

Framework for energy efficiency labelling

SUMMARY

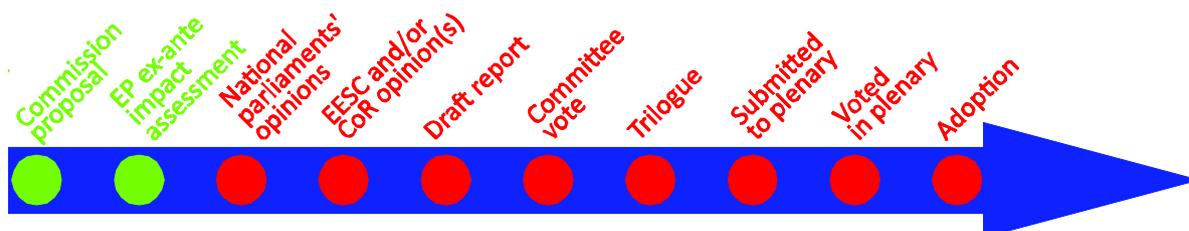
On 15 July 2015 the Commission proposed a new regulation on energy efficiency labelling as part of its summer energy package. The new regulation would contribute towards meeting the target set by the October 2014 European Council of improving energy efficiency in the EU by 27% by 2030.

The proposed regulation would restore the A-G scale for energy labelling; create a mechanism for rescaling products that can accommodate further improvements in energy efficiency; establish a product database on energy efficiency; and introduce a safeguard procedure to improve national market surveillance. Detailed legislation on energy labelling of household appliances would be adopted as delegated acts.

While the proposal is supported by consumer and environmental groups, industry groups are concerned that a major change in energy labelling could have a negative impact on producers and consumers and act as a disincentive to energy efficiency. The Parliament has in the past supported a closed A-G scale on energy labelling as a way to provide a stronger incentive for consumers to buy more efficient products.

Proposal for a Regulation of the European Parliament and of the Council setting a framework for energy efficiency labelling and repealing Directive 2010/30/EU

<i>Committee responsible:</i>	Industry, Research, Energy (ITRE)	COM(2015)341 of 15.07.2015
<i>Rapporteur:</i>	not yet appointed	<i>procedure ref.:</i> 2015/0149(COD)
<i>Next steps expected:</i>	Discussion in ITRE	Ordinary legislative procedure



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Introduction

As part of the [Energy Union strategy](#) announced on 25 February 2015, the European Commission proposed to review the energy efficiency framework for products, consisting of Directive 2010/30/EU (energy labelling) and Directive 2009/125/EC (ecodesign requirements). As part of the [Summer Energy Package](#) announced on 15 July 2015, the Commission proposed a [new regulation](#) on energy labelling to replace Directive 2010/30/EU. The new regulation would be consistent with the objectives of the 2010 Directive but would overcome some weaknesses identified in a [review](#) and accompanying [impact assessment](#). The Commission proposes to restore the original A-G scale for classifying the energy efficiency of products and establish a mechanism for rescaling products. The Commission also proposes to create a new product database and take measures to improve national market surveillance. By replacing a directive with a regulation, the Commission wishes to simplify the regulatory environment and ensure market rules are applied more consistently across the Member States. A complementary EPRS briefing on [understanding energy efficiency](#) provides an overview of EU actions in this field.

Existing situation

The principal EU legislation in this area is [Directive 2010/30/EU on energy efficiency labelling](#) and [Directive 2009/125/EC on ecodesign requirements](#), which are largely complementary in their objectives. Whereas the 2009 Ecodesign Directive encourages industry to produce more energy-efficient products, by banning the least efficient products from sale, the 2010 Energy Labelling Directive encourages consumers to buy more efficient products, by informing them about the relative energy use of products. Detailed requirements for specific energy-related products (for example dishwashers, fridges) are established through **delegated acts** (for energy labelling) or **implementing regulations** (for ecodesign). To date there have been 24 ecodesign implementing regulations and 12 delegated acts on energy labelling, ensuring a wide range of consumer products are now sold with an EU energy label. The first EU legislation on energy efficiency labelling was [Council Directive 92/75/EEC](#), later replaced by Directive 2010/30/EU. The latter introduced new product classes (A+, A++, A+++), to reflect the significant technological advances made in improving the energy efficiency of household appliances. Most products sold on the market now tend to be A grade or higher.

In 2012 the Commission carried out a review of the 2009 Ecodesign Directive, which concluded that legislative revision was not then required, but some aspects would be re-considered in a future review of the 2010 Energy Efficiency Labelling Directive. The latter review was published on 15 July 2015 and concluded that the 2010 Directive had been effective in enhancing the energy efficiency of household appliances, but modest legislative revision was now required for the EU to continue meeting the same objectives. The Commission therefore [proposed a new regulation](#) (also on 15 July 2015) that would repeal and replace Directive 2010/30/EU.

The changes the proposal would bring

The [proposed regulation](#) would be based on Article 194(2) of the Treaty on the Functioning of the European Union, the legal basis for energy legislation since ratification of the Lisbon Treaty in December 2009. The existing two directives use a different legal basis, Article 114, and are justified on the basis of environmental and consumer protection. The use of a regulation (rather than a directive) on energy efficiency labelling is designed to reduce the regulatory burden on Member States and ensure more consistent application of EU law, especially since regulations (unlike directives) are not transposed into national law. The new regulation would take effect from 1 January 2017 and Directive 2010/30/EU would be repealed.

The proposed regulation would **restore the original A to G energy label scale** and, over time, abolish the A+, A++ and A+++ categories, while retaining the same green to red colour scheme for energy efficiency. All existing labels would be reviewed by the Commission within five years of entry into force of the regulation and rescaled in the years afterwards. Energy labels would be regularly rescaled (roughly every 10 years) to recognise and stimulate further advances in the efficiency of household appliances. Delegated acts would set the rescaled labels and no products on the market when these enter into force could fall into the top energy classes (A and B), in order to encourage further technological progress and set a higher level of ambition on energy efficiency. The proposed regulation sets a clear transition period of six months for introduction of new labels after approval of the relevant delegated act. For online sales, electronic labels could be used as a replacement for the physical energy label. The proposed regulation would oblige Member States to conduct information campaigns to make consumers aware of any new energy labelling.

The proposal establishes a **digital product registration database**, to provide up-to-date market data and information on energy efficiency. This would assist national surveillance authorities in their enforcement of the proposed regulation, shorten the regulatory process for delegated acts, make it easier for manufacturers to register product details, and provide a central location for technological documentation and energy labels. Other new measures would streamline and improve market surveillance of products, assisting national authorities in enforcing the regulation. A **safeguard procedure** would allow a Member State to withdraw non-compliant products from the market and communicate this information automatically to other Member States, which would become obliged to withdraw the same products from their national markets. The safeguard procedure would apply automatically if no objection was raised by another Member State or the Commission in a period of 60 days. The Commission would adjudicate in disputes over application of the safeguard procedure.

The proposed regulation outlines the areas where the Commission can adopt **delegated acts**. These would enter into force if no objection is raised by either the Council or Parliament within two months of notification by the Commission. The delegation of powers to the Commission is not limited in time but could be revoked at any moment by a decision of the Parliament or the Council. However, any revocation would not affect the validity of delegated acts already in force. The new Regulation would **enter into force on 1 January 2017**, but the product database would only take effect from 1 January 2019. The product database will require €1.5 million in 2016 (for establishment) and 150 000 in the following years (for maintenance), all of which would be drawn from the existing EU budget.

Preparation of the proposal

The Commission published a [study](#) in June 2014 evaluating the 2010 Energy Labelling Directive and specific aspects of the 2009 Ecodesign Directive, as well as a related [study](#) in October 2014 on the impact of the energy label on consumer understanding and purchasing decisions. Both studies were informed by the findings of a [public consultation](#) on the subject that ran from 30 August to 30 November 2013.

On 15 July 2015, the Commission completed a [review](#) of the energy labelling and ecodesign directives. This concluded that both directives are expected to save the EU around 175 Mtoe (million tonnes of oil equivalent) of primary energy on an annual basis by 2020, with around 15% of these savings due to energy labelling measures. These policies will deliver almost half of the 20% energy efficiency target by 2020, significantly reduce EU dependence on imported energy (-23% for natural gas; -37% for coal), and save end-users €100 billion per year in 2020 through lower utility bills. The review concludes that the benefits of cost savings from reduced energy use significantly outweigh the costs to manufacturers and consumers of adapting to these requirements.

Some 85% of consumers recognise and understand the energy label, and use it in their purchasing decisions. Yet the review found that the introduction of new product classes (A+, A++, A+++) under the 2010 Directive reduced the effectiveness of the energy label in motivating consumers to buy more efficient products, especially when compared to the original A-G scale. The lower energy efficiency classes of products are now relatively unpopulated, and for some categories (e.g. washing machines) only appliances of A or above can be sold on the market due to ecodesign requirements. The review also highlights a trend towards purchase of larger products, which have become more efficient but lead to higher absolute energy consumption. Another concern is weak enforcement by national authorities, which contributes to non-compliance and is estimated to reduce energy savings by around 10%. For some products the levels of ambition in terms of energy efficiency savings remain too low compared to what is feasible. The rulemaking process for delegated acts on some products is considered too long (on average 49 months), partly due to delays in obtaining product information.

As part of its review, the Commission carried out a detailed [impact assessment](#) on reforming energy labelling legislation (see also its [executive summary](#)). The impact assessment recommends modest changes to the energy labelling legislation (outlined above) alongside some non-legislative actions. Since the environmental impact of non-energy products is addressed through separate legislation, the impact assessment considers it would not be advisable to broaden the scope of energy labelling legislation. A more comprehensive reform of energy labelling could also create disproportionate obstacles to international trade by requiring third party certification for all products.

Parliament's starting position

The European Parliament (EP) [resolution of 6 May 2009](#) on the draft Commission directive implementing and amending Council Directive 92/75/EEC with regard to energy labelling of televisions, called for a return to the closed A-G scale of energy efficiency labelling, and criticised the creation of product classes above A as well as the presence of empty classes of products at the bottom of the scale. The [legislative procedure](#) that led to the adoption of Directive 2010/30/EU on energy efficiency labelling saw the EP again express its support for a closed A-G scale. But on second reading the Parliament accepted some of the changes proposed by the Commission and

supported by the Council in its [position](#) on first reading, including the introduction of product classes A+, A++, and A+++.

Stakeholders' views

ANEC, a body representing consumers in standardisation issues, strongly [supports](#) the Commission proposal as enhancing clarity, comparability and simplicity for consumers. ANEC and [BEUC](#), the main consumer organisation, have issued a [joint position paper](#) in which they criticise the introduction of A+ classes and above in the 2010 Directive. They argue these had much less of a motivational effect on consumers than the original A-G scale and were much less ambitious, since most products are now graded A or above. These organisations fully support the return to a closed A-G scale. But they also made other recommendations: restoring the use of national languages on labelling; introducing alternative graphic effects to ensure consumers understand the label is new; guaranteeing a short transition to the new scheme with a coordinated and simultaneous adjustment of existing labelling measures to the new format (under the Commission proposal these could take place at different times for different products, possibly leading to confusion among some consumers); and calling for the European Commission to lead a communication campaign on the new labelling.

The European Partnership for Energy and the Environment ([EPEE](#)), a body representing industry, [cautions](#) that the proposed regulation could actually discourage energy efficiency improvements and distort consumer choices by downgrading the current classification of products with considerable potential for energy saving. The example is given of an A grade product that, under the proposed system, could automatically become an E grade product. Similar concerns are expressed by other industry groups including the Association of the European Heating Industry ([EHI](#)) and [Lighting Europe](#).

The European Council for an Energy Efficiency Economy (ECEEE), a membership-based NGO, [supports](#) the Commission proposal and recommends its implementation into formal legislation. The ECEEE highlights the value of the new A-G energy labelling scale, the digital database for new energy efficient products and improved market surveillance. [CoolProducts](#), a coalition of environmental NGOs backing energy efficiency, [supports](#) the proposal but also highlights areas of improvement, notably the need to consider lifetime running costs of appliances when assessing energy efficiency.

EURELECTRIC [welcomes](#) improvements to energy efficiency but is still analysing the implications of the Commission proposal before issuing its opinion on the subject.

Advisory committees

The European Economic and Social Committee (EESC) and the Committee of the Regions (CoR) have yet to adopt their opinions on the proposed regulation. It is likely to be discussed in the CoR Commission for the Environment, Climate Change and Energy and the EESC Section on Transport, Energy, Infrastructure and Information Society.

Council (& European Council)

The [European Council conclusions](#) of 23-24 October 2014 set an indicative minimum target of 27% improvement in energy efficiency by 2030 (compared to projections of future energy consumption). This target will be reviewed by 2020, having in mind a potential EU level of 30%. The proposed regulation on energy labelling is an important part of the broader EU strategy towards meeting these energy efficiency goals. During inter-institutional negotiations on Directive 2010/30/EU (energy labelling), the Council

[supported](#) introducing the A+, A++, and A+++ product classes, which the Commission now proposes to eliminate with the new regulation.

National parliaments

Parliaments in 11 Member States have so far [examined](#) the proposal. No concerns about subsidiarity have been raised and no reasoned opinions have been received to date. The subsidiarity deadline is 19 October 2015.

Parliamentary advice

The European Parliament's Policy Department A (Economic and Scientific Policy) commissioned a detailed [study](#) in 2010 on EU Energy Efficiency Policy, which also touched on the issue of energy labelling. The study concluded that consumers are confused by additional grades (A+, A++, A+++) and the introduction of a new labelling system without + would be welcome. Instead of introducing new grades, the study recommends that existing labels be rescaled to take account of improvements in energy efficiency, with 'A' labels always the most efficient on the market. Japan is given as an example of ambitious energy labelling with automatic rescaling of products.

The European Parliamentary Research Service recently published an [initial appraisal](#) of the Commission's impact assessment on the proposed regulation, concluding that the research and analysis carried out is 'reasonable and comprehensive', but notes that 'further details of SME input and implications would have been helpful'.

Legislative process

On 7 September 2015 the [proposal](#) was referred to the ITRE Committee and is awaiting the appointment of a rapporteur to take the lead in drafting the Parliament's response. The rapporteur should be appointed in the 12-13 October ITRE Committee meeting.

References

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eprs@ep.europa.eu

<http://www.eprs.ep.parl.union.eu> (intranet)

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