

Comments of the Netherlands

on the consultation document on the revision of the Energy Labelling Directive 92/75/EEC of 22 September 1992 on the indication by labelling and standard product information of the consumption of energy and other resources by household appliances (referred to as consultation document (on the revision of the energy label scheme))

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Summary of the view of the Netherlands: call for urgent action

The Netherlands welcomes the consultation document. We firmly support the conclusion that the energy label has been successful for most appliances it is applied to. The scheme forms an indispensable part of a broad energy-efficiency policy. The main asset of the EU energy label is its mandatory lay-out (especially the A-G scale and the coloured arrows) and display at point of sale, and the simple message it gives: A is the most efficient.

However – certainly for the Netherlands – the label scheme has become obsolete and has lost its informative value to the consumer. Therefore it urgently needs an update and a revision to resume its role in transforming the market towards more efficient appliances. Furthermore, a revised energy label scheme is needed to complement minimum efficiency standards (implemented via the ecodesign directive). Both the label scheme and the minimum standards need to be dynamic in order to generate a dynamic process of product (efficiency) improvement and innovation. Labelling, together with Ecodesign, should play a role in the development of a European “Top Runner approach”, which is one of the major topics in the Action Plan on Sustainable Consumption and Production that will be presented by the Commission in the first half of 2008.

Since the first discussions on the revision of the label – dating back to 2001 – a lot of time has lapsed. Facing the challenges of realising the EU energy savings potential, we must act now by way of short term and medium term actions.

1) We believe the Labelling Directive still has strong merits and a full use of its present potential can soon deliver real results. So we are certainly in favour of keeping this valuable instrument. Therefore the Netherlands is in favour of the following actions on short term:

- Upgrading the label for cold appliances (based on the results of the Ecodesign study lot 13): revising directive 2003/66/EC by removing the A+ and A++ classes and redefining the A-G scale so that appliances in the A class must have an index of 20 or less.
- Introducing a label for televisions (based on the results of the Ecodesign study lot 5).
- Introducing a label for water heaters and boilers (based on the results of the Ecodesign study lot 1 and 2).
- Including tighter tolerances for the measurements and a date for review in the revised and new directives.

The Netherlands could very well imagine these actions to be adopted by the Commission before Summer 2008. We could understand that a lack of staff at DGTREN would hamper such a time-table. In that case the NL and possibly other member states would be willing to place at your disposal some extra expert-capacity for the purpose of updating specific labels.

On the medium term (to be adopted by the Commission in 2009):

- Upgrading the label for airconditioners (based on the results of Ecodesign study lot 10).

2) In addition to these actions we have to agree on the best way to cover other appliances now outside the scope of the Labelling Directive. A focused revision of the Labelling Directive to

include other products has to be considered as one of the policy options. A study resulting in substantiated options, including suggestions for coordination with other policy instruments, could start in the fall of 2008. The results could then be used in the first revisions of the ecodesign implementing measures and revisions of the energy label.

In the rest of this document we will present more detailed comments on the consultation document and provide an answer to the questions at the end of the document.

Comments to the consultation document

Chapter 1 Policy Background

“Energy labelling is part of a wider EU product policy”. Certainly, but the energy label scheme has some quite distinct characteristics (see chapter 2) which make it quite different from other labels, e.g. Energy Star and Eco-label, and information schemes, e.g. under the Ecodesign directive. This means that one must be very careful with combining schemes as is proposed elsewhere in the document.

Chapter 2 Energy Labelling

We totally endorse the positive evaluation of the labelling scheme as presented on page 6. One thing we would like to emphasize: as first main reason for success the mandatory character of the energy label is mentioned. However, in light of the discussion on the revision of the scheme¹ it is useful to be more specific on this aspect.

The main asset of the EU energy label is its mandatory lay-out (especially the A-G scale and the coloured arrows) and display at point of sale, and by means of this lay-out the simple message it gives: A is the most efficient. We have seen this asset jeopardized by the “temporary” A+ and A++ indicators for cold appliances, which apparently do not appeal enough to the consumer to buy A++ instead of A. In the original scheme the difference was very clear: A versus C.

Another important point is the consistency across products: A is (or should be) the most efficient product, whether it is a refrigerator, a drier, a car or a boiler.

This connects with a third aspect: simplicity. Most consumers are not capable or willing to involve in complex thinking about which product is the most efficient (or which product is more efficient than another product). The message “A is the most efficient” (and A is more efficient than B and so on) is simple and is – with 15 years of experience – understood by most consumers, and can be simply learned by “new”² consumers.

This is not to say that the other information on the label and the fiche, e.g. energy consumption in kWh/year for cold appliances or kWh/cycle for washing machines, is not useful. Certainly it is useful, because it allows highly motivated consumers and professionals (energy and consumer advisers) to make an even more informed choice. However, it is probably of little use for *energy using products* to change the basis of the energy label from energy (or an energy index) to CO₂-emissions or running costs (see later in the comments the problems concerned with this). The main reason is that for almost all energy using products the energy consumption during use is the main environmental aspect.

Chapter 3 Problem Definition

We do agree with the analysis given in this paragraph on the importance of energy labelling and at the same time the need for improvements. The list of improvements is accurate and exhaustive. What we do not understand and do not endorse are the last sentences, preluding to an extended eco-design label. In that part this chapter lacks an important aspect: time, or rather the shortage of time. The urgency to act now facing the challenge of obtaining the EU 2020 energy savings potential. Regarding energy savings of products, Member States are highly dependent on EU policy, e.g. energy labelling and eco-design. This is not without reason: the internal market can not be realized when every Member State has its own (mandatory) labelling and efficiency requirements.

¹ See e.g. the input of CECED “Beyond A. A dynamic new labelling scheme is necessary for promoting continuous improvement of the energy performance of home appliances” 4 December 2007

² E.g. people that buy a (large) household appliance for the first time themselves.

Therefore, although from a theoretical perspective it might be attractive to consider another basis, e.g. overall environmental performance, we fear that this would cost too much time coupled with a highly uncertain result regarding the necessary transparent information to the consumer. Often the best is the enemy of the good.

Moreover we certainly can not afford to wait with the necessary revisions that can be done on short notice. And we have to start to work on revision of the framework directive to broaden the scope.

With this in mind, the Netherlands have reviewed the requests in this chapter (and elaborated upon in chapter 5) in the light of the urgent need for action on the short term, meaning adoption of measures by the Commission before Summer 2008.³

Chapter 5 Policy Options Considered

Given the urgency for action we described above, we are in favour of policy option (1) to be carried out on short term. We fear that both option (2) and (3; amending the Ecodesign Directive) cost too much time. This is not to say that these options should not be considered for the longer term or being prepared, but this should not block action on the short term.

In policy option (3) voluntary action is mentioned. In our opinion voluntary action is not a suitable replacement for a labelling scheme which also is (or should be) used for products that are less efficient⁴. As we have seen with the voluntary agreement on consumer electronics it is very difficult to establish a label that is completely dependend on voluntary action. One of the main difficulties lies in involving retailers. Only in those markets where the participants (manufacturers and retailers) of a voluntary action have a market share of 80% or more, a voluntary energy label could work. And also in this case it is questionable whether manufacturers that have products that are on the lower end of the scale would have their products voluntary labelled (and retailers would allows these labels displayed in their shops).

In the table below we give our opinion about the considerations on policy options. The colours indicate the time priority:

- action on short term (to be adopted by the Commission before Summer 2008)
- action on medium term (to be adopted by the Commission from 2009)
- additional actions: to be considered/studied

	Action to be taken	Comment
1	Extending labelling to additional household appliances.	This action is urgently needed, especially for water heaters, boilers and televisions. Proposals for directives can be based upon results of ecodesign studies.
2	Extending labelling to non-household energy using products.	Useful, e.g. needed for electric motors. For the short term the provisions in the eco-design directive can be sufficient.
3	Extending labelling to non-energy using products	Useful, but preparation will take a long time.
4	Reinforce dynamic labelling.	This action is urgently needed and can be based upon the results of the Ecodesign studies for the various products. The most urgent revision is: <ul style="list-style-type: none"> • Revising, including upgrading directive 2003/66/EC (cold appliances) based on

³ Looking at the current labelling directives this means that the directives will be in force about 1 year later. And it will mean another year before the system is working in practice.

⁴ The Ecolabel and Energy Star are examples of voluntary schemes that only provide (limited) information on products that meet the criteria. Products that do not have the label could either not fulfill the criteria or fulfill the criteria but not have registered for the label.

	Action to be taken	Comment
		<p>the results of the Ecodesign study lot 13: removing the A+ and A++ classes and redefining the A-G scale so that appliances in the A class must have an index of 20 or less.</p> <p>Furthermore on the medium term:</p> <ul style="list-style-type: none"> Upgrading the label for airconditioners (based on the results of Ecodesign study lot 10). <p>Revised (and new; see action 1) directives should include a date for review.</p> <p>A redesign of the label is not useful for the short and medium term.</p>
5a	Provision of additional product information.	Regarding the current products, where according to the ecodesign studies energy consumption in the use phase is by far the most important environmental impact, the provision of additional information e.g. CO ₂ emissions or annual running costs, is <i>not useful</i> . It would not provide additional help in the choice for the most environmental sound product, compared to the energy class. This apart from the problems in establishing a EU wide parameter on CO ₂ emissions or running costs, or having consumers understand CO ₂ emissions (Note: to be fair it is doubtful whether most consumers understand the kWh numbers on the current labels, so that is why the A-G scheme is so useful). Running costs is typically information that can be provided via national or regional websites, taking into account local and actual energy prices.
5b	Replacing the energy label by an eco-design label.	See also comments on 5b. The argument is that on the short run this does not make much sense because regarding the products currently in scope of the energy label directive energy, consumption in the use phase is <i>the</i> environmental impact. Moreover, there is a more fundamental objection for products where more aspects indeed are relevant: complementing energy aspects and environmental aspects, while preserving the valuable A-G scheme, would cause serious trouble in valuing and weighing of totally different kinds of impact. In those cases information to the consumer can not be but differentiated.
6a	Reinforce provision of labels on internet sales.	This was already done for cold appliances in the revised directive 2003/66/EC; see revised article 5: "Where the appliances are offered ... advertisements on the Internet or on other electronic media ...". So the provision itself does not require amendment of the labelling directive. The problem might be to enforce compliance; this will be depended on how Member States can enforce the content on Internet pages.
6b	Reinforce provision of labels on internet advertisements.	Since a provision on internet sales is already in the revised directive 2003/66/EC, there should not be any objection in having a provision on internet advertisements etc. in the product directives
6c	Provision on information on energy consumption in media and advertising.	On implementation see remarks at 6a and 6b. First of all the display of the label should be better enforced. Maybe revised and new product directives could include a "label" design to be used in advertisements.
7	Tighter tolerances	This can be specified in an Annex of the revised and new product directives as a temporary replacement of the current provisions in the standards. The Netherlands has already issued a proposal for tighter tolerances in their comments on ecodesign implementing measures; the same principle can be used for labelling.
8	Better enforcement.	We would support Commission initiatives to strengthen co-operation between Member States on enforcement. One problem directly related is that products (models) are difficult to identify uniquely.
9	Legal protection of the label.	Useful and certainly necessary if the use of the label is intensified.
10	Implementation through Regulations.	The Netherlands is in favour of this. However, it would require amendment of the labelling directive.

Answers to questions

(1) Ensure coherent product policy

The basis for a coherent product policy is that the technical basis for product policy is the same for all policy instruments (labels, minimum efficiency standard, etc.). It does not mean that by principle instruments should merge only because they are all aimed at a same broad concept (as sustainability). On the contrary, the instruments can be seen as marketing tools that need to adapt to specific “markets”, e.g. pulling the most efficient products or blocking the least efficient products, or serving consumers or the business to business market. The instruments should not counteract each other and one should seek for efficient and maybe simultaneous application. Coherence means that each instrument fits logically in the complete policy package to achieve EU and national energy efficiency/environmental targets.

(2) Reinforcing the use of energy labelling

Yes, we certainly see an important role for a reinforced energy label in order to more vigorously contribute to the Union’s objectives on climate mitigation, competitiveness and sustainable product policy.

(3) Energy label versus ecodesign label

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

(4) Add CO₂ on the energy label

We are not in favour of adding CO₂ on the energy label (for energy using products) for a number of reasons. The first is that as indicated above for the current products in the scope of the labelling directive energy consumption during use is the main environmental aspect. So adding CO₂ would not provide different results. Secondly, the CO₂ indication could not be but based on an EU average energy production mix, which is a) very difficult to establish, b) varies in time and c) provides unreliable results for Member States that have a deviant energy mix.

However, it could well be that a label for non-energy using products having the same basic lay-out as the current energy label, would have CO₂ as a basis for the “environmental” rating A-G.

(5) Add running costs on the label.

We are not in favour of adding annual running costs on the label. Running costs depend on energy prices that vary in time and throughout the EU (and in Member States), whereas the information on the label should be “timeless” and valid EU wide.

Certainly, running costs are important information for the consumer, but given the “individual” character of energy prices, this information should be supplied in a more tailored way than the energy label (or any EU wide label) can provide, e.g. through national websites or by retailers. A website has a further advantage that user behaviour that influences the running costs, e.g. actual use, can be taken into account.

(6) Extend the scope to other products

Given the success of the energy labelling scheme, including the fact that the concept is known to the consumer, it seems logical to extend the scope of the energy labelling concept to other

products: non-household, non energy using products and energy relevant products. However, keeping in mind that the energy labelling concept is a marketing tool it should be considered carefully per product whether this tool is an appropriate instrument given the target group and how the instrument would fit in the complete package (e.g. Ecodesign minimum standards, information requirements).

(7) Transition

The transition to a revised labelling classification could follow the same route as the implementation of a new product directive. When the revised directive is adopted by the Commission stakeholders can estimate the date the provisions of the directive come into force. Since this will be about 1-2 years after the adoption, there should be enough time to prepare for and implement the transition.

The transition to a revised labelling classification should be complemented by informing the public on the revised labels around the time these labels should appear in the shops.

(8) Alternative route

As indicated in our comments, fast action on selected items has the highest priority for the Netherlands. This means in our opinion that the following actions should be adopted by the Commission before Summer 2008: upgrading of the cold appliance label (including removing A+ and A++), introducing a label for televisions, water heaters and boilers and including tighter tolerances for the measurements and a date for review in the revised and new directives.