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

Intellect is the UK trade association for the IT, telecoms and electronics industries. Its members account for over 80% of these markets and include blue-chip multinationals as well as early stage technology companies. These industries together generate around 10% of UK GDP and 15% of UK trade. For more information go to www.intellectuk.org

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

Generally the industry supports the use of labels to inform the consumer of energy efficient products. However, there are a number of issues that need to be resolved before an accurate and effective graduated labelling system can be introduced. However we do not believe that such a system could be implemented (the reasons are detailed below. These are:

- An effective measurement system.
- A system that effectively compares energy efficiency and not just overall energy consumption.
- A system that can keep pace with technological advances.

An effective measurement system: In many cases and in particular for many consumer electronics (CE) products the current energy measurement system does not represent the actual energy consumption in the use phase of the product. There is also concern with monitoring. Some years after the introduction of the energy label there are claims that up to 50% of "cold appliances" have incorrect labelling.

A system that effectively compares energy efficiency and not just overall energy consumption: With the nature of CE products many of the features such as 100Hz, hi-quality sound and connectivity have an impact of increasing the energy consumption of the product. Therefore a low-featured product should have a lower power consumption than a high-featured product. If labels are just based on energy consumption and not energy efficiency, then A-G labelling will have an unintended impact on consumers in that they expect "A" rated products to be the best products. However, especially as regards televisions (TV), the "A" rated products are unlikely to be the best performing but will only be the lowest energy consumption. This potentially has the unintentional impact of confusing the buyer as to the "A" labelled products being best. For a grading system to work effectively it has to account for all the features of the product by giving an allowance for each of the features and not comparing only the overall power consumption. With the rate of change in the CE sector Industry does not believe that a grading system will be capable of keeping pace with the changes so will not be effective. A label on CE products will only be effective if it just gives the energy consumption. The consumers can then choose a product with the features they want and can compare the energy consumption of like for like products.

A system that can keep pace with technological advances: With the rapid development of technology in the sector it is imperative that any system should keep pace with technological developments. This is of particular concern where a company develops its own technology e.g. *pixel*

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plus for Philips. This has an impact on the power consumption so would get the *pixel plus* products a lower energy efficiency rating at launch as the *pixel plus* would not be accounted for. In the white goods industry the "A –G" label was never updated so the majority of products ended up "A"-rated; so it was necessary for the authorities to introduce an "A*" system to supplement the existing system. The only coherent policy for informing the consumer is a simple system; the consumer must understand it and have confidence in it. Since "one size" will never fit all there should be different systems for different products.

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 change, competitiveness and sustainable product policy?

Yes, in the sense that consumers should be encouraged to think green and to take account of energy consumption when purchasing new electronic products. But there is a risk that too many energy labels employed in too many different ways will foster consumer confusion.

A-G labelling for white goods took a long time to be accepted by consumers. But white goods are easier to compare because they perform similar functions. White goods are also long-term purchases involving heavy energy consumption (washing machine) or constant use (refrigeration). This helps consumers use energy labelling as a differentiator when purchasing white goods.

However, electronic products do not readily lend themselves to comparison methods such as the A-G label (for instance the difference between a plasma and LCD television). A large plasma television may be efficient on standby while consuming heavily in use. Higher performance products with many features tend to consume more energy and cannot be readily compared with more basic products. For comparisons to be valid consumers must understand technical differences such as that between active and passive standby. Computers may consume more energy following an upgrade.

For some time IT products have used the Energy Star label which is now widely recognised as a global standard. This label effectively demonstrates to the end-user that power consumption of the system meets specific, and in some cases complex, energy criteria.

The view is that energy-labelling will have less impact on consumer decisions on the purchase of smaller, shorter-term purchases with a wide range of features. Whilst supportive of energy-labelling as a principle, it needs to be aimed at informing the consumer about the energy used by the product without the need to make confusing comparisons to be effective.

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 lifecycle?

Intellect members favour any energy-labelling requirement taking account of both energy consumption in use and energy consumption on standby.

Eco-design information is problematic. It involves extensive gathering of data and determination of multiple factors; these increase the potential for subjective bias. Energy consumption in use represents by far the main environmental impact of most electronic products (around 70%) and this should be the main information communicated to the consumer.

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?

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Members are not in favour of this suggestion. CO2 rating is dependent on use and, without an intelligible and standardised method for measurement, would vary from market to market. As with the Eco-design label, the determination of the CO2 rating would be complex and subjective.

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?

Members are not in favour of this suggestion. Energy prices vary not only from state to state but also according to energy provider; so any information would stand to be short-lived. The question appears not to take account of product items transferring from one state/market to another.

6. Would you like to add other products to the scope of the Labelling Directive than those covered at present (non-household or non energy-using products, 'energy-relevant' product, services such as holiday packages or other)?

Labels should be restricted to power consumption and, as suggested in the answer to question 3, more extensive data gathering cannot practically and objectively be achieved – and would stand to be unclear to the consumer not prepared to make a detailed study of the methodology.

7. In view of dynamic labelling, which approach would you favour for the transition from an existing labelling scheme to a new labelling classification in order to cause minimum distortions?

Following the introduction of any new labelling scheme the previous labelling system should continue for a period, say 6 months according to Intellect members; but some products (electronic keyboards for instance) have a long shelf life (as long as 3 years from a recent quote). Such a problem would be avoided by restricting labelling to information on power rating.

Dynamic charts might be the most useful way of indicating any transition which should not foster disruption: for instance producers fear the un-environmental tendency of retailers to return product, in these circumstances for re-labelling.

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

Intellect members see no practical alternative to providing the truth as applied to the product rating plate – information stating energy consumption in use and when on standby. Such a suggestion avoids any need to explain parameters, as would be necessary for many comparisons/A-G labels. Such information would be clear, simple and largely intelligible at the point of sale.

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