



Impact assessment study on a possible extension, tightening or simplification of the framework directive 92/75 EEC on energy labelling of household appliances

Appendix 3

Stakeholder interviews – country reports by Europe Economics, Fraunhofer-ISI and BSR Sustainability

**Europe Economics
Chancery House
53-64 Chancery Lane
London WC2A 1QU
Tel: (+44) (0) 20 7831 4717
Fax: (+44) (0) 20 7831 4515
www.europe-economics.com**

12 October 2007



TABLE OF CONTENTS

1	STAKEHOLDER INTERVIEWS.....	2
	Interviews.....	2
2	STAKEHOLDER VIEWS.....	4
	Impact of labelling.....	4
	Cost of existing scheme.....	8
	Problems with existing schemes.....	9
	Possible changes to labelling requirements (without amendment).....	9
	Possible changes to labelling requirements (with amendment).....	13
	Repeal of the legislation and using other Community legislation.....	16
3	DENMARK COUNTRY REPORT.....	18
	Overview of energy labelling in Denmark.....	18
	Compliance and enforcement.....	19
	Strengths and weaknesses.....	20
	Possible changes.....	21
4	CZECH REPUBLIC COUNTRY REPORT.....	25
	Impact of existing labelling schemes.....	25
	Compliance and enforcement.....	26
	Strengths and weaknesses.....	27
	Possible changes to labelling requirements.....	27
5	FRANCE COUNTRY REPORT.....	33
	Impact of existing labelling schemes.....	33
	Possible changes to labelling requirements.....	36
6	GERMANY COUNTRY REPORT.....	42
	Impact of existing labelling schemes.....	42
	Compliance and enforcement.....	45
	Strengths and weaknesses.....	47
	Possible changes to labelling requirements.....	48
7	ITALY COUNTRY REPORT.....	56
	Impact of existing labelling schemes.....	56
	Possible changes to labelling requirements.....	59
8	THE NETHERLANDS COUNTRY REPORT.....	65
	Impact of existing labelling schemes.....	65
	Possible changes to labelling requirements.....	68
9	UK COUNTRY REPORT.....	74
	Impact of existing labelling schemes.....	74
	Possible changes to labelling requirements.....	78



10	EUROPEAN BODIES REPORT	85
	Impact of existing labelling schemes	85
	Compliance and enforcement.....	87
	Possible changes to labelling requirements	88
11	QUESTIONNAIRE USED FOR INTERVIEWS	97
	Questions for government representatives	97
1	Impact of the existing labelling schemes	97
2	Compliance and enforcement.....	99
3	Strengths and weaknesses	100
4	Possible changes to labelling requirements.....	101



1 STAKEHOLDER INTERVIEWS

Interviews

1.1 Interviews were conducted with representatives from the following organisations:

Denmark

- (a) Danish Energy Authority (DEA)
- (b) Danish Electricity Savings Trust (DEST)

Czech Republic

- (a) Energy Efficiency Agency SEVEN

France

- (a) French Environment and Energy Management Agency, ADEME

Germany

- (a) Federal Ministry of Economics and Technology (BMWi),
- (b) German Energy Agency (dena)
- (c) Central Consumer Agency (vzbv).
- (d) German Electric and Electronic Industry (ZVEI)
- (e) Consumer Agency of Northrhine-Westfalia

Italy

- (a) CECED Italia
- (b) UNC (Unione Nazionale Consumatori)
- (c) ISPRA Joint Research Centre.

Netherlands

- (d) SenterNovem.

UK

- (a) DEFRA,
- (b) AMDEA



- (c) Energy Saving Trust
- (d) National Consumer Council
- (e) Co-op
- (f) Halfords

European bodies

- (a) ANEC
- (b) CECED
- (c) WWF
- (d) Eurocommerce.

1.2 A summary of the findings from these interviews is set out below followed by more detailed reports on each of the countries covered.



2 STAKEHOLDER VIEWS

- 2.1 This section considers the views of stakeholders consulted in a number of representative European countries. The stakeholders we spoke to include government officials, industry and consumer associations and other agencies involved in energy labelling and energy efficiency promotion schemes. Nearly all the interviews were conducted by at least two members of staff and the majority were done face-to-face.
- 2.2 The countries in which we spoke to stakeholders were the Czech Republic, Denmark, France, Germany, Italy, the Netherlands and the United Kingdom. We also spoke to a number of representative pan-European associations. The full list of stakeholders consulted is in Appendix 3.
- 2.3 It should be noted this section is a high level summary of views. A complete record of stakeholder views and opinions can be found in Appendix 3. By and large we heard very similar views across the EU. In this summary section we set out the main areas of consensus and highlight any material differences between the Member States or groups of stakeholders.

Impact of labelling

General views of its impact

- 2.4 Broadly speaking there is consensus that energy labelling has been a success story for the EU and has had a positive impact on the product market when measured in terms of more energy efficient products coming to market and being sold. This is evidenced by the fact that for many products it is now very rare to find them being sold with less than an A grade label. For example, in the Czech Republic by 2004 over 80 per cent of all washing machines for sale were of A grade and in Denmark nearly all refrigerators are either A grade or A+ and A++.¹
- 2.5 However, one notes that for some products, such as tumble driers, there are A or B grades available in only selected markets; and most freezers in many markets are not grade A (in the case of France 10 per cent were still grade D in 2004 and over 30 per cent were grade C in the Czech Republic). Labelling was also regarded as less effective for lamps; but this is partly due to the use of energy saving light bulbs. For products for which energy labels are relatively recent, such as air conditioners, the impact is far smaller.
- 2.6 The point, nonetheless, remains that the energy labelling system is seen to have been an effective instrument in promoting more efficient products. It was reported that in the absence of energy labelling, products would have become more energy efficient, but at a slower pace; one stakeholder claimed that energy labelling was responsible for up to a 50



per cent increase in the move towards the use of more efficient products. Other views on the effect of labelling concluded that it has been the main driver in promoting the increased use of energy efficient products; changed the product market for white goods and increased consumer information. Criticisms were minor, and as we discuss below relate to implementation rather than the scheme itself.

- 2.7 Further, in some cases energy labelling was said to have promoted R+D, especially for those products for which no grade A variants existed previously, such as for tumble driers.² However, it was said that once manufacturers reach grade A they have no incentive to innovate further meaning that innovation related to energy labelling is only up to the top grade.
- 2.8 It should be recognised, though, that a few stakeholders did express reservations about the impact of energy labelling relative to nothing being done (the “counterfactual”).³

Strengths of labelling

- 2.9 A number of strengths of the labelling system were identified by stakeholders that help emphasise why energy labelling is regarded as a success. These strengths were repeated in each of the surveyed Member States and also by the European associations. Stakeholders commented that the “traffic light” nature of the label and A-G grade system was liked and well understood by both manufacturers and consumers. The strength of the system lies in its simplicity.
- 2.10 The fact that energy labelling is mandatory across the European Union was also regarded as one of its strengths. This assists manufacturers by having common standards and reducing transaction costs between countries.
- 2.11 A further strength identified by stakeholders was the potential of the energy fiche being used in the future as the basis for additional energy efficiency measures, e.g. databases, competitions and financial incentives.

Weakness of labelling

- 2.12 While the broad picture is positive, stakeholders did acknowledge certain flaws in the system. Ironically, some of these flaws have arisen due to the rapid success of energy labelling.

¹ Other examples repeated to us include over 95 per cent of washing machines in Germany being A or A+ and nearly all white goods in the Netherlands being of grade A.

² One stakeholder claimed that around €10 billion worth of investment in energy efficient products had been made over the last ten years — although how much of this was directly due to energy labelling is unknown.

³ There was also a dissenting view that suggested that both voluntary agreements and energy efficiency had had the same level of effect on the increased use of energy efficient products.



- 2.13 One such flaw is that there is a preponderance of A grade products for a number of white goods. Technological advances have made it easier to reach an A grade, meaning it is cheaper to bring A grade products to market. If the majority of products are A grade, the energy label becomes less effective in influencing consumer behaviour. It was reported that schemes to address this weakness, such as grades A+ and A++ were confusing and compromised the scheme's strength of simplicity.⁴ These criticisms could be summed up in the expression "the scheme has lost momentum" after the initial flurry towards A grade products. It was reported that in Australia a similar scheme was in operation in which the labels are updated according to market needs.
- 2.14 A stakeholder also reported that while it was true that the colour coding on the energy label is well understood, the additional text on the fiche is typically less well understood by consumers and, in many cases, ignored.

Impacts on consumers

- 2.15 Consumers were reported as placing importance on the energy label when making the purchasing decision; however the ultimate determinant still remains price. One survey cited from the UK found that only 25 per cent of consumers said it would be the decisive influence on their decision. Further, given that white goods are purchased infrequently, extrapolating whether the label made a difference over time is difficult.
- 2.16 The types of products that energy labelling is most useful for consumers are those where there is a high degree of homogeneity such as refrigerators. For products where extra features are more common, the label becomes less effective in influencing purchasing decisions.
- 2.17 Consumers were also reported as having a high level of confidence in the scheme. Some consumers regard (or possibly confuse) the energy label as a proxy for quality, so an A grade is thought to denote a better quality product per se.

Impacts on manufacturers

- 2.18 Like consumers, energy labelling (after some initial reservations) is popular among manufacturers. Given increasing consumer awareness of environmental issues, manufacturers have increasingly used the energy label as a marketing tool. Limited concern was expressed by some manufacturers on the testing methodology, but generally speaking the testing regime is understood and accepted.
- 2.19 When asked about whether the energy label had caused prices to change there was a multiplicity of views. Some stakeholders claimed that prices had increased as manufacturers sought to recover costs from more expensive technology and/or research

⁴ A further complexity occurs by the fact that A+ and A++ only exists for certain products, i.e. for refrigerators but not for washing machines.



costs. In contrast, others claimed that, in real terms, prices had actually fallen — even accounting for an initial jump caused by the energy label. It is instructive to note that the period of energy labelling has coincided with the emergence of new manufacturing locations such as China, which have caused prices to fall. Again, without further in-depth analysis, one cannot say unambiguously either way whether energy labelling caused prices to rise or fall.

- 2.20 Indeed, it was reported that manufacturers do not typically use energy efficiency as the main determinant in setting prices. Prices are more likely to be influenced by product features and brand names. However, DEFRA in the UK notes that for grade A++ products there is a price differential due to different technology being used.
- 2.21 One interesting point that was made was that in some markets the most efficient products are rolled out in response to high energy prices. In these cases, the demand for energy efficient products is not an environmental derived one, rather one caused by high electricity prices.

Compliance and enforcement

- 2.22 Member States reported that compliance varies between very high and moderate. Levels of compliance are typically lower in smaller stores and between certain types of products.⁵ Refrigerators and washing machines are said to have the highest compliance levels, with dishwashers the least. Where elements of the energy label regime have been introduced in stages the label is not commonly seen on certain products (e.g. water heaters and air conditioners).
- 2.23 Products typically fail to comply due to reasons of the label not being present, as opposed to being wrong (although such cases are not unusual).
- 2.24 However, some stakeholders did not express concern about the variations in compliance and enforcement and that some agencies are under-resourced in relation to the size of the market. Encouraging a stricter level of enforcement/implementation of the current scheme by the Member State was not thought to be so important due to relatively high levels of compliance compared to other directives.
- 2.25 In terms of non-compliance, one stakeholder cited estimates that around 10 per cent of labels on all products are incorrect. The figure will be higher if one includes non-compliance relating to display of the label.
- 2.26 The costs of compliance monitoring and enforcement fall on individual Member States and are discussed in more detail below.

⁵ It was reported that some larger chain stores actually print their own labels.



Other schemes

- 2.27 It is important to note that the EU-wide energy labelling scheme was (and is) not the only energy efficiency scheme being promoted. Nearly all stakeholders in the Member States we spoke to revealed examples of national schemes which complement and augment the energy labelling regime. However, for a number of stakeholders, energy labelling was the most effective scheme in promoting energy efficient products.
- 2.28 For example, in Denmark there is high awareness of energy efficiency due to campaigns that have been run since the 1970s by Government, supply and distribution companies and latterly the Danish Electricity Savings Trust (DEST). For example, in 1996-7 there was a demand side management campaign. DEST has, on occasion, also promoted subsidies and rebate schemes. DEST also runs a concurrent “positive labelling” scheme which was introduced in 2006 to cover the top 20 per cent of products. The criteria behind the label are based on international standards and voluntary agreements with industry.⁶ The label also applies to IT products.
- 2.29 In the UK, the Energy Saving Trust runs a logo scheme for selected products. It was also reported to us that discounts are available for grade A refrigerators.
- 2.30 We learned that most additional energy efficiency schemes are information campaigns directed at consumers. However, there were instances of subsidy schemes, e.g. in the Netherlands there was a subsidy programme until 2003 which is said to have had a strong effect in transforming the market. Similarly, in Italy the 2007 Budget Law introduced a tax deduction of up to €200 for each refrigerator or freezer bought in the grade A+ or A++.
- 2.31 There are also campaigns directed at retailers of white goods to encourage compliance and the stocking of energy efficient products. Some retailers (Co-Op in the UK) are now committed to only selling grade A products.
- 2.32 Again, the existence of multiple energy efficiency schemes makes it difficult to separate out effect of energy labelling. However we note that where other incentive schemes are in place, they often use the labelling system to identify the qualifying products.

Cost of existing scheme

- 2.33 As part of our stakeholder discussions we asked public agencies the annual cost of overseeing the energy labelling scheme. This cost largely relates to monitoring and enforcement.

⁶ We were informed that voluntary agreements also exist in Italy for washing machines and these have been highly effective.



- 2.34 It is interesting to note that the costs vary significantly by country, even if one adjusts for size of the domestic market, no doubt reflecting different commitments to enforcement and monitoring. The figures reported ranged from €25,000 to €500,000 annually. Some of these costs are borne by manufacturers, but the majority comes from government.

Problems with existing schemes

- 2.35 Stakeholders reported a number of problems with the energy labelling system as it currently stands. Some of these problems were common across the EU, whilst others were specific to particular jurisdictions or sectors. Here we focus on the problems common across the EU.
- 2.36 Nearly all stakeholders complained that the energy labelling scheme lacks dynamism. That is to say, the criteria for each energy grade are not updated so the energy label does not keep pace with technological advances.
- 2.37 Complaints were also made that implementation across Member States is highly variable and better legal enforcement is required. Examples of poor implementation included a particular problem with small shops, especially those that do repairs who do not display labels (as well as fiches). However, supermarkets only stocking a single product in a given category were also singled out as having poor levels of compliance.
- 2.38 The scheme was also criticised as having no demand side management element. This supplements the point raised that with refrigerators and freezers the categorisation of appliances tends to favour bigger refrigerators and freezers over smaller ones. The smaller ones use less energy than the bigger ones, but often the bigger ones are given higher grade labels (i.e. relatively speaking they are more energy efficient, but not in absolute terms). Thus, it is claimed that there is an incentive embedded in the energy labelling scheme for consumers to buy larger products than they need because they have higher grades.
- 2.39 It is also contended that the existing scheme has too generous tolerance levels (15 per cent) in the technical measurement standard on measure values, which give rise to a distorted picture of the performance of the appliance.

Possible changes to labelling requirements (without amendment)

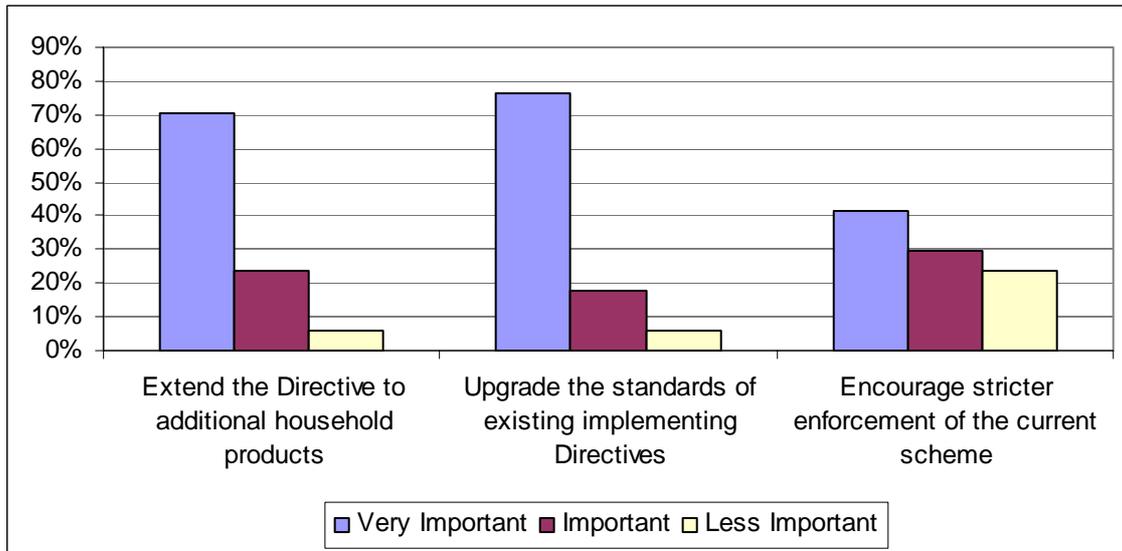
- 2.40 After stakeholders discussed the problems associated with the current system, we gave them the opportunity to express their views of how the regime might be modified. In the first instance, we discussed options to change the regime without any legislative amendment. In particular we gave three possible options.
- (a) Extending the Directive to additional household appliances.
 - (b) Upgrading or revising the standards of existing implementing Directives.



- (c) Encouraging a stricter enforcement/implementation of the current scheme by Member States.

2.41 There were varying views as to which were the most important.

Figure 2.1: Improvements without amending the current legislation

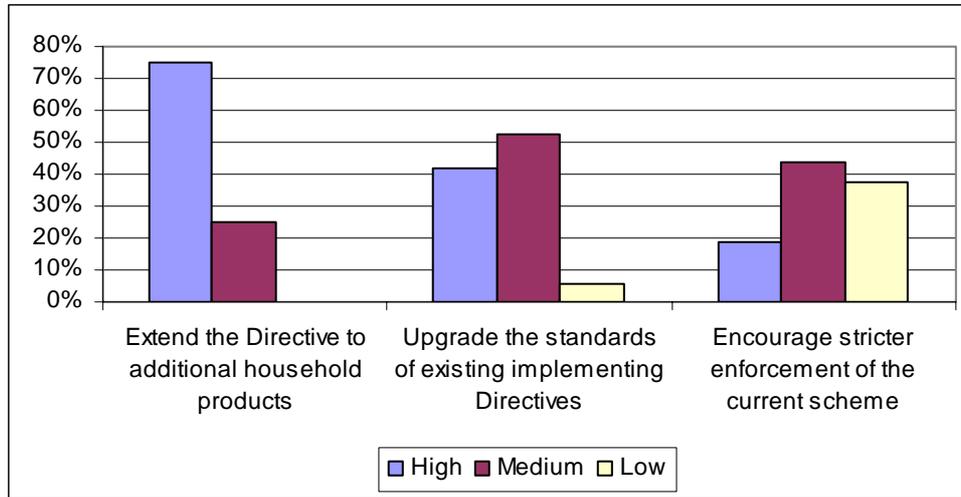


Source: Europe Economics – stakeholder interviews

- 2.42 Clearly, stakeholders felt all the proposed options were “very important”; the inference being that they regard the options are complementary not substitutable. However, as reflected in discussions, encouraging stricter enforcement of the legislation was not regarded as important as the other two options.
- 2.43 The figure below shows perceptions from stakeholders on which of the above options would yield the largest energy savings.



Figure 2.2: Energy savings from each option



Source: Europe Economics – stakeholder interviews

2.44 The predicted energy savings are consistent with preferences for the improvements of the previous graph.⁷

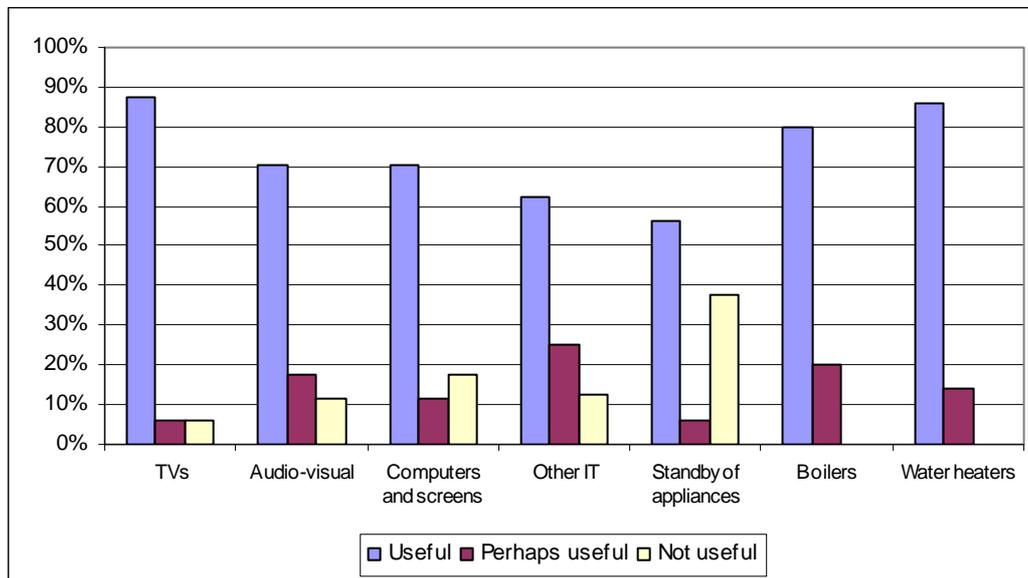
Extension to additional household appliances

2.45 Extension to additional household appliances such as televisions, audio-visual appliances, computers and screens, other IT appliances, boilers, water heaters and standby consumption of appliances was considered a useful extension by most stakeholders. However, as the graph below shows the distribution of responses varied according to the usefulness placed on each product. It is interesting to note a sizeable number of stakeholders do not regard the extension of the label to cover standby as useful. A number suggested that standby would be better addressed through a minimum performance standard.

⁷ One notes that to no option did stakeholders reply “negligible” (even though it was saving option offered).



Figure 2.3: Extension to other household products



Source: Europe Economics – stakeholder interviews

- 2.46 Examples of other products mentioned included set-top boxes for satellite and cable television.
- 2.47 Non-energy using products were also considered and thought a useful extension, especially for windows — although, as noted below, this would entail legislative change.

Upgrading and revising the standards of existing implementing directives

- 2.48 As discussed above, nearly all stakeholders expressed a desire for the energy labelling scheme to be revised to take account of technological developments. As Figure 3.1 shows, this is seen as a crucial amendment by stakeholders.

Encourage a stricter enforcement/implementation of the current scheme

- 2.49 This was seen as the least important (though not uniformly) by stakeholders. The high level of take up of A rated products means that the energy efficiency benefits from stronger enforcement activity may be less than for the other extensions.

Transposition costs

- 2.50 Each of the above options would incur transposition costs. These are difficult to assess in the absence of a full Regulatory Impact Assessment (which would also consider administrative burdens and the incidence of any additional costs by business size). One estimate put the administrative burden at 200 man hours per country to upgrade standards and include new appliances. Another estimate suggested if new equipment needs to be labelled this could take between three and four months per product.



However, certain products may take longer (such as televisions which could take as long as six months) or less time (vacuum cleaners).

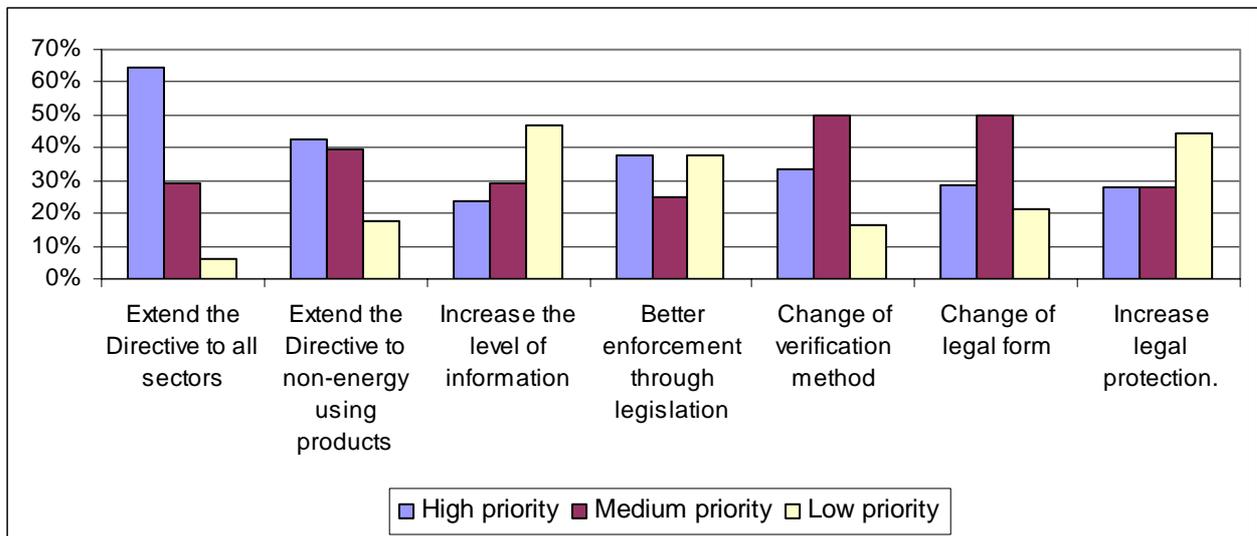
- 2.51 When asked the majority of respondents saw the costs from each option being “acceptable”. We received only one response saying the costs of upgrading standards would be “too high” and unacceptable.
- 2.52 Again we should stress these are the opinions of stakeholders and a full RIA would be necessary should any option be considered.

Possible changes to labelling requirements (with amendment)

- 2.53 Having asked about changes without amendments, we subsequently inquired about changes which did entail amendments. In particular we gave the following options.
- (a) Extending the Directive to all energy using products including commercial and industrial products.
 - (b) Extending the Directive to non-energy using products that are “energy relevant”.
 - (c) Increasing the level and delivery of product information beyond the current provisions.
 - (d) Better enforcement through legislative changes.
 - (e) Changes in the verification methods.
 - (f) Changing the legal form of implementing measures, e.g. regulations instead of implementing Directives.
 - (g) Increasing the legal protection for labels in order to avoid misuse.
- 2.54 Figure 3.4 below shows the distribution of favourability to each option across stakeholder responses.



Figure 2.4: Improvements via amendments to the current legislation



Source: Europe Economics – stakeholder interviews

- 2.55 It was noted that any amendments (and new legislation) should respect the principles of subsidiarity.
- 2.56 As the Figure shows, respondents expressed that the view extension of the energy labelling regime to non-domestic products should be treated as a high priority for the EC, and also to a lesser extent, including non-energy using products.⁸ Other amendment options were not deemed such high priority.
- 2.57 Another salient issue raised was that any revised legislation should include an obligation for manufacturers and importers to register all products in a central database and also deal with aspects related to the internet sales.
- 2.58 Regarding an increase in the level of legal protection of the label, a view was expressed that the energy label fiche itself should become a registered trademark. This, it was stated, would benefit the Commission by allowing it to apply sanctions in the case of improper use of the energy label other than the cases indicated in the labelling framework directive 92/75/EC.
- 2.59 An increase in information, it was noted, should encompass a clear statement on the appliance's total energy consumption, including possible energy consumption in

⁸ However, there was an acknowledgement by some stakeholders that the problem with including certain products, e.g. motors, commercial refrigeration and servers is that there is a lack of knowledge and data on energy efficiency.

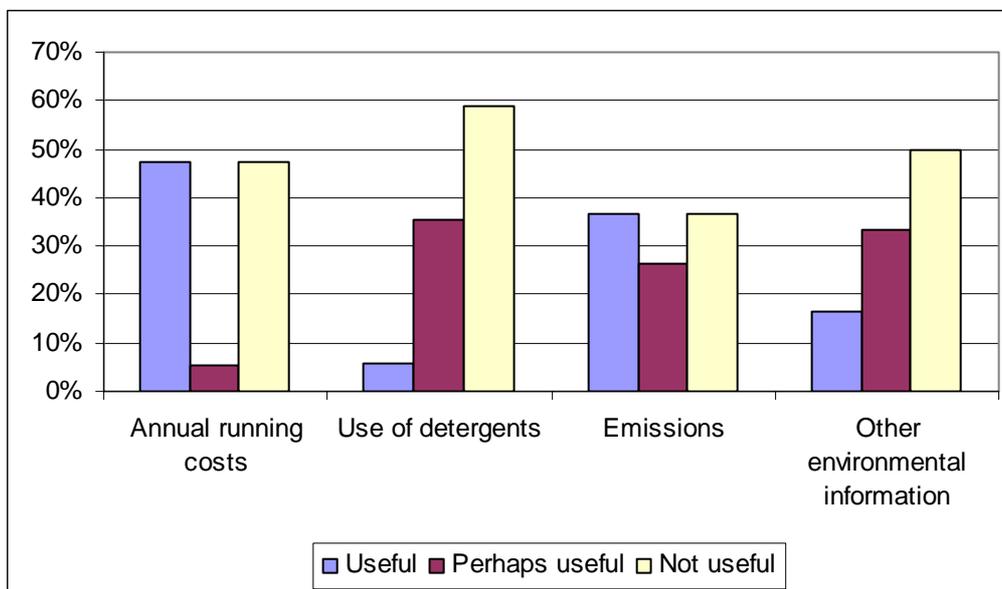


connection with standby functions. One further suggestion was made that any revision of standards should take account of the energy used throughout the product's life-cycle, i.e. during the manufacturing process. Provision could also be made if the product's manufacture included consumption of other scarce resources such as water.

2.60 However, it should be noted that some stakeholders cautioned against providing too much information. There was a view that consumers are not particularly interested in items such as CO₂ emissions. Information on annual running costs was not considered useful as consumer prices differ between EU Member States.

2.61 Figure 3.5 below shows the breakdown of responses.

Figure 2.5: Additional information on products



Source: Europe Economics – stakeholder interviews

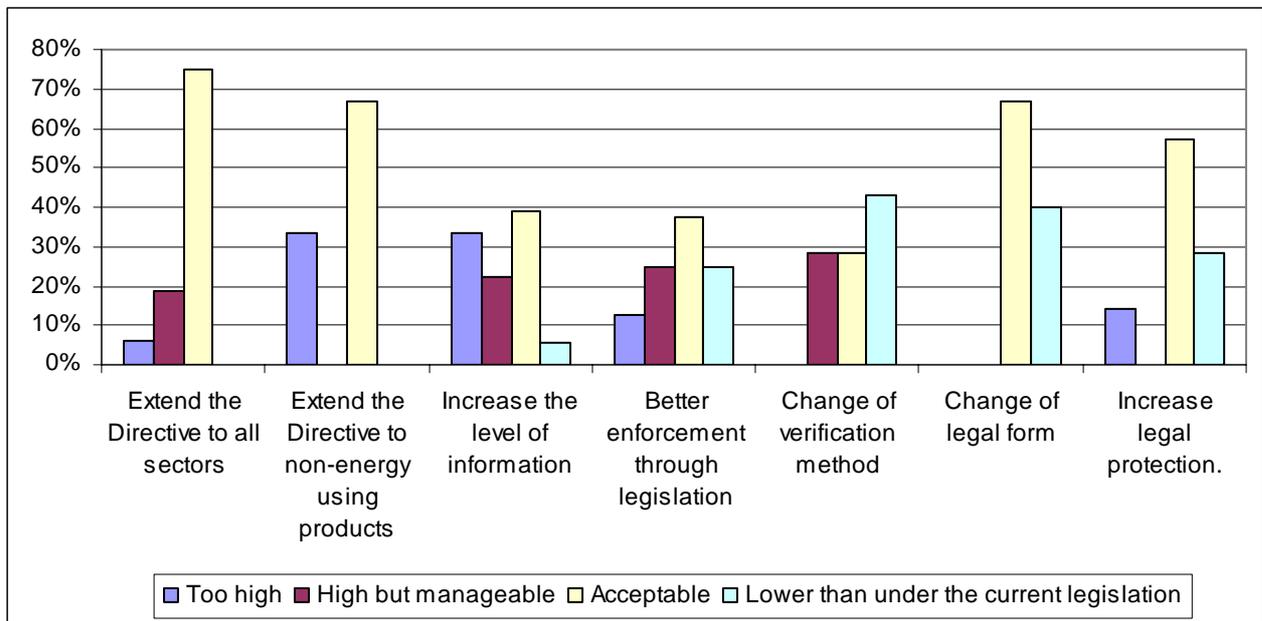
2.62 The risk of compromising the label's simplicity was also noted.

Costs

2.63 Figure 3.6 below is a summary of responses received when stakeholders were asked to assign costs to each legislative amendment option.



Figure 2.6: Costs of amendments



Source: Europe Economics – stakeholder interviews

2.64 For nearly all the proposed amendments, the costs are deemed acceptable, and in many cases lower than existing arrangements. Of course, one should be aware of sample biases and under-reporting.

Repeal of the legislation and using other Community legislation

2.65 The Eco-Design directive prohibits the less energy efficient appliances from the market and the remaining appliances would be classified. So the consumer has the guarantee that whatever appliance he buys, it fulfils minimum standards. Most stakeholders believe that the Labelling directive and the Eco-Design are potentially complementary to one another.

2.66 Eco-Design is viewed as being aimed at industry, whereas Energy Label focuses on consumers — thus complementarity is achieved. Assuming that the Eco-Design standards are dynamic, it would have the effect of removing less efficient products from market, giving manufacturers an incentive to produce more efficient products.

2.67 It was stressed that both schemes should contain the same technical analytical framework to achieve consistency.

2.68 If the two Directives were to co-exist, then some stakeholders argued that the Eco-Design directive should be taken as the superior scheme to the Energy Labelling Directive.



- 2.69 There was a disparity of views as to whether the Energy Labelling Directive should be repealed and complete reliance be placed on Eco-Design. For some stakeholders, while greater harmonisation was desirable, they did not see any benefit from repealing the Energy Labelling legislation rather than repealing, combining it or just relying on the Eco-Design directive.
- 2.70 Others argued that since Eco-Design contains recommendations or obligations made for manufacturers, and, additionally, obligations for retailers to display the label, this would be better implemented via one Directive and one label. It was acknowledged by some advocates that the combination of Eco-Design and Energy Labelling would not bring about a simplification but it would be sensible nonetheless.



3 DENMARK COUNTRY REPORT

Overview of energy labelling in Denmark

- 3.1 Energy labelling in Denmark is regarded as being a huge success. Evidence of this success is given by the fact that it is almost impossible to find appliances that fall below the C category — and, indeed, most appliances for sale are in the A category. This is well above the EU average. Denmark has also gone beyond the energy labelling regime by introducing A+ and A++ categories for refrigerators and freezers. The motivation for this was partly the lack of dynamism in the existing energy labelling regime. These latter categories are updated consistently in light of technical changes.
- 3.2 The main two agencies involved in energy labelling are the Danish Electricity Authority (DEA) and the Danish Electricity Savings Trust (DEST). The DEST is an independent agency promoting electricity savings and is financed by a levy on households (but also receives public funding).
- 3.3 The large market share of A-labelled appliances (A+ and A++ for fridge/freezers) is argued to be a result of the following:
 - (a) High consumer awareness: campaigns have been running in Denmark since the 1970s by Government, supply and distribution companies, and latterly the Danish Electricity Savings Trust (DEST). Energy labelling is promoted at all levels.
 - (b) Subsidy and rebate schemes: this has been promoted by the DEST on two occasions.
 - (c) Having thoroughly implemented the Energy Labelling scheme: this has involved ensuring that all sales staff are versed in the labelling scheme and receive constant information.
 - (d) A high level of enforcement: retailers and producers are frequently targeted for inspection.
- 3.4 The Danish Energy Authority (DEA) believes that energy labelling has had a strong impact on the market, causing manufacturers to produce more efficient products.
- 3.5 Denmark has enforced the Energy Labelling Directive more rigorously than other countries.
- 3.6 It was noted that energy efficiency is more important for consumers across different products. For example, in the case of refrigerators, consumers will actively seek out an A grade refrigerator, but for other products they are less concerned with energy efficiency.



Other schemes

- 3.7 Since the 1990s a number of additional campaigns in this area have been implemented. For example, in 1996-7, there was a demand side management scheme and a rebate scheme.
- 3.8 In addition, the DEST runs a “positive labelling” scheme (similar in appearance to a divide sign: ÷) which means products are approved. This is similar to the EST ESR logo scheme in the UK. This energy label, which was introduced in 2006, covers the top 20 per cent of product groups. The criteria behind the label are based on international standards and voluntary agreements with industry. This label also applies to IT products. The goal is to have 25 per cent awareness in Denmark by the end of 2007.
- 3.9 The DEST also runs a database for all approved white goods.

Compliance and enforcement

- 3.10 Compliance with the energy labelling scheme is not 100 per cent in Denmark. However, despite not being 100 per cent, compliance is nonetheless high and there are relatively few appliance failures (and those that do fail, tend to be the same products). In the 2005 check, energy labels were registered on a total of 8,284 appliances. Of the appliances checked, 71 per cent were correctly labelled.
- 3.11 It should be noted that appliances can fail for reasons not related to the Directive, e.g. annual energy consumption.
- 3.12 When non-compliance with the energy labelling regime does occur it typically (around 50 per cent) consists of failure to follow the rules correctly; for example not correctly affixing the label or having it in the wrong place. A correctly presented energy label consists of a label that corresponds to the appliance type stuck on a strip with information on the appliance. The label must also meet the Directive’s size and colour requirements.
- 3.13 As part of its compliance and enforcement duties, the DEA surveys around 100 retailers each year.
- 3.14 Energy Labelling Denmark is a secretariat under the Danish Energy Authority. It focuses more on the products themselves rather than the retailers. Its tasks include checking:
- (a) Whether there are CE labels on household fridges, freezers and their combinations to indicate, among other things, that they comply with the minimum energy efficiency requirement set by the EU.
 - (b) Whether there is energy labelling on household appliances, air-conditioning systems and household lamps in shops.
 - (c) Whether energy labelling information appears in brochures and advertisements.



- (d) The information on energy labels.
- 3.15 Energy Labelling Denmark selects the types of appliance and the models to be checked in cooperation with the Danish National Consumer Agency Laboratory or the Danish Technological Institute. The models to be tested are selected either as a random sample or according to set criteria. Such criteria might include discrepancies in the information on the energy label or previous unacceptable test results for the same manufacturer.
- 3.16 Below we summarise the results of checks carried out in 2005:
- (a) Household refrigerators, freezers and combinations – around 3 per cent of the market tested (by model type). One model exceeded tolerance for the volume of the freezer area, one model exceeded the tolerance for energy consumption, and two exceeded the tolerance for both. All models met the energy efficiency requirements for household refrigerators and freezers.
 - (b) Washing machines – 5 per cent of the market. One model exceeded the tolerance for energy consumption and washing performance, one model exceeded the tolerance for energy consumption, and two models exceeded the tolerance for water consumption.
 - (c) Dishwashers – 2 per cent of the market. One model exceeded the tolerance for washing performance, and two exceeded tolerances for energy consumption and washing performance,
- 3.17 The producer must make appliances available for testing. From mid-2005 selection has taken place by a representative of the Danish Energy Authority sealing the packaging of the models selected at stores at various locations in Denmark. The sealed appliances are then sent to the Danish Technological Institute, which tests the appliances according to the applicable standards. The standards contain tolerances with regard to how much the test results may deviate from what is stated on the energy label without the information being regarded as incorrect.
- 3.18 Energy Labelling Denmark looks at the test results and contacts the manufacturer, who must substantiate the information on the energy label if testing shows that the tolerance has been exceeded.
- 3.19 If a product is found to be non-compliant a number of actions can be taken. The correct label might be applied (e.g. a grade C instead of a grade A). More severely a fine can be imposed — though only one has been given so far in 2006 of DKK 10,000.

Strengths and weaknesses

Weaknesses

- 3.20 A number of weaknesses were identified; some of which were specific to Denmark, while others referred to the Europe-wide scheme. Criticisms of the European regime included



the fact that energy labelling is not dynamic (hence the Danish A+ and A++) and cannot accommodate technological developments. Further, it was noted that implementation across other Member States is highly variable and that better legal enforcement is required. The view was expressed that the “Danish model” should be extended to other countries so that individual countries take responsibility for energy efficiency themselves, rather than the EU.

- 3.21 It was also contended that labelling should contain a demand management element.
- 3.22 The DEA noted that the scheme does not specify Member States’ enforcement obligations or the necessary documentation that is required of manufacturers to prove compliance.
- 3.23 The DEA also contends that the tolerance levels (15 per cent) in the technical measurement standard are too generous giving a distorted picture of the performance of the appliance.
- 3.24 A point was also raised that with refrigerators and freezers, the categorisation of appliances tends to favour bigger refrigerators/freezers over smaller ones. The smaller ones use less energy than the bigger ones, but often the bigger ones are given higher grade labels (i.e. relatively speaking they are more energy efficient, but not in absolute terms). Thus, it is claimed that there is an incentive embedded in the energy labelling scheme for consumers to buy larger products than they need because they have higher grades.

Strengths

- 3.25 A number of strengths were also commented upon. The most important of these strengths was seen to be the mandatory nature of the energy labelling scheme. Further, the scheme’s simplicity was seen to be a strength. However, the existence of A+ and A++ categories in Denmark has led to some confusion as to which category is the most efficient.

Possible changes

Without amendment

- 3.26 The following areas were identified as being very important in terms of better implementation of the current Directive, i.e. without having to make any amendments:
- (a) Extension of the Directive to additional household appliances;
 - (b) Upgrading/revising the standards of existing implementing Directives; and
 - (c) Encouraging a stricter enforcement/implementation of the current scheme.



- 3.27 Regarding the extension to additional household appliances, the following were all considered useful: televisions, audio-visual appliances, computers and screens, other IT appliances, boilers, water heaters, and standby consumption of appliances.
- 3.28 The overlap with Eco-Design Directive was also mentioned, and it should be included in it. The decisive factor for implementing measures under either directive should be the energy saving potentials. For example, the DEA states that energy using products (EuPs) subject to minimum energy efficiency standards under the Eco-Design Directive should have corresponding labelling according to the Labelling Directive.⁹
- 3.29 Enforcement activities to be carried out by authorities should be more clearly spelled out. It is suggested that the following activities would constitute enforcement:
- (a) Checking information contained on energy labels (including tests in either a governmental test centre or a private and independent test lab);
 - (b) Checking the presence and display of energy labels in shops; and
 - (c) Checking energy labelling information in fiches and advertisements.
- 3.30 It is also suggested that reporting arrangements of non-complying products should be made between Member States and the EC.
- 3.31 A recent ANEC study was quoted which showed that hardly any enforcement action takes place.

With amendment

- 3.32 Any amendment should respect the principle of subsidiarity.
- 3.33 Increasing the level and delivery of product information beyond the current provisions was regarded as important, but a low priority. However, better enforcement through legislative changes was seen as important and of medium priority.
- 3.34 Further, the DEA warns against giving too much product information as it might confuse consumers. More information on the label is seen as confusing consumers and is not recommended unless there is a proven link between the supply of the information, added consumer value, and the energy performance of a product. Information should therefore be targeted and focused on a narrow set of indicators.
- 3.35 The Directive should aim to be more dynamic. Rapidly improving technological possibilities ought to be turned into more stringent demands on the energy properties and

⁹ However, provisions should be made for exceptions. One such exception might be in the case where energy efficiency standards are so ambitious that trying to align them to the A-G categorisation is not feasible.



labelling of the products. Thus, the recommendation is that the Directive should state that the criteria for energy labelling are automatically updated after a given number of years (as is the case for the Directive on ballasts).

- 3.36 The current Directive needs to be clearer on what activities should be carried out and how, e.g. the number of products to be tested. The Directive could also encompass annual national minimum targets for market surveillance.
- 3.37 The format of the energy label also lacks legal protection. It is recommended that the label is legally protected like a trademark. This will also have the benefit of allowing the Commission to apply sanctions in the case of an improper use of the energy label other than the cases indicated in the labelling framework directive 92/75/EC. For the voluntary use of the EU energy label guidelines are required in order to protect the credibility of the labelling system as a whole.
- 3.38 The DEA noted that it should be possible to include non-energy using products (such as double glazing) under the Directive.

Other change suggested by DEA

- 3.39 In 2001, DEA wrote to the EC setting out its suggestions for revision of the Energy Labelling Directive. Its suggestions included:
- (a) The Directive should contain more accurate model identification as currently similar appliances are sold under different model names and brands in Member States. The Directive should include an obligation for manufacturers and importers to register all products in a central database. If one product is marketed using various product numbers etc., this should be clearly indicated.
 - (b) Technical documentation should be further specified in the Directive.
 - (c) Presently Member States can only have access to require documentation from manufacturers/suppliers when they have a reason to suspect the information on the label is incorrect. Provided that Member States do not establish obstacles to the internal market, Member States should be allowed to require documentation from the manufacturers or importer.
 - (d) The Directive should deal with various aspects related to internet sales (e.g. who is responsible for labelling, enforcement in cases of cross-border marketing, and so forth).
 - (e) The Directive should clearly state the energy labelling applies to the total energy consumption of the appliance, including possible energy consumption in connection with standby functions.



- (f) The Directive should also demand that measurements made by supervising authorities in accordance with harmonised standards are included in the technical documentation in replacement of existing measuring results from previous tests.
- (g) The Directive should make demands for a more effective publication and harmonisation of standards so that the new standards and revisions of standards are published and thus harmonised as soon as the standard has been approved by the relevant standardisation organisations.
- (h) The Directive should make demands on the dealers that they shall attach a label on displayed appliances. Dealers should ensure that consumers see the label before purchasing the product.
- (i) The Directive should specify that the implementing directives should be more exact as far as the information which forms the basis of the energy labelling is concerned and potentially also make supplementary demands if the requirements of the standards are not sufficiently accurate for the compliance measurements.
- (j) The Directive should specify that the implementing directives should make minimum demands on the technical documentation. Often the documentation of the energy labelling is insufficient and heterogeneous.
- (k) The Directive needs to specify which authority is responsible in case of marketing on the internet, other electronic media and cross-border marketing.



4 CZECH REPUBLIC COUNTRY REPORT

- 4.1 The interview was conducted with the Energy Efficiency Agency SEVEN. The Energy Efficiency Centre was established in 1990 as a not-profit consultancy company. The consultancy company SEVEN concentrates on advisory services for business development and economically efficient energy use. The Czech Ministry of Trade and Industry did not answer to our request.
- 4.2 Supplementary to the interview, data from the MURE/Odysee database and other European and Czech research project were used for the report.

Impact of existing labelling schemes

- 4.3 The Directive was generally regarded as being very effective in promoting the increased use of energy efficient products, despite the delay in updating the energy classes.
- 4.4 The sales data of washing machines, dishwashers and cooling in the Czech Republic reflect this success: 83,6 % of the washing machines sold were classified A and A+ in 2004 (in 2002: 43,6 %). 83,7 % of the dishwashers sold were classified A in 2004 (2002: 56,8 %), 67,8 % of the cooling appliances sold were classified A or A+ in 2004 (2002: 35,1 %). Only for freezers, there was a trend to the C-level (17,2 % A/A+, 31,3 % B and 30,7 % C in 2004 in comparison to 49,5 % A/A+, 36,2 % B and 11,5 % C in 2002), according to GfK-data.
- 4.5 Compared to the EU level, in the Czech Republic the percentage of sold units of washing machines, refrigerators, freezers and dishwashers of the A-level were slightly higher in 2004 (CEECAP Results). The specific consumption of these appliances (kwh per year) was reduced at the same level as in the European Union (ISI-Data).
- 4.6 Although it is difficult to assess, the estimate is that the increase in the use of energy efficient products is to more than 50 % attributable to the Energy Labelling directive.

Other schemes

- 4.7 In the Czech Republic, there are some promotional activities, information campaigns but no subsidies programs.

Actions to promote awareness of labelling scheme

- 4.8 Consumer advice and retailer support is given, but not to a high degree.
- 4.9 The CEECAP – Implementing EU Appliance Policy in Central and Eastern Europe – an EU project - was developed with the aim of supporting Central and Eastern European countries in creating suitable conditions for implementing appliance labelling and efficiency policies in accordance with EU Appliance efficiency legislation and programmes. A training program for national government officials and experts on energy labelling for domestic appliances has been set up, also for retailers and manufacturers.



Furthermore, workshops for decision makers among manufacturers and retailers have been carried out. The project is still ongoing. Results are available on the internet website: <http://www.ceecap.org/cntnt/ceecap/results>.

Impact on manufacturers

- 4.10 It was thought that the requirement to label products had definitively encouraged manufacturers to improve product energy performance, but only to the level of the energy class. Once the manufacturers have achieved the A level for their appliance, they do not go ahead for further actions.
- 4.11 However, it is difficult to say, whether the development of energy efficient products increased the price of this product. The technological progress also goes ahead. But there is probably an interconnection between the energy efficiency and the improvement of the product quality.
- 4.12 The general opinion, also from the manufacturers, is that the labelling requirement stimulated R&D spending. But SEVEN repeated that this is only to the level of the A label and not beyond.
- 4.13 Related to other factors like changes in technology, customer demand or international competition, the labelling requirement was the most important driver for the changes in the manufacturers' behaviour.

Impact on consumers

- 4.14 It was thought that consumers generally give a high weight to the energy label when making their purchase decision.
- 4.15 But the understanding of the information provided under the labelling scheme as well as the consumers' trust in the information is medium.

Compliance and enforcement

- 4.16 Compliance was generally thought to be medium. The large stores have a very good level of labelling. The level of compliance in small shops, however, diverges to a high degree. In general, refrigerators and washing machines show the highest level of compliance, dishwashers somewhat lower. Electric ovens, water heaters and air conditioners have the lowest level of compliance. This is due to the fact that for these appliances the EU label was only introduced to the Czech Republic in 2004.
- 4.17 The problems of non-compliance on the part of the manufacturers are the same in the Czech Republic as elsewhere in Europe, so there are cases of incorrect information on the label and/or the failure to provide labels and fiches. Concerning the Czech Republic, there are no formal tests of appliances.



- 4.18 There are problems in providing the labels and the fiches. According to the report of the shop visits, some big chains print their own labels (the colour frame part) in order to make sure that they have enough labels for their use. The manufacturers only provide the black and white strips of the specific appliance.
- 4.19 Where there is non-compliance on the retailers' side, this is usually because they fail to display the label correctly and/or fail to provide information. But it is a bigger problem for smaller shops as (see above) some big chains print their own labels.
- 4.20 Kitchen studios show a low level of compliance as the appliances are being sold as built-in options and the shop managers feel the labels would detract from their appearance.
- 4.21 The compliance is monitored in the Czech Republic, but not to a sufficient degree. In case of non-compliance, there are fines, but the amount is not known. Sanctions have never been applied in the Czech Republic.
- 4.22 The annual cost of monitoring and enforcement is very low. The government bears this cost for the Czech trade inspectors who visit the shops. However, as they do little, the budget is not high.

Strengths and weaknesses

Strengths

- 4.23 The advantages of the energy labelling scheme are: The label is well understood by the industry and the consumers. So both sides, those who produce and those who buy, have a good understanding. The operating costs of the scheme are low and it is a very simple tool and guideline for consumers.

Weaknesses

- 4.24 The main weakness is seen in the delay in upgrading the label. There should be no new system, that would be irritating. One should keep the scale A to G, but upgrading is necessary.

Possible changes to labelling requirements

- 4.25 In order to have a better overview and comparability, the following answers are shown within the tables.



Improvements without amending the current energy labelling legislation

What are important areas for improvement of the current labelling legislation without amending it?

	Very important	Important	Less important
Extend the Directive to additional household appliances	X		
Upgrade/revise the standards of existing implementing Directives	X		
Encourage a stricter enforcement/implementation of the current scheme by the MS		X	
Other, please explain			

4.26 As stated before, the most important thing is the upgrade of the standards of the existing implementing Directives. Furthermore, the extension of the directive to additional household appliances is also estimated to be very important. Encouraging a stricter enforcement/ implementation of the current scheme by the Member State was not thought to be so important, because compliance was already thought to be generally good.

In the case of an extension of the current labeling legislation to additional household appliances, what products do you think should be considered?

	Useful	Perhaps useful	Not useful
TVs	X		
Audio-video appliances	X		
Computers and screens	X		
Other IT appliances		X	
Standby consumption of appliances	X		
Boilers	X		
Water heaters	X		
Other: Setup boxes			

4.27 It was suggested to extend the Directive to all appliances mentioned above, with exception of other IT appliances, plus setup boxes. Electric water heaters are already labelled in the Czech Republic.

What additional energy savings could be achieved by the different options for improvement?



Savings would be:	High	Medium	Low	Negligible
Extend the Directive to additional household appliances	X			
Upgrade/revise the standards of existing implementing Directives	X			
Encourage a stricter enforcement/implementation of the current scheme by the MS		X		

4.28 The extension of the directive as well as the upgrading of the classes would lead to the highest saving potentials; therefore these measures were estimated to be very important (see above).

Transposition costs

4.29 The transposition costs were estimated not be more than half a year of a full time person.

How do you assess the additional costs of the improvement options?

Costs would be:	Too high	Acceptable	Negligible
Extend the Directive to additional household appliances		X	
Upgrade/revise the standards of existing implementing Directives			X
Encourage a stricter enforcement/implementation of the current scheme by the MS		X	

4.30 The costs for the extension were estimated to be acceptable, as well as for a stricter enforcement. The costs for the upgrading would be negligible in the Czech Republic.

Improvements with amending the energy labelling legislation

If there were to be amendments to the energy labelling directive, what would be your priority areas for change?



	high priority	medium priority	low priority
Extend the Directive to all energy using products beyond household appliances (commercial/industrial sector)	X		
Extend the Directive to non-energy using but "energy relevant" products (e.g. double glazing, tyres)		X	
Increase the level and the delivery of product information beyond the current provisions		X	
Better enforcement through legislative changes (e. g. reporting requirements)			X
Change of the verification method: simplification and better accuracy/less tolerances		X	
Changing the legal form of implementing measures (decisions or regulations instead of implementing directives)			X
Increase the legal protection for labels in order to avoid misuse		X	
Other, please explain			

4.31 The area identified as the highest priority for amendment of the Directive was extension of the Directive to all energy using products beyond household appliances. The products suggested for consideration were cars and commercial refrigerators.

Non energy using products

4.32 Non energy using but energy relevant products where it was thought it would be useful to extend the directive to included windows, not just double glazing, but windows in general. In the UK and in Sweden, there are labels, but one cannot compare them. Furthermore, cars were suggested (see above).

Additional information on products

Which information would be useful to influence the purchasing decision towards energy efficient products?



	Useful	Perhaps useful	Not useful
Annual running costs (for an average consumer)	X		
Use of detergents		X	
Emissions (direct or indirect) such as CO2			X
Environmental (or other) information relating to its production, transport or disposal		X	
Other, please explain			

- 4.33 The additional information which it was thought most useful to provide was that of annual running costs of an average consumer. It was stated, however, that there might be different points of view. The above given estimation is from the consumer perspective. The consumer looks at the money and does not care about CO2 emissions.

What additional energy savings could be achieved by the different options providing an amendment of the labelling legislation?

Savings would be:	High	Medium	Low
Extend the Directive to all energy using products beyond household appliances (commercial/industrial sector)	X		
Extend the Directive to non-energy using but "energy relevant" products (e.g. double glazing, tyres)		X	
Increase the level and the delivery of product information beyond the current provisions		X	
Better enforcement through legislative changes (e. g. reporting requirements)			X
Change of the verification method: simplification and better accuracy/less tolerances		X	
Changing the legal form of implementing measures (decisions or regulations instead of implementing directives)			X
Increase the legal protection for labels in order to avoid misuse		X	
Other, please explain			

- 4.34 The answers cover the table with the priorities. So the highest priority is where the expected savings are high and vice versa.
- 4.35 Concerning the additional development and transposition costs that would arise from amending the directive, it was estimated to be more than the other option as it involves new control mechanisms. The implementation would last half a year and then cost one full time person for monitoring in the Czech Republic.



How do you assess the additional costs of the amendment options?

Costs would be:	Too high	High but manageable	Acceptable	Lower than under the current legislation
Extend the Directive to all energy using products beyond household appliances (commercial/industrial sector)			X	
Extend the Directive to non-energy using but "energy relevant" products (e.g. double glazing, tyres)			X	
Increase the level and the delivery of product information beyond the current provisions		X		
Better enforcement through legislative changes (e. g. reporting requirements)		X		
Change of the verification method: simplification and better accuracy/less tolerances		X		
Changing the legal form of implementing measures (decisions or regulations instead of implementing directives)			X	
Increase the legal protection for labels in order to avoid misuse			X	
Other, please explain				

4.36 The preferred options are the extension to all energy-using household products and to non-energy using products.

Repeal of the labelling Directive and using other Community legislation

4.37 The Eco-Design-Directive and the Energy Labelling Directive would be complementary to each other. The combination of Eco-design and Energy Labelling would not bring a simplification but it would be sensible. The Eco-design Directive prohibits the less energy efficient appliances from the market and the remaining appliances would be classified. So the consumer has the guarantee that whatever appliance he buys, it fulfils minimum standards.

Comments

4.38 The situation in the Czech Republic is similar to those of other Eastern European Countries. In some MS there are more controls, in other less. Some MS are more responsive to the Directive, others not.

4.39 It would be very helpful to have the appliances tested and the information available for all. All individual laboratories should share their results to all MS and exchange the information as it is relevant for all countries.



5 FRANCE COUNTRY REPORT

- 5.1 The interview was conducted with two employees of the French Environment and Energy Management Agency, ADEME. It is an industrial and commercial public undertaking, under the joint supervision of France's Ministers of Environment, Energy and Research. The mission of ADEME is encouraging, supervising, co-ordinating, facilitating and undertaking operations with the aim of protecting the environment and managing energy. The French Ministry of Economics referred our request to ADEME.
- 5.2 Supplementary to the interview, data from the MURE/Odysee database and other European and French research project were used for the report.

Impact of existing labelling schemes

- 5.3 The Directive was generally regarded as a good directive for France. It has changed the product market in France. According to ADEME, almost 90 % of the washing and cooling appliances are classified A today, as well as the electric ovens.
- 5.4 The GfK data for washing, dishwashers, freezers and cooling give detailed information about the percentage of sales units in 2002 and 2004. The trend towards the A level is significant, only freezers still hold a share of over 10 percent on the D level.

	Washing		dishwashers		Freezers		Cooling	
	2002	2004	2002	2004	2002	2004	2002	2004
A ++						0,1		0,0
A +		6,7	0,1	0,2		7,1	0,0	8,3
A	57,5	71,6	54,2	82,0	21,8	28,5	39,4	54,7
B	24,1	12,0	27,5	12,7	31,5	32,6	43,0	32,5
C	11,1	7,8	12,8	2,4	23,4	16,1	9,9	2,7
D	1,2	1,1	1,2	0,1	14,9	12,4	1,8	0,5
E	0,1	0,0	0,1	0,0	2,4	0,4	0,1	0,0
F	0,0	0,0	0,0	0,0	0,1	0,0	0,1	0,0
G	0,0	0,0			0,0	0,1	0,1	0,0
UN-KNOWN	6,0	0,9	4,2	2,6	5,9	2,8	5,8	1,2
TOTAL	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0

- 5.5 For tumble dryers, there is no A or B level, only C in France. For the air-conditioners, there is not yet enough information available as the directive was only implemented a few years ago (2003).
- 5.6 Due to the energy labelling obligation, there are today very energy efficient appliances on the market. Without the Directive that process would have happened anyway, as the autonomous progress has always been there, but not that fast. The energy labelling is 70 % responsible for this accelerated progress.



Other schemes or actions to promote awareness of labelling scheme

- 5.7 In France, ADEME has carried out information campaigns on TV and in the print media. There have also been workshops for the retailers on energy labelling in order to explain to them what energy labelling involves and to avoid them providing misleading information to the consumer. ADEME also is involved in active learning in schools.
- 5.8 On the manufacturers' side, there is a competition on the basis of a European contract called "European Energy Trophy". Furthermore, there is an award in France for the product with the best energy efficiency, and the manufacturer may use this for his sales promotion. That has worked very well and for refrigerators, freezers and pumps. This has led to development of very efficient cooling appliances which could be labelled A+ and A++.

Impact on manufacturers

- 5.9 It was thought that the requirement to label products had definitely encouraged manufacturers to improve product energy performance. The criterion of energy consumption is today a very important one for the consumer. The manufacturer realised that this is a good sales argument.
- 5.10 The development of energy efficient products has also increased the product price, but not to a high degree. A product with a better performance is more expensive. The willingness to go always beyond in order to have more efficient products, not only energy efficient products, is the motor of development. The costs for improvement of energy efficiency are not that high.
- 5.11 The labelling requirement stimulated R&D spending by manufacturers. The labelling is a mean of competition between the different producers.
- 5.12 Related to other factors like changes in technology, customer demand or international competition, the labelling requirement was the most important driver for the changes in the manufacturers' behaviour. The manufacturers know that the label is a sales argument and they spend money to improve the energy efficiency. But the label also offers the opportunity for competition and differentiation from other competitors.

Impact on consumers

- 5.13 For the consumer, energy efficiency is the second criteria of the purchase decision after price.
- 5.14 In order to learn whether the consumer has a good understanding of the energy label, ADEME organises round tables. These are carried out twice with the same consumers. So they have the possibility to re-explain the label, if it is not well understood. There is, indeed, information that needs supplementary explanations. Examples:



- (a) The information on noise is indicated in decibels. The consumer does not have a good understanding of what this means. The same with the consumption per cycle and per kilo of laundry.
 - (b) Concerning cooling, there is no problem at all. However, the consumer thinks that the consumption indicated on the label will correspond to his own consumption. But the value on the label is standardised in order to facilitate the comparison. The final consumption of the equipment is influenced by the individual behaviour.
 - (c) The coloured label with green is very well understood. It is like a traffic light.
- 5.15 As a conclusion, ADEME states that the coloured label that indicates the energy performance is very well understood, but the understanding of the whole label including the information on the fiche is medium.
- 5.16 According to ADEME, the consumers have a high level of trust in the information provided by the label. As there is the European flag on it, they think that the information is independent from the manufacturers.

Compliance and enforcement

- 5.17 Compliance was generally thought to be high. The large stores have a very good level of labelling. Problems are with the small shops, those who mainly repair household equipments. There, the level of compliance is very low, 5 % approximately.
- 5.18 In France, the manufacturers provide the label. The retailers make their orders, directly to the producer or together with others. The retailer of a small store even does not know where to ask for the label. He only finds the fiche with the appliance; sometimes he displays it with the equipment, sometime not. Some owners of small stores do not know that there is an obligation to display the label.
- 5.19 ADEME monitors the compliance. Every two years, they go into the shops and make controls. The results are described in a study. The last one was made in 2004/2005. In the big stores, there are no problems, but some retailers say that the label disturbs their display of equipment. They risk getting a fine.
- 5.20 The problem with the fine is that somebody from the Ministry of Economics has to come and attest that the label has not been displayed correctly or not at all. In reality, that does not occur. It is too expensive. The Ministry does not have the means to send people into the shops. And the fine is so small that the people cost more money. The fine is about 150 Euro.
- 5.21 The costs of monitoring and enforcement are very low. There is the study of ADEME that costs 50.000 Euro every two years. Finally, it is the government who bears these costs.



Strengths and weaknesses

Strengths

- 5.22 Important strengths of the labelling system are the colours and the characters A to G. That is very effective. And the fact that it is standardised and the same label for all appliances. So for the consumer, due to the identical label, the energy consumption is visible.

Weaknesses

- 5.23 ADEME was totally against the introduction of the categories A+ and A++. That is too irritating for the consumers. He asks, if there is a new category for refrigerators, why there is no A+ label for washing machines. That is only a voluntary agreement and it brings more confusion than real information.
- 5.24 The European Commission made tests with consumers in order to know which way to go. The consumers, too, were against the A+ and A++ level. They suggested changing the background of the label, for example putting a golden background colour. So it is clear that the product has not changed from one day to another but that there is another label. This would be acceptable to consumers but the manufacturers are completely against it. It may be that their appliance on the label has been A then with the new background is reclassified as C. That is not good for marketing.

Possible changes to labelling requirements

- 5.25 In order to have a better overview and comparability, the following answers are shown within the tables.

Improvements without amending the current energy labelling legislation

What are important areas for improvement of the current labelling legislation without amending it?

	Very important	Important	Less important
Extend the Directive to additional household appliances	X		
Upgrade/revise the standards of existing implementing Directives	X		
Encourage a stricter enforcement/implementation of the current scheme by the MS			
Other, please explain			

- 5.26 As stated before, the most important thing is the upgrade of the standards of the existing implementing Directives. Furthermore, the extension of the directive to additional household appliances is also estimated to be very important.



In the case of an extension of the current labeling legislation to additional household appliances, what products do you think should be considered?

	Useful	Perhaps useful	Not useful
TVs	X		
Audio-video appliances	X		
Computers and screens	X		
Other IT appliances	X		
Standby consumption of appliances			X
Boilers			
Water heaters			
Other: vacuum cleaners			

5.27 It was suggested to extent the Directive to all appliances mentioned above, with exception of stand-by consumption of appliances. A solution with minimum standards is preferred in this case. For boilers and electric water heaters, there are already labels in France. Vacuum cleaners would be fine to label.

What additional energy savings could be achieved by the different options for improvement?

Savings would be:	High	Medium	Low	Negligible
Extend the Directive to additional household appliances	X			
Upgrade/revise the standards of existing implementing Directives	X			
Encourage a stricter enforcement/implementation of the current scheme by the MS	(X)			

5.28 The energy savings would be high with encouraging a stricter enforcement, but in France, there is already a high level of compliance. So there is not so much scope for improvement.

Transposition costs

5.29 It is very difficult to assess the transposition costs. For France, the costs would not be that high. It depends on what is being made. How many appliances will be added? If there is new equipment that has to be labelled, that takes three or four months of work. But this depends also on the type of appliance. For example, there are so many different televisions. In this case it will take perhaps six months. For the vacuum cleaners, it is easier, that is made within three months.

How do you assess the additional costs of the improvement options?



Costs would be:	Too high	Acceptable	Negligible
Extend the Directive to additional household appliances		X	
Upgrade/revise the standards of existing implementing Directives		X	
Encourage a stricter enforcement/implementation of the current scheme by the MS			

5.30 The costs for the extension and for upgrading were estimated to be acceptable.

Improvements with amending the energy labelling legislation

If there were to be amendments to the energy labelling directive, what would be your priority areas for change?

	high priority	medium priority	low priority
Extend the Directive to all energy using products beyond household appliances (commercial/industrial sector)		X	
Extend the Directive to non-energy using but "energy relevant" products (e.g. double glazing, tyres)			X
Increase the level and the delivery of product information beyond the current provisions		X	X
Better enforcement through legislative changes (e. g. reporting requirements)			X
Change of the verification method: simplification and better accuracy/less tolerances		X	
Changing the legal form of implementing measures (decisions or regulations instead of implementing directives)	X		
Increase the legal protection for labels in order to avoid misuse			X
Other, please explain			

5.31 The extension of the Directive to non household appliances is not seen that clearly. The energy label for household appliances was introduced for the consumer. He had no idea about energy consumption and could not distinguish between an energy efficient and an energy intensive product. In the commercial or industrial sector, it is up to the director or manager to care about the equipment. It could be interesting, but it is not necessary.



- 5.32 The extension of the Directive to non-energy using products is judged very carefully. Concerning the double glazing, there are, in France, already regulations, especially for new buildings. Labelling tyres would not be very effective as the energy savings would only be about 5 %.
- 5.33 Increasing the level and the delivery of product information beyond the current provisions also depends on the particular product. Concerning washing machines, it would make sense to add information about the washing properties. Washing machines which are energy and water efficient often have a lower washing quality. The laundry is not clean or there are washing powder residues. But there should not be too much information either. That is too confusing for the consumer. He would not understand any more.

Additional information on products

Which information would be useful to influence the purchasing decision towards energy efficient products?

	Useful	Perhaps useful	Not useful
Annual running costs (for an average consumer)			X
Use of detergents	X		
Emissions (direct or indirect) such as CO ₂			X
Environmental (or other) information relating to its production, transport or disposal			X
Other, please explain			

- 5.34 According to ADEME, neither the annual running costs, the emissions of CO₂ nor environmental information would be of interest for the consumer. Information on detergents could be useful. Concerning the annual running costs, it is difficult to anticipate the evolution of the price of the kilowatt hour. And the information on CO₂ depends on the electricity supplier. One could take an European average, but that would not make that much sense, always seen from the consumers' perspective.



What additional energy savings could be achieved by the different options providing an amendment of the labelling legislation?

Savings would be:	High	Medium	Low
Extend the Directive to all energy using products beyond household appliances (commercial/industrial sector)	X		
Extend the Directive to non-energy using but "energy relevant" products (e.g. double glazing, tyres)		X	X
Increase the level and the delivery of product information beyond the current provisions			X
Better enforcement through legislative changes (e. g. reporting requirements)		X	
Change of the verification method: simplification and better accuracy/less tolerances	X		
Changing the legal form of implementing measures (decisions or regulations instead of implementing directives)	X		
Increase the legal protection for labels in order to avoid misuse			X
Other, please explain			

- 5.35 The highest energy savings were thought to be achieved by extending the Directive to all energy using products beyond household appliances. Also by changing the verification method and the legal form of implementing.
- 5.36 Assessing the costs that would arise from amending the Directive is very difficult. One could not give a universally valid answer as it depends on the different appliances and the different measures taken into account.



How do you assess the additional costs of the amendment options?

Costs would be:	Too high	High but manageable	Acceptable	Lower than under the current legislation
Extend the Directive to all energy using products beyond household appliances (commercial/industrial sector)			X	
Extend the Directive to non-energy using but "energy relevant" products (e.g. double glazing, tyres)	X			
Increase the level and the delivery of product information beyond the current provisions			X	
Better enforcement through legislative changes (e. g. reporting requirements)			X	
Change of the verification method: simplification and better accuracy/less tolerances		X		
Changing the legal form of implementing measures (decisions or regulations instead of implementing directives)			X	
Increase the legal protection for labels in order to avoid misuse	X			
Other, please explain				

5.37 Extending the Directive to non-energy using product lead not only to low energy savings as stated before, the costs of this amendment option is estimated too high. Preferable are the extension to all energy using products, the addition of product information, better enforcement and the change of the legal form of implementing measures.

Repeal of the labelling Directive and using other Community legislation

5.38 The Eco-Design-Directive and the Energy Labelling Directive would be complementary to each other. On the one hand, the Eco-Design-Directive refers to the industry; on the other hand, the Energy Labelling Directive refers to the consumer. So both sides are taken into account.

5.39 The energy labelling Directive may be integrated into the Eco-Design Directive. In this case, the Eco-Design Directive would be the superior one. There would be recommendations or obligations made for the manufacturers, and, additionally, obligations for the retailers to display the label for the consumer. That would be easier, as it would be one unique directive.



6 GERMANY COUNTRY REPORT

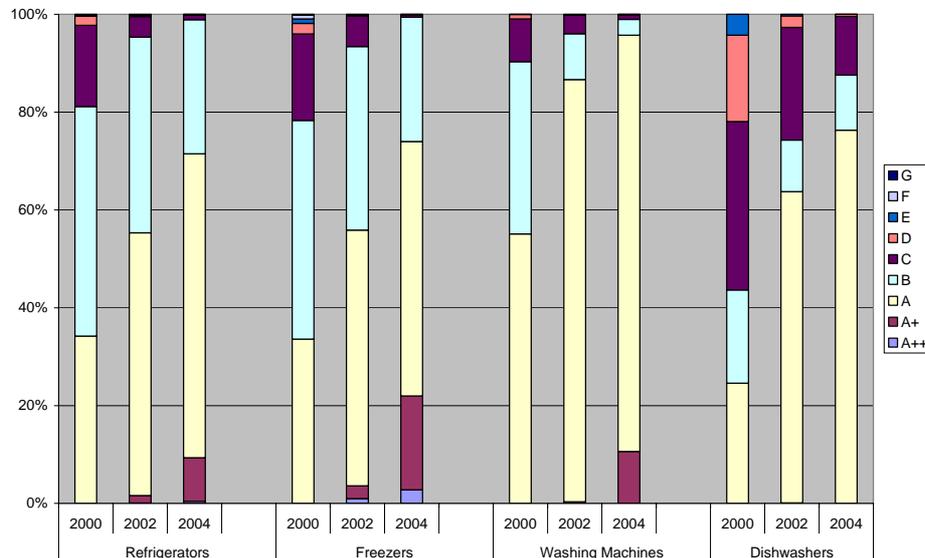
- 6.1 Four interviews with stakeholders in Germany were conducted in order to get views on the operation of the Energy Labelling Directive 92/75/EEC in Germany: with the Federal Ministry of Economics and Technology (BMWi), the German Energy Agency (dena), the Central Consumer Agency (vzbv) and the German Electrical and Electronic Manufacturers' Association (ZVEI).
- 6.2 Supplementary to the interviews, data and information from other sources were used: data from the GfK retail panel on the sales of household appliances by energy efficiency classes and information from two monitoring studies on the compliance with the Labelling Directive in Germany as whole (Fraunhofer ISI, GfK 2001) and in Northrhine-Westfalia (Verbraucherzentrale Nordrhein-Westfalen 2006).

Impact of existing labelling schemes

- 6.3 The EU Energy Label for household appliances was generally regarded as a successful instrument for the main household appliances. It is seen as a good marketing instrument to increase the demand for energy-efficient products. Surveys were cited that the price and the label are the most important features for the purchase decision in Germany. Especially the interplay of manufacturers and retailers is regarded as an important element of the labelling scheme. For household lamps, however, the label is regarded as less successful, also because the label is different and smaller. In general, there is a good perception of the label, though many people only know that A appliances are "good" appliances.
- 6.4 The sales data of the main household appliances in Germany by energy efficiency classes in Germany reflect this success (see Table 1). In 2004, about 70 of the cooling appliances, 75 % of the dishwashers and more than 95 % of the washing machines sold were A or A+ appliances.



Table 1: Shares of sales of the main household appliances by energy efficiency classes in Germany



Source: GfK retail panel

Other schemes

6.5 In Germany, there are only a few other measures for promoting the use of energy efficient products and many of them are strongly linked to the EU label or even use the label as a starting point. The following measures were mentioned by the stakeholders:

- The energy efficiency campaign of the Germany Energy Agency (InitiativeEnergieeffizienz) which both addresses retailers and consumers. For the consumers, without the EU label the advice would be much more difficult, for the retailers, a relatively long learning process was observed until they saw the advantages of the EU label.
- Activities of the consumer agencies, as e. g. the advisory services of the vzbv (about 20 – 30 % of these services are on electrical appliances).
- A few subsidy programmes for efficient household appliances by energy utilities.

6.6 One stakeholder also mentioned two general factors which promote the spread of energy efficient household appliances in Germany besides the labelling: the relatively strong technical development and are traditionally high importance of environmental themes for German consumers.

6.7 All stakeholders thought that the labelling plays a very important role in the set of measures to increase the use of energy-efficient appliances. But it was also mentioned that it is very difficult to separate the impact of these measures. One stakeholder attributed 50 % of the energy savings to the labelling scheme. Another stakeholder



thought that minimum efficiency standards are the most important instrument, followed by the labelling. But it was also stressed that the labelling does not substitute other measures, especially information programmes, which are important, too.

Actions to promote awareness of labelling scheme

- 6.8 Apart from the information and advice programmes already mentioned above, there are only a few further measures. One stakeholder mentioned the tests of appliances conducted by the "Stiftung Warentest". Energy consumption is an important feature of these tests.

Impact on manufacturers

- 6.9 It was generally thought that the requirement to label products had encouraged manufacturers to improve product energy performance. For the manufacturers, the label offers them the possibility to differ from each other as the energy performance is a high criterion for the purchase decision.
- 6.10 Concerning the price impact of the labelling, the general view was that there was no price increase, but a general price decrease for household appliances, which was due to the changing production structure during the last 15 years, for example a higher productivity, the relocation of production abroad or the increasing importance of products from Asia and of no-name products. On the other hand, very efficient A++ appliances are only sold on premium market.
- 6.11 Only last year, prices for white appliances increased. This was due to the increased price of resources and of disposal and does not deal with energy efficiency.

The customer

- 6.12 The general opinion was that other product features were improved, too.
- 6.13 It was generally thought that the labelling requirement stimulated R&D in the beginning of the labelling (especially for premium manufacturers), since many energy-efficient products came on the market. But since there has been no dynamics in the labelling process for some years, there was no incentive from the label any more. In contrast to this, one stakeholder stated that the European industry spent one billion Euro on R&D last year.
- 6.14 Related to other factors like changes in technology, customer demand or international competition, the labelling requirement was an important driver for the changes in the manufacturers' behaviour in the beginning, but since about 2002, the label became less important since most of the appliances sold in the market were A appliances. Therefore, an update of the label classes is regarded as important.

Impact on consumers

- 6.15 Surveys conducted by dena/forsa (2007) in Germany or by the BfE (2005) for Switzerland show that the label is very important for white appliances. According to these surveys, the



energy consumption and the price are most important for the purchase decision. One stakeholder answered that in Germany also the brand is important. All stakeholders mentioned that the simplicity of the label is its main strength. And the information on energy efficiency is regarded as the most important information on the label; all other information is less relevant for the consumer.

- 6.16 One stakeholder mentioned that due to the fact that most of the appliances are A-appliances, the purchase decision today is less conducted by energy consumption as in former days. Therefore, it is mandatory to update the label.
- 6.17 The general impression was that the understanding of the information provided under the labelling scheme is good for the "A – B – C - ..." scheme, but that the change to "A+(+)" was difficult to understand for the consumer. The change initiated a new learning process both for consumers and retailers, which is not finished yet. This learning process should be taken into account for every change of the Labelling Directive.
- 6.18 It was also thought that beyond the colours and characters, the information on the label is not often of interest for the consumer. Trade has to explain. Without the cooperation of the retailers, the label is less successful.
- 6.19 All stakeholders thought that there is a high confidence in the label in Germany, which is also supported by the EU banner on the label. There is a good self-control among the European manufacturers. But two stakeholders also thought that this high confidence could also be a danger, if there is false information on the label. Therefore one has to care that the high confidence remains (more verification of the information).

Compliance and enforcement

- 6.20 With regard to the general compliance with the Labelling Directive, one stakeholder referred to the compliance monitoring report by Fraunhofer ISI/GfK (2001). Apart from that, mainly spot checks were carried out by environmental organisations.
- 6.21 According to this monitoring report, the compliance with the Labelling Directive in shops was relatively low at the time of the survey, i.e. in autumn 2000 and differed both by type of shop (see Table 2) and by type of appliance (see Table 3). Whereas hypermarkets and large scale specialists for electrical appliances had a very high share of completely labelled appliances, kitchen specialists and furniture stores had only 7 % of the appliances labelled completely and 80 % not labelled at all. Regarding the level of compliance by appliance type (see Table 3), the highest level of compliance was found for wet appliances: 62 % of washer-drier combinations, 55 % of tumble driers and 50 % of washing machines were labelled. Almost 50 % of the freezers were completely labelled, too, but only about 30 % of the refrigerators and fridge-freezer combinations.
- 6.22 According to a more recent survey in Northrhine-Westfalia (Verbraucherzentrale Nordrhein-Westfalen 2006), the compliance with the Labelling Directive in shops has improved considerably between 2001 and 2006 in Germany. The result of the shop inspection in 120 shops in Northrhine-Westfalia in the year 2006, using the same



methodology as Fraunhofer ISI and GfK in 2000, was a share of about two thirds of completely labelled appliances. The different degree of compliance by type of shops, however, was confirmed by this survey.

Table 2: Labelling behaviour according to distribution channels in Germany (shop inspection in autumn 2000)

All Appliances	Independents and Buying groups		Large scale specialists	Kitchen specialists	Furniture stores	Hypermarkets	Total
	<2 Mio	>2 Mio					
	%	%	%	%	%	%	%
complete	31	60	82	6	7	77	36
partially	36	15	9	14	13	17	21
absent	34	25	9	80	80	6	44

Source: Fraunhofer ISI/GfK 2001

Table 3: Labelling behaviour according to appliance types in Germany (shop inspection in autumn 2000)

	Refrigerators	Fridge-freezers.	Freezers	Washing machines	Washer-driers	Tumble driers	Dish-washers	Total
	%	%	%	%	%	%	%	%
Labelling:								
complete	29	33	47	50	62	55	20	36
partially	20	23	22	27	25	21	13	21
absent	51	43	31	23	13	24	67	44

Source: Fraunhofer ISI/GfK 2001

- 6.23 The general view was that the compliance by manufacturer is relatively high as they know that the label is useful for them. One stakeholder thought that compliance by manufacturers is even more important than compliance by retailers and more difficult to tackle by policy. The main argument was that incorrect information on the label means a distortion of the market and a discrimination against correct manufacturers. On the other hand, the costs of test measurements are very high (according to the ZVEI 1000 – 4000 Euro per appliance, and 3 appliances must be measured).
- 6.24 The general impression of the stakeholders was that there is an increasing compliance with retailers in Germany (roughly spoken an increase from 1/3 to 2/3 of the appliances), which is also depending on the appliance type (e.g. still bad for ovens).
- 6.25 The two monitoring studies mentioned above also analysed the sorts of non-compliance with retailers. In many cases the labels were not stuck on, but the data-strip was placed inside the appliance. This not only indicates the problem with the appliance's appearance, but also suggests that labelling behaviour may lapse in time, e. g. colour backgrounds are



used up and not reordered, or that some other method is being used to indicate the efficiency class, no longer the official labels.

- 6.26 In Germany, the Federal States are responsible for the compliance monitoring. But there are only a few controls of retailers and no test measurements up to now. But two Federal States are beginning to establish test measurements. Monitoring authorities are established in two Federal States (Bavaria, Rheinland-Pfalz), they shall coordinate the monitoring in all Federal States.
- 6.27 A good solution for compliance control in Germany would be a national authority of the Federal states which cooperates with the manufacturers. And in addition to that, independent test measurements should be made.
- 6.28 According to one stakeholder, the control of the self-declaration of the manufacturers is more important today than 15 years ago, when the Directive was implemented. At that time the market was dominated by European manufacturers and there was a self-control within CECED, which does not work sufficiently today due to more and more producers from outside Europe. According to manufacturers, 10 % of the information is not correct. Therefore, the self-regulation by the manufacturers should be structured more clearly. CECED should be open for producers from outside Europe.
- 6.29 What concerns sanction of non-compliance by manufacturers, the manufacturers theoretically can file an action for injunction (based on the law against unfair competition). But in practice they have to prove the false measurement and the whole process is too long. Therefore, new instruments should be discussed which can be used by manufacturers against false declaration.
- 6.30 With regard to non-compliance by retailers, a fining system exists, but the manpower for controls in the Federal states is missing.
- 6.31 The administration costs in Germany for monitoring and enforcement are difficult to assess because the responsibility lies in the Federal states, which also bear these costs.

Strengths and weaknesses

Strengths

- 6.32 There was a high agreement with the stakeholders on the main strengths of the present labelling scheme. The following strengths were mentioned:
- Clear, simple, and coloured structure of the label.
 - The label is notable.
 - The principle of energy efficiency classes.



- Mandatory label, i.e. that the label is an obligation both for manufacturers and retailers.
- The transparency, simplicity and comprehensibility of the information on the EU label.
- The labelling is a suitable basis for additional energy efficiency measures as e.g. top ten databases, competition, financial incentives.

Weaknesses

- 6.33 There was also a high agreement on the weaknesses of the present labelling scheme. The main weakness mentioned by all stakeholders was that there is no dynamics in the system, since the A-G scale doesn't adapt to technical change. This means that the labelling becomes more and more ineffective and the incentive impact of the labelling gets lost.
- 6.34 It was suggested by one stakeholder to change the scheme in that way that the scale is open for improvement.
- 6.35 The labelling scheme should be updated every 5 to 6 years.

Possible changes to labelling requirements

- 6.36 In order to have a better overview and comparability, the following answers are shown within the tables. The numbers in the tables show the given number of stakeholder answers.

Improvements without amending the current energy labelling legislation

What are important areas for improvement of the current labelling legislation without amending it?

	Very important	Important	Less important
Extend the Directive to additional household appliances	2	2	
Upgrade/revise the standards of existing implementing Directives	4		
Encourage a stricter enforcement/implementation of the current scheme by the MS	2	1	1
Other, please explain			

- 6.37 As stated before, the most important thing is the upgrade of the standards of the existing implementing Directives. Furthermore, the extension of the directive to additional household appliances is also estimated to be very important. Encouraging a stricter



enforcement/ implementation of the current scheme by the Member State was not thought to be so important, because compliance was already thought to be generally good.

In the case of an extension of the current labeling legislation to additional household appliances, what products do you think should be considered?

	Useful	Perhaps useful	Not useful
TVs	2	1	1
Audio-video appliances	2		1
Computers and screens	2		1
Other IT appliances	2		1
Standby consumption of appliances	1		3
Boilers	2	1	
Water heaters	2	1	
Other: all products for which minimum standards will be introduced under the EuP Directive.	1		

- 6.38 One stakeholder thought that the EU classification label is not suitable for TVs, audio and video appliances and office equipment due the short product cycle. A combination of minimum efficiency standards and a quality label is preferred for these appliances.
- 6.39 For standby consumption, minimum efficiency standards were regarded as more suitable by three stakeholders.
- 6.40 One stakeholder mentioned that an energy label should be introduced for appliances which have a high energy saving potential, such as vacuum cleaners. And the appliances should show a reasonable part of the total energy consumption.
- 6.41 One stakeholder suggested including all products, for which minimum standards will be introduced under the EuP Directive, in the labeling scheme, too. The selection criteria of the EuP Directive (large energy user, existing technical saving potential and existing economic saving potential) are regarded as suitable for the Labelling Directive, too.

What additional energy savings could be achieved by the different options for improvement?

Savings would be:	High	Medium	Low	Negligible
Extend the Directive to additional household appliances	2	1.5	0.5	
Upgrade/revise the standards of existing implementing Directives	2.5	1.5		
Encourage a stricter enforcement/implementation of the current scheme by the MS	0.5	1.5	1	



6.42 The option where it was thought there were greatest potential savings was extension of the Directive to additional household appliances. The option where it was thought there was least potential for additional energy savings was a stricter enforcement/implementation of the current scheme by the German stakeholders.

Transposition costs

How do you assess the additional costs of the improvement options?

Costs would be:	Too high	Acceptable	Negligible
Extend the Directive to additional household appliances		2	
Upgrade/revise the standards of existing implementing Directives		2	
Encourage a stricter enforcement/implementation of the current scheme by the MS		2	

6.43 The general opinion was that the changes of the Directive must make good economic sense, i.e. that there must be a sensible relationship between costs and benefits (in form of energy savings). On that condition, the costs are regarded as acceptable.

6.44 The concrete transaction costs could not be assessed. It was mentioned that the following cost categories have to be taken into account: manpower in the Commission, manpower in the Member States and in industry/stakeholders. From the perspective of a consumer organisation, the transaction costs for the consumer are very low.

6.45 If a new appliance is introduced within the labelling scheme, one has to develop measurement standards. That will be about 1 million euros. That is the most expensive part.

Improvements with amending the energy labelling legislation

If there were to be amendments to the energy labelling directive, what would be your priority areas for change?



	high priority	medium priority	low priority
Extend the Directive to all energy using products beyond household appliances (commercial/industrial sector)	2	2.5	0.5
Extend the Directive to non-energy using but "energy relevant" products (e.g. double glazing, tyres)	1.5	0.5	2
Increase the level and the delivery of product information beyond the current provisions			3
Better enforcement through legislative changes (e. g. reporting requirements)	1	2	1
Change of the verification method: simplification and better accuracy/less tolerances	1	2	
Changing the legal form of implementing measures (decisions or regulations instead of implementing directives)	3		
Increase the legal protection for labels in order to avoid misuse	1	1	2
Other, please explain			

6.46 The area identified as the highest priority for amendment of the Directive was extension of the Directive to all energy using products beyond household appliances. The products suggested for consideration were electronic motors, servers and commercial refrigeration, but also others, if appropriateness (measured by the criteria mentioned above, i.e. large energy consumption and existing technical and economic saving potential) is ensured.

Non energy using products

6.47 The view of the German stakeholders on including non energy using but energy relevant products in the labeling scheme was non-uniform in Germany. One stakeholder completely rejected the inclusion of non energy using products; one supported this option (for all non energy using products, not only for car tyres and building parts, but also for renewables, e.g. PV, solar collectors or biomass installations). One stakeholder said that this depends on the product (suitable for tyres, less suitable for parts of the building as windows, because the building should be regarded as a system, as in the Building Directive). Who makes the purchase decision, is also to be taken into account. The plumber for example chooses the water heater or boiler and does not care about energy costs. Concerning tyres, other features than energy consumption are important, and that is safety.

Additional information on products

Which information would be useful to influence the purchasing decision towards energy efficient products?



	Useful	Perhaps useful	Not useful
Annual running costs (for an average consumer)	1		3
Use of detergents		1	1
Emissions (direct or indirect) such as CO2	1		2
Environmental (or other) information relating to its production, transport or disposal		2	1
Other, please explain			

- 6.48 The option to increase the delivery of product information on the label was mainly rejected because this would risk the simplicity of the label, which is regarded as its main strength. And the information on energy consumption is regarded as most important. This option should only be considered if one information is replaced by another one which is regarded as more important.
- 6.49 There were, however, different views on what additional information could be useful. The additional information which it was thought most useful to provide was that of annual running costs of an average consumer. However it was commented that it was difficult to define the average consumer and that it was particularly difficult to work out annual running costs when energy costs differ between countries. Therefore, this option was denied for the EU level, but it could be useful at the national level. Similar arguments were given for CO2 emissions, which could be useful (though one stakeholder thought that CO2 is difficult to understand for the consumer), but is difficult at the EU level because of the different mix of electricity production in the MS.



What additional energy savings could be achieved by the different options providing an amendment of the labelling legislation?

Savings would be:	High	Medium	Low
Extend the Directive to all energy using products beyond household appliances (commercial/industrial sector)	3		
Extend the Directive to non-energy using but "energy relevant" products (e.g. double glazing, tyres)	2		
Increase the level and the delivery of product information beyond the current provisions			2
Better enforcement through legislative changes (e. g. reporting requirements)		2	
Change of the verification method: simplification and better accuracy/less tolerances	0.5	1.5	
Changing the legal form of implementing measures (decisions or regulations instead of implementing directives)	1		1
Increase the legal protection for labels in order to avoid misuse		1	1
Other, please explain			

6.50 It was thought that there was most potential for energy savings by extension of the Directive to all energy using products beyond household appliances and also to some non energy using products (especially tyres; building parts could be useful in countries with a bad building standard). Of the options it was thought that there was least potential for savings from delivery of more information on the label and increasing the legal protection of the label.



How do you assess the additional costs of the amendment options?

Costs would be:	Too high	High but manageable	Acceptable	Lower than under the current legislation
Extend the Directive to all energy using products beyond household appliances (commercial/industrial sector)	0.5 (if all energy using products)	0.5	1.0	
Extend the Directive to non-energy using but "energy relevant" products (e.g. double glazing, tyres)				
Increase the level and the delivery of product information beyond the current provisions	1			
Better enforcement through legislative changes (e. g. reporting requirements)	1			
Change of the verification method: simplification and better accuracy/less tolerances			1	
Changing the legal form of implementing measures (decisions or regulations instead of implementing directives)				1
Increase the legal protection for labels in order to avoid misuse			1	
Other, please explain				

6.51 The question on costs was very difficult to answer for the stakeholders. The costs of the extension of the Directive to other household products were estimated between high and acceptable, also depending on the scope of the extension.

Repeal of the labelling Directive and using other Community legislation

6.52 All of the interviewees thought that the relationship between the Eco-design directive and the labelling directive was complementary. This means that standards remove the less efficient products from the market and the label gives incentives (but only if it is dynamic). Half of the interviewees thought that it would be better to retain the energy labelling scheme rather than to repeal it and rely on other existing measures such as the Eco-design directives. The other half supported an inclusion of the Labelling in the Eco-Design Directive.

6.53 But all stakeholders thought that both Directives are strongly connected and should be treated parallel. This means that the adaptation of the standards to the technical development should run parallel for both Directives and that all products, for which minimum standards are set under the EuP Directive should also be labelled (either with the EU classification label or with another quality label).



General comments of the German stakeholders

- 6.54 In general, the labelling is regarded as more cost-effective than other instruments (e.g. subsidy programmes). But this should be examined in detail by the EU, since the labelling is part of the general efficiency strategy of the EU and the EU Action plan, which means that the impact and the cost of these measures should also be assessed by the EU.
- 6.55 One stakeholder recommended centralising the monitoring of compliance (both of manufacturers and retailers) in a European Monitoring Authority. The shares of efficient appliances in total appliances should be monitored, too, including actions in countries with low shares (e.g. financial support for some Eastern EU countries).
- 6.56 The label should be updated every five years. If there is no more potential, the label should be repealed.
- 6.57 The consumer should not be charged with too much information. That would not lead to reduced energy consumption. The only language that is understood by the consumer, are the costs. Electric meters should be introduced.

References

Fraunhofer ISI/GfK Marketing Services (2001): Evaluating the Implementation of the Energy Consumption Labelling Ordinance. On behalf of the German Federal Ministry of Economics and Technology (BMWi) (<http://www.isi.fhg.de/e/eng/publikation/online/EnVKV/EnVKV.htm>).

Verbraucherzentrale Nordrhein-Westfalen (2006): Verbesserung der Kennzeichnung von Haushaltsgeräten gemäß Energieverbrauchskennzeichnungsverordnung EnVKV. Aktionsbericht. Düsseldorf, October 2006 (only available in German).

Bundesamt für Energie (BfE) (2005): Evaluation der energieEtikette für Haushaltsgeräte und Lampen. Bern, February 2005

dena/forsa (2007): Produktbegleitende Evaluierung der Kampagne "Effiziente Stromnutzung in privaten Haushalten" der InitiativeEnergieeffizienz. 6. Welle. Zentrale Ergebnisse Weiße Ware. Berlin, 31. Januar 2007 (only available in German).



7 ITALY COUNTRY REPORT

- 7.1 Interviews with Italian stakeholders were conducted with CECED Italia, UNC (Unione Nazionale Consumatori), and with representative of the ISPRA Joint Research Centre.

Impact of existing labelling schemes

- 7.2 The Energy Labelling Directive is regarded in Italy as being very positive and, by some stakeholders, as the single most useful scheme able to promote an increased use of energy efficient products.
- 7.3 There are however some differences among different products. The positive impact on refrigerators, for instance, is attributable only partially to the labelling Directive, given also the huge benefits that minimum standards requirements (MRS) have had in promoting an efficient use of these appliances. For washing machines the impact of voluntary agreements has also been very important.
- 7.4 It was also noted that the impact the labelling framework was particularly effective in providing the incentive for manufacturers to invest in energy efficient products – sometimes even beyond the best classes considered by the Directive (e.g. we were quoted a figure of around 10 billion euros of investments in energy efficient products over the past ten years).
- 7.5 On the other hand, according to the consumers association users tend to employ the best available technology given the high electricity prices existing in Italy.

Other schemes

- 7.6 Together with the Energy Labelling Directive other schemes have been implemented in Italy which helped to increase the usage of energy efficient products.
- 7.7 As mentioned above MSR and voluntary schemes had a positive impact, but there were also other initiatives. The 2007 Budget Law introduced tax deduction up to €200 for each refrigerator, freezer (or their combination) in Class A+ or A++ bought in 2007. As showed by the preliminary data of first half of 2007 the replacement of obsolete or “energy-thirsty” appliances has been quite relevant. Other initiatives by local governments (e.g. Lombardy Region, Bologna, Bergamo, and Turin Municipalities) were also very positive, but to a lesser extent given their very short duration.
- 7.8 The same law also has provisions for tax deductions to incentivise energy savings measures in house buildings. In particular by:
- (a) Energetic requalification of existing buildings producing annual energy requirements for winter acclimatization below the 20 per cent in respect to the limits prescribed in appendix C, number 1, Decree n. 192/2005 with a maximum deduction value up to 100,000 euros;



- (b) Interventions on existing buildings, and their parts, or estates, which regard the enhancement of thermal characteristics for vertical mat structures, horizontal mat superior and inferior structures, windows and double glazing, proviso to provide the U thermal conditions as prescribed in table 3 of law n. 292/2006 with a maximum deduction value up to 60,000 euro;
- (c) Interventions for the installation of solar panels for the generation of hot water used by households, the industry, swimming pools or sport structures, hospitalize houses and universities with a maximum deduction value up to 60,000 euro;
- (d) Interventions for the substitution of winter acclimatization plants equipped with boilers with immediate condensation and tweak for the point of the distribution system with a maximum deduction value up to 30,000 euro;

7.9 Italy has also been among the first EU Member States to fully implement the White certificate scheme.

Actions to promote awareness of labelling scheme

- 7.10 In Italy many actions have been taken, especially in the past when the energy label was first introduced. Among others the campaign on air conditioning equipment was particularly extensive.
- 7.11 Consumers associations are also very active in promoting the importance of energy savings through efficient appliances.

Impact on manufacturers

- 7.12 It was generally thought that the requirement to label products had encouraged manufacturers to improve product energy performance (including the level of investments in R&D). There were mixed views on whether the development of energy efficient products had led to higher product prices or not.
- 7.13 According to the industry stakeholders there had been a general and continuing price reduction in white good appliances. Energy labelling schemes and best efficiency products therefore were useful in order to offset this price erosion.
- 7.14 Others thought that the effect on prices was incremental, especially at the beginning of the energy labelling scheme implementation and, most recently, for the highest classes of appliances (A and A++). However, this should be considered a response to the market demand.
- 7.15 The impact on quality has been considered positively given that, with the energy labelling scheme in place, product performance and energy-efficiency become closely related and, as such, proportional.



- 7.16 Moreover, as reported by CECED Italia manufacturers based in Italy invested about €3 billion in product innovation over the past 10 years (the figure is only a rough estimate because there are multinational groups among key companies operating in Italy).
- 7.17 No other changes in manufacturers' behaviour have been registered during our interviews.

Impact on consumers

- 7.18 Consumers' awareness was generally considered as being relatively high. It was generally agreed that consumers understood the A to G rankings, however there was a common view that energy efficiency is not always the main driver for consumers' purchasing decisions. Other drivers are also the brand and other factors like consumer previous experience.
- 7.19 Moreover, households do not have a complete understanding of the efficiency index provided by the label as they limit their understanding to the meaning of classes in terms of quality of the product rather than the energy consumption/saving.
- 7.20 All the stakeholders interviewed said that consumers trusted the information provided by the labels even though there have been some examples of misinformation and misuse of the energy label in the past. Nowadays the trading of energy appliances is getting more responsible in presenting products without the label or a proper quality certification.

Compliance and enforcement

- 7.21 The level of compliance in Italy is consistent with the EU average with exception of few cases. Supermarkets for instance may often fail to comply as they only stock a single model and do not provide the label for it.
- 7.22 Compliance fails generally because the label is not present rather than wrong. Other cases include products imported from outside Europe: either because official laboratory tests discovered a level of performances not in line with energy label declaration, or because they showed a lack of the energy label.
- 7.23 It was also commented that manufacturers tend to produce their appliances according to market demand, which generally favours higher classes (quality) of products.
- 7.24 Compliance is monitored by energy efficiency tests as in other EU MS. These are conducted on the basis of samples and measure the level of consumption declared by the labels in accordance with the EU regulations.
- 7.25 The level enforcement in Italy however is considered as still insufficient. According to industry stakeholders resources made available by the Government are inadequate in respect to the size of the market and the regulatory framework is pending to be concluded.



- 7.26 Financial penalties are applicable however there have been very few cases (if any) when these have been implemented.

Strengths and weaknesses

Strengths

- 7.27 Labels were considered as unanimously beneficial for consumers.
- 7.28 Labels are in fact very easy to understand containing a set of information highly useful for consumer to build up his/her purchase decision. Moreover, this process has also driven other schemes, i.e. Energy Performance of Buildings (EPB), and others.
- 7.29 Labels have been also considered as a positive tool to enhance the environmental consciousness in consumers having a positive effect on climate change.

Weaknesses

- 7.30 A weakness of the scheme cited by two of the stakeholders interviewed was the lack of an adequate and effective monitoring action by the Italian Government.
- 7.31 Moreover, at European level, the lack of dynamism of the labelling scheme can be certainly considered as one of the most relevant weaknesses. In other countries, for instance in Australia, the labels have been reclassified according to the markets needs.

Possible changes to labelling requirements

- 7.32 The questions on possible changes to labelling requirements involved stakeholders being asked questions on a number of policy options. The tables in the following section show the numbers of respondents selecting each choice. For questions where the number does not add up to three there were some stakeholders who did not indicate an answer and questions where the response is not a round number indicate that a stakeholder's choice fell between two options.



Improvements without amending the current energy labelling legislation

What are important areas for improvement of the current labelling legislation without amending it?

	Very important	Important	Less important
Extend the Directive to additional household appliances	1	2	
Upgrade/revise the standards of existing implementing Directives	1	2	
Encourage a stricter enforcement/implementation of the current scheme by the MS	1	1	
Other, please explain			

7.33 Most respondents felt that the extension of the directive to additional household appliances and the upgrade/revision of the standards of existing implementing Directives were important.

7.34 Encouraging a stricter enforcement/ implementation of the current scheme by the Member State was also thought to be of some importance, given that compliance was thought to be insufficient in Italy.

In the case of an extension of the current labelling legislation to additional household appliances, what products do you think should be considered?

	Useful	Perhaps useful	Not useful
TVs	2		
Audio-video appliances	2		
Computers and screens	1		1
Other IT appliances	1	1	
Standby consumption of appliances	2		1
Boilers	1	1	
Water heaters	1	1	
Other	Gas ovens and Non-energy using products, e.g. windows		

7.35 There are some categories of products that would need to be incorporated by the legislation such as gas appliances (either boilers or cookers). These are in fact even more energy efficient products. Moreover, industry stakeholders strongly recommended



other products to be included in the framework on the basis of the success of the Energy Label experience.

What additional energy savings could be achieved by the different options for improvement?

Savings would be:	High	Medium	Low	Negligible
Extend the Directive to additional household appliances	3			
Upgrade/revise the standards of existing implementing Directives		2	1	
Encourage a stricter enforcement/implementation of the current scheme by the MS		1	2	

7.36 The option where it was thought there were greatest potential savings was extension of the Directive to additional household appliances. The option where it was thought there was least potential for additional energy savings was a stricter enforcement/implementation of the current scheme by the Member State.

Transposition costs

How do you assess the additional costs of the improvement options?

Costs would be:	Too high	Acceptable	Negligible
Extend the Directive to additional household appliances	1	1	
Upgrade/revise the standards of existing implementing Directives		2	
Encourage a stricter enforcement/implementation of the current scheme by the MS		3	

7.37 Transposition costs can be considered as acceptable if compared with the long terms usage of the appliances. All agreed that a stricter enforcement could be achieved without very large costs.

7.38 None of the stakeholders interviewed however was able to give us an estimate of these costs.

Improvements with amending the energy labelling legislation

If there were to be amendments to the energy labelling directive, what would be your priority areas for change?



	high priority	medium priority	low priority
Extend the Directive to all energy using products beyond household appliances (commercial/industrial sector)	1		1
Extend the Directive to non-energy using but "energy relevant" products (e.g. double glazing, tyres)	1		1
Increase the level and the delivery of product information beyond the current provisions	1		1
Better enforcement through legislative changes (e. g. reporting requirements)	1	1	1
Change of the verification method: simplification and better accuracy/less tolerances		2	1
Changing the legal form of implementing measures (decisions or regulations instead of implementing directives)		2	1
Increase the legal protection for labels in order to avoid misuse	1	1	1
Other, please explain	Dynamic label		

- 7.39 According to our interviews any of the areas identified above was considered to have the highest priority for the amendment of the Directive. A medium priority was given to the change of the verification method and to the change of the legal form of implementing measures.
- 7.40 It was suggested to include the professional catering sector while other stakeholders suggested that there is no need to extend the Directive to commercial products. The information is in fact already well utilized by the specialised personnel.
- 7.41 One stakeholder emphasized the high priority for incorporating a dynamic approach to the framework.

Non energy using products

- 7.42 Amongst other non-energy using products car tyres were considered very important as well as cars more in general. Double glazing was also considered as important at this regard.

Additional information on products

Which information would be useful to influence the purchasing decision towards energy efficient products?



	Useful	Perhaps useful	Not useful
Annual running costs (for an average consumer)			3
Use of detergents			3
Emissions (direct or indirect) such as CO2	1	1	1
Environmental (or other) information relating to its production, transport or disposal		2	1
Other, please explain			

7.43 The additional information which it was thought most useful to provide was that of annual running costs and use of detergents. However, it was highlighted that for products like domestic appliances annual running costs may vary depending on different variables, i.e. different countries, consumer habits and others (such as the type of load, energy cost and type of energy). On this basis this parameter could be misleading.

7.44 Environmental information could be perhaps useful.

What additional energy savings could be achieved by the different options providing an amendment of the labelling legislation?

Savings would be:	High	Medium	Low
Extend the Directive to all energy using products beyond household appliances (commercial/industrial sector)	1		
Extend the Directive to non-energy using but "energy relevant" products (e.g. double glazing, tyres)		1	
Increase the level and the delivery of product information beyond the current provisions		1	1
Better enforcement through legislative changes (e. g. reporting requirements)	1	1	
Change of the verification method: simplification and better accuracy/less tolerances		2	
Changing the legal form of implementing measures (decisions or regulations instead of implementing directives)		2	
Increase the legal protection for labels in order to avoid misuse	1	1	
Other, please explain			

7.45 It was thought that there was most potential for energy savings by the changing the verification method and the legal form of implementing measures. Of the options above it was thought that there was least potential for savings from increasing the level and the delivery of product information beyond the current provisions



How do you assess the additional costs of the amendment options?

Costs would be:	Too high	High but manageable	Acceptable	Lower than under the current legislation
Extend the Directive to all energy using products beyond household appliances (commercial/industrial sector)				
Extend the Directive to non-energy using but "energy relevant" products (e.g. double glazing, tyres)				
Increase the level and the delivery of product information beyond the current provisions		1		
Better enforcement through legislative changes (e. g. reporting requirements)		1		
Change of the verification method: simplification and better accuracy/less tolerances			1	
Changing the legal form of implementing measures (decisions or regulations instead of implementing directives)			1	
Increase the legal protection for labels in order to avoid misuse			1	
Other, please explain				

7.46 Of those that commented on the costs of the options, most thought that they would be reasonable.

Repeal of the labelling Directive and using other Community legislation

7.47 All of the interviewees who commented thought that the relationship between the Eco-design directive and the labelling directive was complementary. It was generally thought that it would be better to retain the energy labelling scheme rather than to repeal it and rely on other existing measures such as the Eco-design directives. This latter in fact does not bring simplification.

7.48 One of the stakeholders suggested that even if environmental information is not relevant for labelling schemes it is subject to the same technical analysis, which must be the same.



8 THE NETHERLANDS COUNTRY REPORT

- 8.1 In the Netherlands, the interview was conducted with SenterNovem. SenterNovem is an agency of the Dutch Ministry of Economic Affairs. It promotes sustainable development and innovation, both within the Netherlands and abroad. It aims to achieve tangible results that have a positive effect on the economy and on society as a whole.
- 8.2 Supplementary to the interview, data from the MURE/Odysee database and other results from national, European and French research and consulting projects were used for the report.

Impact of existing labelling schemes

- 8.3 The Directive was, in the beginning, regarded as having been very important in promoting the increased use of energy efficient products. Exceptions to this are lamps and driers. The energy labelling scheme in the Netherlands was combined with other promoting instruments, mainly subsidies (see below).
- 8.4 Today, most appliances in the Netherlands are classified A (see table below). Therefore, the labelling scheme has become less important in the current way.

	Washing		Dishwashers		Freezers		Cooling	
	2002	2004	2002	2004	2002	2004	2002	2004
A ++					0,4	4,5	0,7	1,0
A +	0,0	3,2			14,1	20,9	12,6	19,4
A	95,2	92,9	87,8	85,5	73,2	56,8	70,9	67,3
B	3,0	2,5	5,8	2,4	6,1	10,8	9,4	7,3
C	1,2	1,2	4,2	11,4	5,2	6,1	3,4	1,1
D	0,3	0,0	0,8	0,1	0,3	0,4	0,2	0,0
E	0,0		0,0	0,0	0,3	0,3	0,3	0,1
F					0,3	0,1	0,0	0,0
G					0,0		0,0	0,0
UN-KNOWN	0,3	0,2	1,4	0,6	0,1	0,0	2,5	3,7
<Grand Total>	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0

- 8.5 Concerning the lamps, there is no use of energy labelling since it is known that energy saving lamps are more efficient than other ones.
- 8.6 The label for driers has, up to now, not been very effective. There are only a few driers classified A on the market and these are very expensive. But according to SenterNovem, there is a high potential for driers.
- 8.7 Whether the increase in the use of energy efficient products is attributable to the labelling scheme rather than other factors is difficult to say. In the Netherlands, there was a combination of instruments, and it is very difficult to assign the impact to a single



measure. It has been proved that combining the measures is a very effective way to promote energy efficient products.

Other schemes

8.8 In the Netherlands, there was a subsidy programme running until 2003. In the beginning of the programme, the subsidies were relatively high transforming strongly the market to efficient appliances. Especially according to studies from ECN, these promoting schemes caused a relatively strong free rider effect.

Actions to promote awareness of labelling scheme

8.9 Additionally to the subsidy programme, the information on labelling has been, in the beginning, widely spread, especially to retailers and energy utilities and on websites.

Impact on manufacturers

8.10 The requirement to label products has definitively encouraged manufacturers to improve the energy performance of their products. The fact that it was a European measure and not only valid for one country was an incentive for the manufacturers to refine the technology of the appliances.

8.11 Additionally, voluntary minimum efficiency standards for some appliances have been introduced by the manufacturers. They will now be replaced by the Eco-Design standards.

8.12 In the beginning, the European association of the manufacturers, CECED, and also the German association, ZVEI, have strongly rejected the Labelling Directive, but then they developed a more and more positive view.

8.13 According to GfK data, there has not been any price increase. There has been a general development towards lower prices for electrical appliances during the last 10 – 15 years. This was due to economies of scale and rationalisation which is independent from the energy efficiency improvement of the appliances.

8.14 Over the whole life, the savings in energy costs will be bigger than possible price increases of the appliances.

8.15 For washing machines, the increased energy efficiency can also be linked to a wider improvement in product quality, in this case the washing performance.

8.16 The labelling requirement stimulated R&D spending by manufacturers (see above).

8.17 The labelling requirement has been more important than other factors for changing the manufacturers' behaviour as the energy consumption is an important feature of white appliances. So these appliances were very suitable for the energy labelling. For cars or TVs, this could be more difficult, since other product features are more important.



Impact on consumers

- 8.18 The energy consumption is an important feature of white appliances. Therefore, the labelling has influenced the demand of the customer.
- 8.19 In the beginning, the consumers had a good understanding of the information provided under the labelling scheme. But during the last years, the label has become less important as almost all appliances are A appliances in the Netherlands. Therefore, other product features become more important.
- 8.20 According to SenterNovem, the trust in the information provided by the label more or less exists. Though there are always consumers and consumer organisations having a general mistrust of the industry.

Compliance and enforcement

- 8.21 Compliance by retailers was generally thought to be high. There are regular controls and non-compliance is treated as a breach of the law.
- 8.22 In order to verify the compliance by manufacturers, there are only a few control measurements. Non-compliance is not treated as a breach of the law. It is unclear who has to be accused, the manufacturer or the importer. So, there is no high priority of verification.
- 8.23 There is a problem with the tolerance limits. The appliances are positioned at +7/+8 by the manufacturers. Therefore, the limits between the label classes cannot be too narrow. This is also important for the Eco-design Directive.
- 8.24 The annual cost of monitoring and enforcement is about 350,000 to 400,000 euro per year. The state bears this cost.

Strengths and weaknesses

Strengths

- 8.25 A major strength of the scheme cited is that it is a homogeneous way of informing on energy efficiency of appliances concerning procedure and measurement making comparison of the products is possible. Furthermore, the format of the information is also homogeneous for all appliances. The high recognition value of the label is also mentioned as strength.
- 8.26 The advantages of simplicity, transparency and the uniform label for all appliances should be kept.

Weaknesses

- 8.27 The labelling scheme has not been revised (except refrigerators and freezers, but not in satisfactory way). The A+ and A++ compromise cannot be continued (to A+++ and so on).



- 8.28 The scaling A to G should be kept and updated. This was refused by the manufacturers and CECED arguing that the scaling is costly and the differentiation between "old" and "new" is not ensured.
- 8.29 The possibilities to further improve the energy efficiency are relatively small for washing machines and dishwashers, a little bigger for cooling appliances. For new appliances (e.g. TVs) the right scaling is important.
- 8.30 Data are only available on the label and not in electronic form. This would be helpful for electronic data bases like Eco Top-ten or others.

Possible changes to labelling requirements

Improvements without amending the current energy labelling legislation

What are important areas for improvement of the current labelling legislation without amending it?

	Very important	Important	Less important
Extend the Directive to additional household appliances	X		
Upgrade/revise the standards of existing implementing Directives	X		
Encourage a stricter enforcement/implementation of the current scheme by the MS	X		
Other, please explain			

- 8.31 The extension of the Directive should include TVs, pumps and electric motors.
- 8.32 The upgrade is very important. In the Netherlands the present labelling system is not very useful, as almost all appliances are classified A.
- 8.33 To encourage a stricter enforcement, a number of options were suggested: Declaration by manufacturers: "European enforcement agency"; retailers: possible at local level; yearly report of the Member States.
- 8.34 First of all, it is more important how to make these changes than if to make them.

In the case of an extension of the current labeling legislation to additional household appliances, what products do you think should be considered?



	Useful	Perhaps useful	Not useful
TVs	X		
Audio-video appliances			X
Computers and screens	X		X
Other IT appliances			X
Standby consumption of appliances			X
Boilers	X		
Water heaters	X		
Other			

- 8.35 The respondent thought it would be useful to extend the legislation to TV appliances. This is very important, since TVs are large energy consumers. The structure, based on the size of the TV, could be similar to refrigerators.
- 8.36 Concerning audio-video appliances, computer, screens and other IT appliances, it was thought that it would only make sense for screens as they are similar to TVs.
- 8.37 For the standby consumption of other appliances, it would be suitable to set minimum efficiency standards.
- 8.38 A directive for boilers has been in preparation for years.
- 8.39 When choosing new appliances, one should focus on appliances, for which it is expected that the energy consumption is an important factor for the purchase decision.

What additional energy savings could be achieved by the different options for improvement?

Savings would be:	High	Medium	Low	Negligible
Extend the Directive to additional household appliances	X			
Upgrade/revise the standards of existing implementing Directives	X			
Encourage a stricter enforcement/implementation of the current scheme by the MS		X		

- 8.40 Boilers, water heaters and TVs are considered to be suitable for labelling as the label gives information to the consumer and this cannot be done with other instruments.
- 8.41 The revision of the standards is very important. If the standards are not revised, people will lose faith in the label. Then no savings will be achieved at all.



8.42 The savings could also be achieved by the Eco-design directive. But at the international level, the EU label also means a positive image for the EU. The repeal of the label is difficult to justify internationally.

Transposition costs

8.43 The transposition costs arising from the extension of the energy labelling directive and the upgrading of the standards are estimated to 100 hours for the Ministry of Economics and 100 hours for other (e. g. upgrading and new appliances).

How do you assess the additional costs of the improvement options?

Costs would be:	Too high	Acceptable	Negligible
Extend the Directive to additional household appliances		X	
Upgrade/revise the standards of existing implementing Directives		X	
Encourage a stricter enforcement/implementation of the current scheme by the MS		X	

8.44 The additional costs of the improvement options are estimated to be acceptable in all cases.

Improvements with amending the energy labelling legislation

If there were to be amendments to the energy labelling directive, what would be your priority areas for change?



	high priority	medium priority	low priority
Extend the Directive to all energy using products beyond household appliances (commercial/industrial sector)	X		
Extend the Directive to non-energy using but "energy relevant" products (e.g. double glazing, tyres)		X	
Increase the level and the delivery of product information beyond the current provisions	X		
Better enforcement through legislative changes (e. g. reporting requirements)	X		
Change of the verification method: simplification and better accuracy/less tolerances	X		
Changing the legal form of implementing measures (decisions or regulations instead of implementing directives)	X		
Increase the legal protection for labels in order to avoid misuse	X	X	
Other, please explain			

- 8.45 Concerning the business-to-business sector, priority should be given to appliances with a high energy saving potential. The problem is a lack of knowledge on energy consumption of these appliances. For example, electric motors, commercial refrigeration, servers, and commercial air-conditioning could be considered for such an improvement of the directive. Furthermore, other ideas from the Eco-design directive studies could be taken up.
- 8.46 The extension of the labelling to non-energy using but energy relevant products is less important. It depends on the saving potentials that can be achieved. But it should not be generally excluded.
- 8.47 The increase of the level and the delivery of product information beyond the current provisions is also important. Especially the electronic delivery of the product information is a main concern. The information should not only be on the label.
- 8.48 Regarding a better enforcement through legislative changes, reporting requirements are useful.
- 8.49 The change of the verification method can be done relatively easily and has also a high priority.
- 8.50 Changing the legal form of implementing measures has a high priority as the implementation must not take place in 27 member states separately.



8.51 The increase of the legal protection for labels depends on the effort involved. Therefore it might have a high or medium priority.

Additional information on products

Which information would be useful to influence the purchasing decision towards energy efficient products?

	Useful	Perhaps useful	Not useful
Annual running costs (for an average consumer)			X
Use of detergents			X
Emissions (direct or indirect) such as CO ₂	X		
Environmental (or other) information relating to its production, transport or disposal			X
Other, please explain			

8.52 The information on annual running costs is not useful to the consumer as prices in the EU are too different. If the costs are low, this could be deterrent. It would be better to put this information on national websites, but not on a label.

8.53 Indicating the CO₂ emissions is only useful if it is based on an EU average mix of electricity consumption.

8.54 Environmental information can be taken from the Eco-design directive. It is not useful to put them on an energy label.

Additional energy savings by realizing different options

8.55 The energy savings would be high in the case of extending the directive to all energy using products beyond the household appliances and medium in case of extending the directive to non-energy using but energy relevant product.

8.56 The other options have to be realized anyway as the changes are necessary if the labelling system should remain trustworthy and efficient. So the "additional" costs cannot be quantified as such.

Additional costs of the amendment options

8.57 Changing the verification method would bring lower costs for the member states, as well as changing the legal form of the implementing directive.

8.58 It was stated that it is generally difficult to estimate costs.



Repeal of the labelling Directive and using other Community legislation

- 8.59 It was thought that the labelling directive and the Eco-design directive are complementary to each other. The inclusion of the labelling in the Eco-design directive is only possible if the Eco-design directive is revised, not in the current form.
- 8.60 There would be no simplification of the energy labelling scheme if the directive 92/75/EEC would be repealed. The advantages of the label, especially the homogeneous format for the information, cannot be achieved by the Eco-design directive. And the Eco-design directive addresses the manufacturers, not the retailers.



9 UK COUNTRY REPORT

9.1 In the UK interviews were conducted with DEFRA, AMDEA, the Energy Saving Trust, the National Consumer Council, and retailers Co-op and Halfords. This report also contains information from the UK's response to the Commission consultation document, which was compiled by DEFRA. The interview responses have been anonymised.

Impact of existing labelling schemes

9.2 The Directive was generally regarded as being successful in promoting the increased use of energy efficient products. In particular the label provides an incentive for retailers and manufacturers to stock more energy efficient products and provides consumers with a means of comparison.

9.3 However, several stakeholders thought that the impact of the scheme had been greater for some products than for others. Products where it was said to be less successful were air conditioners, lighting, washing machines and cookers. An area described as successful was white goods. One of the reasons the Directive was not regarded as having much impact for certain products was where there were a large proportion of products now labelled A, such as washing machines.

9.4 A retailer mentioned that they thought there had been a big impact with manufacturers to increase efficiency, but that energy efficiency had still not increased quickly enough.

Other schemes

9.5 As well as energy labelling there are also other schemes in the UK for promoting the use of energy efficient products. There is an energy efficiency commitment which gives discounts on A rated fridges. There is also the Energy Saving Trust's recommended logo (though it was pointed out that this is not used by all products entitled to it) and a flower logo.

9.6 Other factors credited with increased use of energy efficient products included awareness of climate change and the fact that higher up the energy scale was associated with higher quality products in general. Overall it was thought that the increase in the use of energy efficient products covered by the Directive attributable to the labelling scheme was medium, however, some stakeholders thought that the scheme had more impact than other factors and schemes.

9.7 A manufacturers group said that without the labelling the other schemes would have no means of selecting products. Another stakeholder suggested because the scheme was compulsory this made it more effective than other schemes. The government representative thought it was difficult to assess the difference between labelling and other incentives such as money off provided by the energy efficiency commitment.



Actions to promote awareness of labelling scheme

- 9.8 The Energy Saving Trust provides advice with nearly 50 advice centres around the country charged with directing consumers to the most energy efficient products. The Energy Saving Trust can endorse products but has a target to endorse only up to 20 per cent of the market. There has been a leaflet produced by DEFRA and there is an advice service. However, there has not been very much money invested by the government.
- 9.9 Some manufacturers promoted awareness by advertising. In October 2007 AMDEA is to launch its “Time for a change” campaign which will encourage people to replace fridges for more efficient products and will include information on labelling.
- 9.10 Some retailers had taken action to promote the scheme, for example the Co-op had committed to only sell white goods labelled A and above.

Impact on manufacturers

- 9.11 It was generally thought that the requirement to label products had encouraged manufacturers to improve product energy performance.
- 9.12 There were mixed views on whether the development of energy efficient products had led to higher product prices. DEFRA stated that there was no evidence to show a direct link between energy efficiency and cost, with cost being instead linked to the functions the appliance performs. DEFRA thought that price had more to do with brand name than energy efficiency, but that for A++ products there was a price differential because slightly different technology was used.
- 9.13 However, another stakeholder (a retailer) said that the effect on price varied between products, for example on light bulbs there has been increased price and there seemed to have been on driers but on others such as washing machines there did not seem to be. The increase in the price of light bulbs was said to be entirely due to energy efficiency.
- 9.14 One stakeholder thought the increase in energy efficiency cost money which would eventually feed through to higher product prices, and stated that it becomes increasingly expensive to move up the energy efficiency scale. They thought that improvements in energy efficiency had been linked with wider improvements in product quality.
- 9.15 However, other stakeholders did not think the development of energy efficient products had increased product price, or thought that it might have done initially but that this was a short term effect only. It was suggested that some retailers might charge a premium because they realised that they were able to.
- 9.16 It was generally thought to be unclear whether labelling had stimulated R&D spending by manufacturers. DEFRA said that for some products it had stimulated R&D spending where there was a technology gap, for example in tumble driers where there was previously no A rating and where the technology has now been improved to get the A. However, for other products where there was no technology gap left, i.e. there was



already an A standard product available when the scheme was introduced, R&D had not been stimulated.

- 9.17 It was suggested that the labelling has radically affected design with some manufacturers happy to sacrifice quality to get a high rated label, with for example, some dishwashers now being very energy efficient but not washing very well.

Impact on consumers

- 9.18 It was generally thought that different consumers had different drivers determining which products they bought. Some might be interested in colour for example, and others might care more about brand, but that price was usually important.
- 9.19 Several stakeholders thought that the energy label was not the main criteria when products were chosen by but that consumers did consider it. It was suggested that certain stores gave more information which made a difference and that some stores did not give much prominence to the labels (for example by placing them at ground level).
- 9.20 One retailer has carried out a survey which found that 16 per cent of customers stated that labelling was the most important factor in buying A rated goods.
- 9.21 One stakeholder said that it was difficult to know the effects of the energy label as white goods are an infrequent purchase.
- 9.22 It was generally agreed that consumers understood the A to G ranking. One stakeholder commented that consumers did not seem to understand the A+ and A++ ratings used for fridges. It was less clear whether consumers understood and made use of the other information on the labels.
- 9.23 All the stakeholders interviewed said that consumers trusted the information provided by the labels. No one had ever challenged the label and it was assumed that products met the standards that the manufacturer claimed.

Compliance and enforcement

- 9.24 Compliance was generally thought to be high, with a few isolated cases of infringements. Imports were cited as being products with which there was most likely to be problems. It was commented that products often just squeezed into the tolerances. DEFRA said that there had been about 80 per cent compliance, but that it varied between stores. Some stores did not realise they had to comply (small independent stores in particular).
- 9.25 It was said that manufactures often checked on each other and reported on non-compliance. Other ways of compliance being monitored included through Trading Standards and the Energy Saving Trust. The Energy Saving Trust scheme tests 5 per cent of products on its scheme every year. One stakeholder mentioned that testing was difficult to do and that different labs gave different results.



- 9.26 Non compliance is a Trading Standards issue, which can lead to a legal process. Enforcement is difficult as Trading Standards have to do their own tests (i.e. cannot use those of the Energy Saving Trust). Trading standards could issue fines but this has so far never been done as it has not yet been possible to prove that anyone has broken the law.
- 9.27 Instances of non compliance by retailers cited included retailers not putting labels on display. There have also been some instances of the wrong labels being used, e.g. a fridge label on a washing machine.
- 9.28 Compliance of retailers is monitored by spot checks. Trading Standards tests some products following complaints. DEFRA tests 10-15 products a year and the EST tests some products. Approximately £100-150k a year is spent on monitoring and enforcement by DEFRA and £50k by the Energy Saving Trust.

Strengths and weaknesses

Strengths

- 9.29 A major strength of the scheme cited was that it gave consumers a means of comparison and allowed and encouraged industry to compete on the energy efficiency basis. Other strengths were that it was mandatory in that labels had to be on all products covered by the Directive, that it had high recognition and that it was colour coded and therefore easy to understand.
- 9.30 One stakeholder said that the fact it is used for other products testified to its value. It was also thought that the fact it is a well established European scheme gives it added gravitas, especially to multinational users.

Weaknesses

- 9.31 A weakness of the scheme cited by several stakeholders was that it works better for some products than for others. It works better where products have the same basic function, e.g. freezer or fridge, but would work less well for e.g. TVs where there were many other factors such as screen size.
- 9.32 The scheme was criticized for not being flexible enough and for the fact that it had not been made clear to industry what the aims were for the future, e.g. whether the boundaries would be changed. The speed with which standards has developed had been too slow.
- 9.33 The range of products to which it applied was described as being too narrow, and several said that the A to G scale needs to shift to reflect progress. It was stated by one stakeholder that 99 per cent of washing machines were currently A rated.
- 9.34 Opinions were divided over whether added A+ and A++ categories was useful. One stakeholder thought that A+ and A++ ratings for cold appliances were not useful because consumers did not have an awareness of A+ and A++ and so thought that they were



buying the best when they were buying an A. However, another thought that re-categorising was wrong and that other categories e.g. A+ and A++ should be added.

- 9.35 It was also suggested that classes for fridges should be based on energy use for volume rather than for the appliance.
- 9.36 A major concern for both consumer groups and manufacturers was that sometimes the testing of the products was not very accurate. Manufacturers had the concern that it was hard to get test methodologies correct, and that labs might not be competent. It was stated that it was particularly hard on the manufacturers if testing was not accurate. Testing the performance of products was described as being especially difficult with energy consumption being less difficult to measure. It was also suggested that product testing was an expensive and drawn out process.
- 9.37 One stakeholder thought that the A to G scale was too many and suggested that it might be better to have A to C or red, amber, green.

Consultation response

- 9.38 The UK response to the Commission consultation said that reliability of the product information was key to ensuring the credibility of the scheme with consumers and to ensuring that policy measures using the information obtained their expected outcomes. The UK would support the development of better test methodologies and measurement standards, in particular the encouragement of manufacturers to achieve a narrow range of variability in product performance.

Possible changes to labelling requirements

- 9.39 The questions on possible changes to labelling requirements involved stakeholders being asked questions on a number of policy options. The tables in the following section show the numbers of respondents selecting each choice. For questions where the number does not add up to six there were some stakeholders who did not indicate an answer and questions where the response is not a round number indicate that a stakeholder's choice fell between two options.



Improvements without amending the current energy labelling legislation

What are important areas for improvement of the current labelling legislation without amending it?

	Very important	Important	Less important
Extend the Directive to additional household appliances	4	1	1
Upgrade/revise the standards of existing implementing Directives	3	1	1
Encourage a stricter enforcement/implementation of the current scheme by the MS		1.5	1.5
Other, please explain			

9.40 Most respondents felt that the extension of the directive to additional household appliances and the upgrade/revision of the standards of existing implementing Directives were very important. Encouraging a stricter enforcement/ implementation of the current scheme by the Member State was not thought to be so important, often because compliance was already thought to be generally good.

In the case of an extension of the current labeling legislation to additional household appliances, what products do you think should be considered?

	Useful	Perhaps useful	Not useful
TVs	5		
Audio-video appliances	3	2	
Computers and screens	4	1	
Other IT appliances	4	1	
Standby consumption of appliances	4	1	
Boilers	4	1	
Water heaters	4		
Other	1		

9.41 Most respondents thought it would be useful to extend the legislation to the household products suggested. It was suggested that the selection should be based on scientific evidence about which appliances were the largest users of energy and where there were the largest potential savings.

9.42 One stakeholder suggested that the legislation should be extended to any energy using household product including microwaves, kettles, toasters, and hairdryers.



What additional energy savings could be achieved by the different options for improvement?

Savings would be:	High	Medium	Low	Negligible
Extend the Directive to additional household appliances	3.5	2.5		
Upgrade/revise the standards of existing implementing Directives	1	5		
Encourage a stricter enforcement/implementation of the current scheme by the MS	1.5	1.5	2	

9.43 The option where it was thought there were greatest potential savings was extension of the Directive to additional household appliances. The option where it was thought there was least potential for additional energy savings was a stricter enforcement/implementation of the current scheme by the Member State.

Consultation response

9.44 In its response to the Commission consultation, the UK said that it wanted the energy labelling scheme to be extended to at least the equivalent of the scope of the proposed Eco-Design of Energy Using Products Framework Directive, that is, all energy using products (excluding transport).

Transposition costs

9.45 Only two stakeholders commented on the transposition costs arising from the development and implementation of directives for new products falling under the scope of the existing energy labeling scheme. DEFRA estimated the costs to be £50,000 in negotiation costs plus further transposition costs of £100,000.

How do you assess the additional costs of the improvement options?

Costs would be:	Too high	Acceptable	Negligible
Extend the Directive to additional household appliances		3	
Upgrade/revise the standards of existing implementing Directives	1	2	
Encourage a stricter enforcement/implementation of the current scheme by the MS		3	

9.46 Several respondents felt unable to comment on the costs of the improvement options. Of those that did comment, most thought that the additional costs of the improvement options would be acceptable.



Improvements with amending the energy labelling legislation

If there were to be amendments to the energy labelling directive, what would be your priority areas for change?

	high priority	medium priority	low priority
Extend the Directive to all energy using products beyond household appliances (commercial/industrial sector)	4	1	
Extend the Directive to non-energy using but "energy relevant" products (e.g. double glazing, tyres)	2.5	2.5	
Increase the level and the delivery of product information beyond the current provisions	2	2	1
Better enforcement through legislative changes (e. g. reporting requirements)	3		1
Change of the verification method: simplification and better accuracy/less tolerances	1	2.5	0.5
Changing the legal form of implementing measures (decisions or regulations instead of implementing directives)		2	1
Increase the legal protection for labels in order to avoid misuse	1	1	3
Other, please explain			

9.47 The area identified as the highest priority for amendment of the Directive was extension of the Directive to all energy using products beyond household appliances. The products suggested for consideration were electric motors, servers, commercial refrigeration, TVs, stereos, consumer electronic products, boilers, small appliances and pumps.

9.48 It was suggested that the largest users of energy should be considered first. One stakeholder thought that all energy using products should be included.

Non energy using products

9.49 Non energy using but energy relevant products where it was thought it would be useful to extend the directive to included windows, external wall materials and car tyres. One stakeholder expressed doubts about extension to car tyres because pressure in the tyres is also very important.

Consultation response

9.50 In its response to the Commission consultation the UK suggested that there should be serious consideration given to extending the scope of the Directive to include any



significant product for which energy is a significant part of the product lifecycle, with priority given to products with the most whole life environmental impact and potential for savings.

Additional information on products

Which information would be useful to influence the purchasing decision towards energy efficient products?

	Useful	Perhaps useful	Not useful
Annual running costs (for an average consumer)	5		1
Use of detergents		2	3
Emissions (direct or indirect) such as CO2	2	2	1
Environmental (or other) information relating to its production, transport or disposal	3 (disposal only x2)		3 (1x transport and production only)
Other, please explain			

- 9.51 The additional information which it was thought most useful to provide was that of annual running costs of an average consumer. However it was commented that it was difficult to define the average consumer and that it was particularly difficult to work out annual running costs when energy costs differ between countries.
- 9.52 Concerning environmental information, it was thought that information on disposal would be most useful and that information on transport and production would be less so.
- 9.53 It was suggested that there is a need to keep labels simple as too much information on labels confuses people.

Consultation response

- 9.54 In its response to the Commission consultation the UK said that it would support the inclusion of any information which relates to important environmental impacts which are associated with that product. They felt it would be helpful to extend the Directive to enable the provision of information on the consumption of other resources such as water and scarce resources.



What additional energy savings could be achieved by the different options providing an amendment of the labelling legislation?

Savings would be:	High	Medium	Low
Extend the Directive to all energy using products beyond household appliances (commercial/industrial sector)	4		1
Extend the Directive to non-energy using but "energy relevant" products (e.g. double glazing, tyres)	1	2	1
Increase the level and the delivery of product information beyond the current provisions		4	1
Better enforcement through legislative changes (e. g. reporting requirements)		1	4
Change of the verification method: simplification and better accuracy/less tolerances			3
Changing the legal form of implementing measures (decisions or regulations instead of implementing directives)			2
Increase the legal protection for labels in order to avoid misuse		1	2
Other, please explain	1		

9.55 It was thought that there was most potential for energy savings by extension of the Directive to all energy using products beyond household appliances. Of the options it was thought that there was least potential for savings from better enforcement through legislative changes.



How do you assess the additional costs of the amendment options?

Costs would be:	Too high	High but manageable	Acceptable	Lower than under the current legislation
Extend the Directive to all energy using products beyond household appliances (commercial/industrial sector)		1	2	
Extend the Directive to non-energy using but "energy relevant" products (e.g. double glazing, tyres)	1		2	
Increase the level and the delivery of product information beyond the current provisions		1	2	
Better enforcement through legislative changes (e. g. reporting requirements)			2	
Change of the verification method: simplification and better accuracy/less tolerances			1	
Changing the legal form of implementing measures (decisions or regulations instead of implementing directives)			2	
Increase the legal protection for labels in order to avoid misuse			1	
Other, please explain				

9.56 Of those that commented on the costs of the options, most thought that they would be reasonable.

Repeal of the labelling Directive and using other Community legislation

9.57 All of the interviewees who commented thought that the relationship between the Eco-design directive and the labelling directive was complementary. It was generally thought that it would be better to retain the energy labelling scheme rather than to repeal it and rely on other existing measures such as the Eco-design directives.



10 EUROPEAN BODIES REPORT

- 10.1 The European bodies with which interviews were conducted with were ANEC, CECED, WWF and Eurocommerce¹⁰. This report also contains information from the ANEC and CECED's responses to the Commission consultation document. The interview responses have been anonymised

Impact of existing labelling schemes

- 10.2 In general the interviewees thought the scheme had been successful in promoting the increased use of energy efficient products. The scheme was regarded as having been good for encouraging innovation and the development of energy efficient products.
- 10.3 However it was suggested that the Directive has worked better for some products than for others. One stakeholder suggested that driers were an example of a product that the directive had not worked so well for. It was also suggested that while the A to G scale was easily understandable, the additions of A+ and A++ had occasionally led to confusion among consumers.

Other schemes

- 10.4 There are no other EU-wide schemes for promoting the use of energy efficient products, but schemes have been conducted at the Member State level. There have been information campaigns addressed to consumers in co-operation between authorities, industry and retailers. Some Member States have introduced incentives such as tax reductions to encourage the use of energy efficient products. As well as labelling there had also been voluntary agreements to phase out less efficient products, these agreements had come about due to a unilateral initiative.
- 10.5 It was thought by the majority of the stakeholders that most of the increase in the use of energy efficient products covered by the Directive was attributable to the labelling scheme. However, one stakeholder suggested that both voluntary agreements and energy efficiency had had the same level of effect on the increased use of energy efficient products.

Actions to promote awareness of labelling scheme

- 10.6 Actions to promote awareness of the labelling scheme were expected to take place at Member State level. It was suggested that there was more done to promote awareness at Member State level when energy labelling was first launched than there is now.

¹⁰ Eurocommerce responded to the interview questions in writing.



Impact on manufacturers

- 10.7 It was generally agreed that the requirement to label products had encouraged manufacturers to improve product energy performance.
- 10.8 There were varied views on whether the development of more energy efficient products had increased product price. One stakeholder suggested that the development of energy efficient products increased product price to start with but that there was now no difference.
- 10.9 Other suggestions were that there had been price increases due to parallel increases in both quality and energy efficiency, increased energy efficiency has caused a slight increase in price, and that price increases were due to rise in materials costs as well as to wider improvements in product quality.
- 10.10 Several stakeholders thought that the labelling requirement had stimulated R&D spending by manufacturers. One stakeholder said that there had been a 25 per cent increase in R&D spending since 2005, most of which had gone into design to improve energy efficiency. However, another stakeholder thought that the investment that had happened would have happened anyway, regardless of the labelling. They suggested that there might be a link between energy efficiency and cost but that energy efficiency was not a big part of the product cost.

Impact on consumers

- 10.11 There were varied views on the impact of the scheme on consumers. One stakeholder thought that the weight put on the labels by consumers was low and cited survey data for the UK which indicated that less than 25 per cent said it might influence their decision. They said that it was mostly professional buyers who were informed and influenced by the labels and that they edited the choice of consumers, e.g. by shops only buying in A rated products. The same stakeholder considered that consumers did not have a good understanding of the information on the labels because some of it was quite complex.
- 10.12 However, another stakeholder did think that it had had an impact on consumers as they saw it as a sign of quality. They thought that overall awareness was not very high but when faced with a purchase decision class was very important. Moreover, they thought that consumers did not have an awareness of the technical difference between the classes.
- 10.13 It was generally agreed that there were other factors that consumers usually saw as more or equally important, these included design and quality, brand name and advertising. It was suggested that energy labelling played an important role for consumers who had a larger budget and the more environmentally conscious.
- 10.14 Although there were divided opinions on the use to consumers of the other information on the label, it was generally agreed that consumers did understand the A to G concept. It



was also thought that consumers did trust the information on the labels. However, one stakeholder suggested that if the categories changed this could lead to confusion.

Compliance and enforcement

- 10.15 Compliance was generally thought to be good. However, one stakeholder suggested that it varied widely between Member States.
- 10.16 Manufacturers often indicated to authorities when competitors' labels did not match the information on the labels.
- 10.17 Non compliance by manufacturers cited included manufacturers not always labelling the products, and the information on labels not corresponding to the product. There were also problems reported with imported goods of some of the less reliable non-European brands. It was also suggested that manufacturers exaggerated performance and used the tolerance regime to maximum effect. Manufacturers sometimes introduced products that had not been tested anywhere and the information on the labels was just made up.
- 10.18 Non compliance by retailers included failure to label products correctly (when they had not been labelled by the manufacturer)
- 10.19 It was suggested that compliance was poorly monitored with very few cases of non compliance ever found. It was also stated that sanctions for non compliance were often too weak, often consisting of just letters (although fines could also be issued). The cost of monitoring and enforcement falls on individual Member States. Denmark is the country with the highest level of enforcement activity.

Consultation responses

- 10.20 CECED was in favour of stronger market surveillance with severe sanctions for transgressors, but opposed to heavier administrative requirements on suppliers.

Strengths and weaknesses

Strengths

- 10.21 Strengths of the scheme include the high recognition of labels by the professional buyer and that it also provides information which allows people to see how the market is segmented and a means of comparison. The concept is clear, easy to understand and used across the whole of the EU. The A to G ranking was praised for providing a range and not being binary.

Weaknesses

- 10.22 The scheme was criticised for having lost its momentum and for the A to G scale not having been updated. Some products such as washing machines had seen an A label saturation and were no longer differentiable. Consumers were also confused by the A+



and A++ labels for cold appliances. There was also a lack of compliance monitoring at national level. The onus on the shop to affix labels was wrong and it was suggested that the onus should instead be on manufacturers.

10.23 There were divided opinions on what should be done to update the A to G scale to reflect technological improvements. The prospect of downgrading all classes was criticized as it would impact on the ability of industry to get a return on the product, and it was suggested that it would therefore be better to add classes on top. However, another stakeholder suggested that the addition of A+ and A++ classes has caused confusion among consumers. One stakeholder suggested that categories could be reassessed but that on the label the year of the revision of the directive and the year the data was assessed could be stated.

10.24 The scheme was also criticized for only covering a very limited range of products.

Possible changes to labelling requirements

10.25 The questions on possible changes to labelling requirements involved stakeholders being asked questions on a number of policy options. The tables in the following section show the numbers of respondents selecting each choice. For questions where the number does not add up to four there were some stakeholders who did not indicate an answer and questions where the response is not a round number indicate that a stakeholder's choice fell between two options. The letters indicate which stakeholder selected each option with E= WWF, I= CECED, C=ANEC and CR= Eurocommerce.

Improvements without amending the current energy labelling legislation

What are important areas for improvement of the current labelling legislation without amending it?

	Very important	Important	Less important
Extend the Directive to additional household appliances	2		
Upgrade/revise the standards of existing implementing Directives	3		1
Encourage a stricter enforcement/implementation of the current scheme by the MS	3		1
Other, please explain			

10.26 The majority of the stakeholders who commented that the three areas suggested were important. One stakeholder suggested that it would be necessary to have the three options together so as not to leave loopholes.



10.27 In the case of an extension of the current labeling legislation to additional household appliances, what products do you think should be considered?

	Useful	Perhaps useful	Not useful
TVs	2	1	
Audio-video appliances	2	1	
Computers and screens	2	1	
Other IT appliances	2	1	
Standby consumption of appliances	1		1
Boilers	3		
Water heaters	3		
Other	1		

10.28 Generally it was thought that it would be useful or perhaps useful to extend the legislation to the suggested products. The products where it was thought it would be most useful were boilers and water heaters. It was suggested that the directive should be extended to all products using significant amounts of energy. The comment was made that standby consumption was useful, but that this information should be including in the existing labels and was not an additional household appliance.

What additional energy savings could be achieved by the different options for improvement?

Savings would be:	High	Medium	Low	Negligible
Extend the Directive to additional household appliances	2	1		
Upgrade/revise the standards of existing implementing Directives	2	1		
Encourage a stricter enforcement/implementation of the current scheme by the MS		2	1	

10.29 The options where it was thought that there was greatest potential for savings were extending the directive to additional household appliances and upgrading/ revising the standards of the existing implementing directives.



Transposition costs

How do you assess the additional costs of the improvement options?

Costs would be:	Too high	Acceptable	Negligible
Extend the Directive to additional household appliances		2	
Upgrade/revise the standards of existing implementing Directives		2	
Encourage a stricter enforcement/implementation of the current scheme by the MS		2	

10.30 Both the stakeholders who commented on the costs of the improvement options thought that the costs were acceptable.

Improvements with amending the energy labelling legislation

If there were to be amendments to the energy labelling directive, what would be your priority areas for change?

	high priority	medium priority	low priority
Extend the Directive to all energy using products beyond household appliances (commercial/industrial sector)	2	2	
Extend the Directive to non-energy using but "energy relevant" products (e.g. double glazing, tyres)	2	1	
Increase the level and the delivery of product information beyond the current provisions		1	3
Better enforcement through legislative changes (e. g. reporting requirements)	1	1	1
Change of the verification method: simplification and better accuracy/less tolerances	2		1
Changing the legal form of implementing measures (decisions or regulations instead of implementing directives)		3	
Increase the legal protection for labels in order to avoid misuse	1		2
Other, please explain			

10.31 The option identified as the highest priorities for amendment of the directive were extending the directive to all energy using products beyond household appliances,



extending the directive to non-energy using but “energy relevant” products, and changing the verification method. The products suggested for extending the directive to included commercial refrigeration, servers, pumping systems and electric motors

10.32 One stakeholder suggested that motors were not very important as they already had a voluntary labeling scheme. It was also stated that it is often how a product is used in a system that is important and that the efficiency of a single component such as a motor will not make much of a different to the efficiency of the mechanism which it is located within. Another stakeholder suggested that classification of motors would be useful but that there would not be a need for labels to be affixed as they were not sold in shops.

Consultation responses

10.33 In its response to the Commission consultation ANEC said that there should be additional measures to improve the accuracy of information on labels, and wanted to see the removal of the currently permitted 15 per cent tolerance.

10.34 CECED said that it was very important that there was a balance between energy and performance with measurement of energy consumption for a given functional performance. They did not think that there should be an automatic update of implementing directives

Non energy using products

10.35 Non energy using but energy relevant products where it was thought it would be useful to extend the directive to included car tyres, double glazing, external wall materials, and buildings. It was suggested that priority should go to energy using products.

Additional information on products

Which information would be useful to influence the purchasing decision towards energy efficient products?

	Useful	Perhaps useful	Not useful
Annual running costs (for an average consumer)	2	1	1
Use of detergents		2	2
Emissions (direct or indirect) such as CO2	1	2	1
Environmental (or other) information relating to its production, transport or disposal		2	2
Other, please explain			



- 10.36 The additional information that was considered most useful was annual running costs for the average consumer. It was also suggested that there could be some kind of “whole life” label as the current energy label. One stakeholder thought that there was a need for a measure that combined energy consumption with e.g. cleaning capacity. A stakeholder also commented that there was no point in requiring anything that could not be enforced and that there was no way of checking energy used in production.
- 10.37 It was suggested that the use of detergents was not useful information as this would depend on the person using the appliance. One stakeholder suggested that there could also be information on the use of other materials such as mercury.
- 10.38 It was commented that the success of the current scheme lay in its simplicity and so including additional information and criteria would need to be carefully examined.

Consultation responses

- 10.39 In its response to the Commission consultation ANEC said that it had concerns about the enlargement of the toolkit for imparting information better as they felt that the format of the energy label with its A→G scale should be retained as far as possible as the basis for imparting consumer information because it had such good recognition.
- 10.40 CECED said the information required should not be made unnecessarily complicated without proportional benefit for the consumer. They thought that other resources information could be included in the scheme in so far as they were directly related to the energy consumption of the product, such as water consumption, otherwise it would be superfluous e.g. detergents.



What additional energy savings could be achieved by the different options providing an amendment of the labelling legislation?

Savings would be:	High	Medium	Low
Extend the Directive to all energy using products beyond household appliances (commercial/industrial sector)		1	
Extend the Directive to non-energy using but "energy relevant" products (e.g. double glazing, tyres)	1		
Increase the level and the delivery of product information beyond the current provisions	1		1
Better enforcement through legislative changes (e. g. reporting requirements)		1	
Change of the verification method: simplification and better accuracy/less tolerances	0.5	0.5	
Changing the legal form of implementing measures (decisions or regulations instead of implementing directives)		1	1
Increase the legal protection for labels in order to avoid misuse			1
Other, please explain			

10.41 The question about the additional savings achievable by the different options did not have a very good response rate. The options where it was thought there were greatest potential energy savings were extending the directive to non-energy using but "energy relevant" products and increasing the level and delivery of product information beyond current provisions.



How do you assess the additional costs of the amendment options?

Costs would be:	Too high	High but manageable	Acceptable	Lower than under the current legislation
Extend the Directive to all energy using products beyond household appliances (commercial/industrial sector)			1	
Extend the Directive to non-energy using but "energy relevant" products (e.g. double glazing, tyres)			1	
Increase the level and the delivery of product information beyond the current provisions	1		0.5	0.5
Better enforcement through legislative changes (e. g. reporting requirements)			1	
Change of the verification method: simplification and better accuracy/less tolerances				1
Changing the legal form of implementing measures (decisions or regulations instead of implementing directives)			1	
Increase the legal protection for labels in order to avoid misuse			1	
Other, please explain				

10.42 Only two stakeholders commented on the additional costs of the amendment options. One stakeholder thought that the additional costs were generally acceptable or even lower than under current legislation. The other stakeholder thought that the costs of increasing the level and delivery of product information beyond the current provisions were too high.

Repeal of the labelling Directive and using other Community legislation

10.43 Of those that commented, all the stakeholders thought that the Eco Design directive and the labelling directive were complementary. However, one commented that the two schemes appeared to be doubling up and that they should strive to be more complementary by not having any labelling under EUP.



A review of the range of activity throughout Member States related to compliance with the EU Energy Label regulations in those countries¹¹

10.44 This report was prepared by ANEC and DEFRA. The review was based on interviews with 11 governmental bodies in nine Member States and with six consumer bodies in six Member States.

Consumer organisations

10.45 The consumer organisations interviewed stated that the energy labelling scheme was becoming increasingly important to consumers. Increasing energy prices and the focus on climate change issues had made consumers interested in lowering energy costs and energy usage in general.

10.46 It was argued that particularly in those countries with many regulatory activities to secure compliance with the labelling directive (the Netherlands and Denmark), the current test standards and enforcement procedures make it difficult to defend consumer rights for the following reasons:

- (a) Test standards are too expensive to follow.
- (b) Some test standards do not represent correct consumer usage of the products, particularly washing machines.
- (c) The 15 per cent tolerance means that consumers cannot be sure a product belongs to the claimed energy class.
- (d) Having a test followed by three retests can lead to a long procedure.
- (e) A+ and A++ labels are confusing.

10.47 It was stated that international co-operation through ICRT (International Consumer Research & Testing Ltd) on sharing test information was important and might be a way to reduce test costs and share information in the future.

Key barriers to successful implementation of the energy labelling scheme and options for reducing the barriers

10.48 Key barriers to successful implementation were identified as:

- (a) Low overall priority by governments and energy authorities. This included insufficient budgets for testing, and lack of enforcement.
- (b) Low or no coordination and information sharing between and within Member States.

¹¹ ANEC-R&T-2006-ENV-008 (final) January 2007.



- (c) Lack of clear, consistent and correct energy class labelling. The 15 per cent tolerance was said to result in a lot of products being categorised in a higher class than their actual performance. Another issue was the lack of updating of the classes, which meant that now apart from a few product groups most appliances were classed as A. There were also variances in test standards.

Options for reducing the barriers

10.49 Various options were suggested for reducing the barriers to successful implementation. These included:

- (a) Increasing obligations of Member States. These could include a specified number of inspections to be carried out, and testing quotas.
- (b) Increased co-operation and information sharing between and within Member States.
- (c) Updating the Directives and technical standards.
- (d) Requiring manufacturers to take more obligations. These include: labelling the appliances; and third party testing.
- (e) Increasing campaigns and information activities. Including more exchange of information between Member States, and allocating funds for campaigns and information activities.



11 QUESTIONNAIRE USED FOR INTERVIEWS

1 Name of organization

Name	
Contact	
Organization	
<input type="checkbox"/> Government	<input type="checkbox"/> Industry
<input type="checkbox"/> Consumer organisation	<input type="checkbox"/> Environmental NGO
<input type="checkbox"/> Expert	
Day scheduled for the interview	
Day of the interview	
Name of Interviewer	

Questions for government representatives

The purpose of this interview is to get your views on the operation of the energy labelling directives. In particular your views on:

- 1 The impact of the existing labelling schemes – both in general and as they have affected the behaviour of particular stakeholders;
- 2 Compliance and enforcement;
- 3 Areas of strength and weakness in the existing schemes;
- 4 Possible changes which might be introduced and associated costs and benefits

1 Impact of the existing labelling schemes

1.1 Taking an overview, how effective do you consider that the Energy Labelling Directive has been in promoting the increased use of more energy efficient products?

1.2 What other factors or schemes are there in your country for promoting the use of energy efficient products?



1.3 How much of any increase in the use of energy efficient products covered by the Directive can be attributable to the labelling scheme rather than other factors?

[Prompt on other factors – alternative schemes, energy prices, climate change awareness, higher quality of products, other]

Most – medium - little

1.4 Do you take any actions to promote awareness of the labelling schemes?

[Prompt, advertising, consumer advice, retailer support, other]

1.5 Thinking about the impact on manufacturers, do you consider that the requirement to label products has encouraged manufacturers to improve product energy performance?

1.6 Has development of energy efficient products increased product price?

1.7 If so is price increase solely related to energy efficiency or has increased energy efficiency been linked to a wider improvement in product quality?

1.8 Has the labelling requirement stimulated R&D spending by manufacturers?

1.9 Taking these changes in manufacturers' behaviour together, how important has the labelling requirement been relative to other factors?

[Prompt other factors – changes in technology, customer demand, international competition, other]



High – medium – low

1.10 Thinking about the impact on consumers, how much weight do you think that consumers give to the energy label in making their purchase decision?

[Prompt other factors – overall price, quality, appearance, advertising/brand name, other]

High – medium – low

Do you consider that consumers have a good understanding of the information provided under the labelling scheme?

High – medium – low

1.11 Do you consider that consumers trust the information provided by the labels?

High – medium – low

2 Compliance and enforcement

2.1 What is your view on the general level of compliance with the directives across all the products to which it applies?

[Prompt for differences between product and for percentage compliance]

High – medium – low



2.2 What sorts of non-compliance are you aware of with manufacturers?

[Prompt, incorrect information on labels, failure to provide labels or fiches, other]

2.3 What sorts of non-compliance are you aware of with retailers?

[Prompt, failure to display label correctly, failure to provide information, other]

2.4 How is compliance monitored?

2.5 What sanctions are applied in cases of non-compliance?

2.6 What is the annual cost of monitoring and enforcement?

2.7 Who bears this cost?

3 Strengths and weaknesses

3.1 What do you consider to be the main strengths of the existing labelling scheme?

[Prompt, established, well understood by industry/consumers, low operating cost, standardised across EU, contribution to climate change target, other]

3.2 What do you consider to be the main weaknesses of the existing labelling scheme?

[Prompt, narrow range of products, self-classification by manufacturer, A-G scale doesn't adapt to technical change, inadequate monitoring, label not protected/can be misused, time consuming, other]



4 Possible changes to labelling requirements

Improvements without amending the current energy labelling legislation

4.1 What in your opinion are important areas for improvement of the current labelling legislation without amending it?

	Very important	Important	Less important
Extend the Directive to additional household appliances			
Upgrade/revise the standards of existing implementing Directives			
Encourage a stricter enforcement/implementation of the current scheme by the MS			
Other, please explain			

4.3 In the case of an extension of the current labeling legislation to additional household appliances, what products do you think should be considered?

	Useful	Perhaps useful	Not useful
TVs			
Audio-video appliances			
Computers and screens			
Other IT appliances			
Standby consumption of appliances			
Boilers			
Water heaters			
Other			

4.4 In your opinion, what additional energy savings could be achieved by the different options for improvement?



Savings would be:	High	Medium	Low	Negligible
Extend the Directive to additional household appliances				
Upgrade/revise the standards of existing implementing Directives				
Encourage a stricter enforcement/implementation of the current scheme by the MS				

4.5 In your opinion, what would be the transposition costs arising from the development and implementation of directives for new products falling under the scope of the existing energy labelling scheme?

[Prompt, costs can be provided in monetary value or estimated time commitment of staff]

4.6 How do you assess the additional costs of the improvement options?

Costs would be:	Too high	Acceptable	Negligible
Extend the Directive to additional household appliances			
Upgrade/revise the standards of existing implementing Directives			
Encourage a stricter enforcement/implementation of the current scheme by the MS			

Improvements with amending the energy labelling legislation

4.7 If there were to be amendments to the energy labelling directive, what would be your priority areas for change?



	high priority	medium priority	low priority
Extend the Directive to all energy using products beyond household appliances (commercial/industrial sector)			
Extend the Directive to non-energy using but "energy relevant" products (e.g. double glazing, tyres)			
Increase the level and the delivery of product information beyond the current provisions			
Better enforcement through legislative changes (e. g. reporting requirements)			
Change of the verification method: simplification and better accuracy/less tolerances			
Changing the legal form of implementing measures (decisions or regulations instead of implementing directives)			
Increase the legal protection for labels in order to avoid misuse			
Other, please explain			

4.8 In the case of an extension of the labeling to other energy using products, what products do you think should be considered?

[Prompt, electronic motors, servers, commercial refrigeration, others]

4.9 In the case of an extension of the labeling to non-energy using but energy relevant products, what products do you think should be considered?

[Prompt, car tyres, double glazing, external wall materials, other]

4.10 If additional information on the products should be delivered: which information would be useful to influence the purchasing decision towards energy efficient products?



	Useful	Perhaps useful	Not useful
Annual running costs (for an average consumer)			
Use of detergents			
Emissions (direct or indirect) such as CO2			
Environmental (or other) information relating to its production, transport or disposal			
Other, please explain			

4.11 In your opinion, what additional energy savings could be achieved by the different options providing an amendment of the labelling legislation?

Savings would be:	High	Medium	Low
Extend the Directive to all energy using products beyond household appliances (commercial/industrial sector)			
Extend the Directive to non-energy using but "energy relevant" products (e.g. double glazing, tyres)			
Increase the level and the delivery of product information beyond the current provisions			
Better enforcement through legislative changes (e. g. reporting requirements)			
Change of the verification method: simplification and better accuracy/less tolerances			
Changing the legal form of implementing measures (decisions or regulations instead of implementing directives)			
Increase the legal protection for labels in order to avoid misuse			
Other, please explain			

In your opinion, what would be the additional development and transposition costs arising from amending the directive in the ways discussed earlier?

[Prompt, costs can be provided in monetary value or estimated time commitment of staff]

4.12 How do you assess the additional costs of the amendment options?



Costs would be:	Too high	High but manageable	Acceptable	Lower than under the current legislation
Extend the Directive to all energy using products beyond household appliances (commercial/industrial sector)				
Extend the Directive to non-energy using but "energy relevant" products (e.g. double glazing, tyres)				
Increase the level and the delivery of product information beyond the current provisions				
Better enforcement through legislative changes (e. g. reporting requirements)				
Change of the verification method: simplification and better accuracy/less tolerances				
Changing the legal form of implementing measures (decisions or regulations instead of implementing directives)				
Increase the legal protection for labels in order to avoid misuse				
Other, please explain				

Repeal of the labelling Directive and using other Community legislation

4.13 In the Eco-Design-Directive, energy efficiency minimum standards are required. What is from your point of view the relationship between the Eco-Design-Directive and the Labelling Directive?

<input type="checkbox"/> Complementary	<input type="checkbox"/> Doubling
<input type="checkbox"/> Labelling should be included in Eco-Design-Directive	<input type="checkbox"/> Others

4.15 Do you consider that a simplification of the energy labelling scheme would be achieved by the repeal of Directive 92/75/EEC and use of other existing measures such as Eco-design directive? If yes, please explain.

4.16 In your opinion, what would be the main institutional costs or cost savings that a simplification of the energy labelling scheme through the repeal of Directive 92/75/EEC could cause?

[Prompt, costs can be provided in monetary value or estimated time commitment of staff?]