, the DEA strongly recommends that the provisions on technical documentation and compliance check in the labelling directive are as far as possible harmonized with the

provisions in the eco-design directives. This would make the surveillance and enforcement of both schemes simpler and less costly for authorities, and probably also make it easier for manufacturers to comply.

**Policy option 9:** The DEA recommends that the EU energy label be protected by a trade mark.

**Policy option 10:** The DEA supports implementation through regulation rather than through directives as this would avoid transposition costs and delays and at the same time ensure a harmonized approach.

### **Answers to questions in the consultation paper:**

**Question 1:** One element in a coherent product policy with the aim of enhancing energy efficiency is to secure coordination between ecodesign and labelling measures for each individual product. With several products, the energy efficiency requirements and the labelling should work together in a push and pull effort, whereas in some cases, the efficiency requirements would leave no room for labelling. The DEA supports the closest possible link/integration between efficiency requirements under the eco-design directive and labelling under the labelling directive.

Another important element could be to support a harmonized implementation and enforcement of the labelling and ecodesign obligations. This could be done among other things by coordinating the provisions on technical documentation and compliance check in the ecodesign and labelling directives. Also the DEA recommends that the Commission supports information sharing between member states on enforcement activities within the labelling scheme.

**Question 2:** The DEA strongly supports reinforcing the energy labelling to contribute to the objectives on climate mitigation, competitiveness, and sustainable product policy. The DEA believes that the labelling scheme has been successful in directing consumer attention to energy efficiency, but as outlined above the DEA is also convinced that the scheme needs an upgrading.

**Question 3:** Basically, the DEA prefers "a pure" energy label without other environmental parameters. Supplying further information on the label could confuse the message of energy saving, and for the consumers it would be much more complicated to make use of the label. Also for many products, the energy consumption will be the main impact on the environment. However an option might be left open that for some products, other parameters should be added to the label, if on the basis of an assessment of the product in question this is considered relevant.

**Question 4:** The DEA is sceptical about adding information about CO<sub>2</sub> emissions on the label. Calculation of the emissions pertaining to a product would be complicated. If the calculation is based on an EU average of power production emissions this would be misleading to consumers. Even if the calculation was based on national power supply emissions it would have to be taken into account that emissions vary over time depending on topical supply mixes.

As the CO<sub>2</sub> emission is caused by the energy consumption of the appliance which is anyway presented on the label, for most products information about emissions does not add new information on the energy efficiency of one model compared to other models of the product. On the contrary it makes the label more complicated and therefore its ability to guide consumer behaviour may be weakened. Only if products using different energy sources – for instance oil and gas – were included in the labelling scheme, the information about CO<sub>2</sub> emissions might add value to the label.

This is not to deny that information about CO<sub>2</sub> emissions could strengthen the message of “saving energy” because of the appeal it could have to consumers concerned about climate change. However such information could more appropriately be given by other means than by the label.

**Question 5:** The DEA does not support adding information about life time costs on the label. A declaration on the total life time costs (price of the products and the costs of operation during the life of the product) based on EU-average energy prices will not supply useful information to the consumer due to the variation in consumer energy prices in the EU member countries. Therefore it must be based on the actual energy prices and product costs in the individual Member States.

However even at national level it should be realised, that calculating life time costs is not an uncomplicated task: electricity prices will vary over time, and parameters such as for instance ageing of appliances and interest rates would probably have to be included to give a true picture. Therefore this information cannot easily be communicated to the consumers on the label, and the information will have to be changed continuously as electricity prices and interest rates changes.

**Question 6:** The DEA supports that the labelling directive applies to all energy using products as well as non-energy using products with a large energy saving potential.

The DEA therefore supports that the frame work directive in a long term perspective is amended to include energy using, non house hold products and non energy using products with a large energy saving potential. The decision as to which products should be actually covered by the scheme must be based on an assessment of the saving potential of each product.

**Question 7:** The DEA proposes that the approach for the transition to upgraded scales should be discussed in the working group. Initially the DEA considers that there should be a transition period, within which the appliances can still legally carry the old label, and making it possible for manufacturers to adapt to the upgrading. But in all Member States the transition period should be as short as possible.

**Question 8:**

The DEA proposes no alternative route at the moment.