

# Framework for energy efficiency labelling

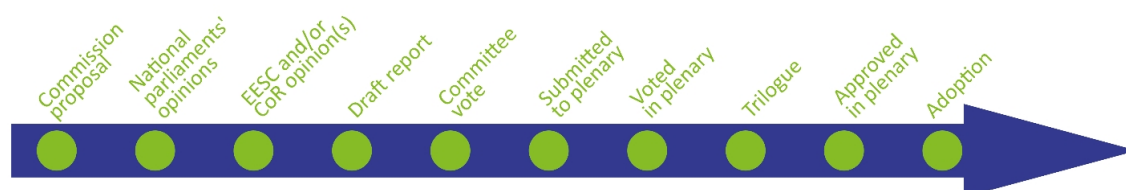
## SUMMARY

In July 2015, the Commission proposed a new regulation on energy efficiency labelling as part of its summer energy package. The proposed regulation seeks to 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. The rescaling of different types of household products would be done through delegated acts from the Commission. 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 both producers and consumers, acting as a disincentive to greater energy efficiency.

The Council adopted a general approach in November 2015. The Parliament approved a series of legislative amendments in July 2016. After several trilogue meetings, a provisional agreement was reached in March 2017. The agreed text was subsequently approved by the Parliament on 13 June and by the Council on 26 June 2017.

## 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
<i>Rapporteur:</i>	Dario Tamburrano (EFDD, Italy)	of 15.7.2015
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<i>Procedure completed.</i>	Regulation (EU) 2017/1369 <a href="#">OJ L 198, 28.7.2017, pp. 1-23</a>	2015/0149(COD)
		Ordinary legislative procedure



This briefing updates an earlier edition, of February 2017: [PE 599.282](#).

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## Introduction

In 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](#) on 15 July 2015, the Commission proposed a [new regulation](#) on energy labelling to replace Directive 2010/30/EU. The Commission proposes to restore the original A-G scale for classifying the energy efficiency of products, establish a mechanism for rescaling products, 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 Member States. An EPRS briefing on [understanding energy efficiency](#) provides an overview of EU actions in this field.

## Existing situation

The principal EU legislation that relates to energy labelling is [Directive 2010/30/EU on energy efficiency labelling](#) and [Directive 2009/125/EC on ecodesign requirements](#), which are 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 (e.g. dishwashers, fridges, televisions) 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 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 reviewed the Ecodesign Directive and concluded that legislative revision was not required. In 2015, the Commission reviewed the Energy Labelling Directive and concluded that it had been effective in improving energy efficiency of household appliances, but legislative revision was now required for it to meet the same objectives.

## 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 EU energy policy. The existing 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) is designed to reduce the regulatory burden on Member States and ensure more consistent application

of EU law, since regulations do not require transposition into national law. The new regulation would lead to the repeal of Directive 2010/30/EU.

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. When these enter into force **no products on the market could fall into the top two energy classes** (A and B), in order to encourage further technological progress and set a higher level of ambition on energy efficiency. For those product groups where no models currently allowed on the market belong to energy classes D-G (due to the implementation of ecodesign requirements), the redundant energy classes would no longer be shown on the label. The proposed regulation sets a clear transition period of six months for introduction of new labels after approval of the relevant delegated act. Electronic labels could be used for online sales. Member States would be required to conduct information campaigns in order to make consumers aware of the new energy labelling for specific products.

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 be 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 European Commission in a period of 60 days. The Commission would adjudicate in any 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 would be indeterminate in time, but could be revoked at any moment by a decision of the Parliament or the Council. The Commission proposes to evaluate the functioning of the new regulation within eight years of its entry into force.

### Preparation of the proposal

The Commission ordered a [study by ECOFYS](#) evaluating the 2010 Energy Labelling Directive and specific aspects of the 2009 Ecodesign Directive, which included a [public consultation](#) that ran from 30 August to 30 November 2013. The ECOFYS study recommended moving from the current A+++ to D scale to an A-G scale for energy labelling of products; the establishment of a product registration database; and addressing weaknesses in national market surveillance, including through greater EU coordination. The Commission also financed a [study by London Economics – IPSOS](#) on the impact of the energy label on consumer understanding and purchasing decisions. This concluded that consumers understand an alphabetical scale much better than a numerical scale, with roughly

equivalent understanding of the current A+++ to D scale and the proposed A-G scale. However, the study found evidence that consumers were more likely to choose energy efficient products when presented with an A-G scale.

On 15 July 2015, the Commission completed a [review](#) of the energy labelling and ecodesign directives, which concluded that they 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. 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 introduction of new product classes (A+, A++, A+++) under the 2010 Directive had somewhat 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 because of ecodesign requirements. Another concern is weak enforcement by national authorities, which contributes to non-compliance and reduces energy savings.

As part of its review, the Commission carried out a detailed [impact assessment](#) on reforming energy labelling legislation (see also its [executive summary](#)), which recommended some changes to the energy labelling directive together with non-legislative actions, but did not request any changes to the ecodesign directive.

### Stakeholders' views

ANEC, a body representing consumers in standardisation issues, strongly [supports](#) the Commission proposal for enhancing clarity, comparability and simplicity for consumers. ANEC and BEUC, the main EU level consumer organisation, issued a [joint position paper](#) in which they criticise the introduction of the A+ classes under the 2010 Directive. They argue that these new classes had much less of a motivational effect on consumers than the original A-G scale and have proven much less ambitious, since most products are now classified A or above. These organisations fully support the return to a closed A-G scale.

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 in 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 for improvement, notably the need to consider lifetime running costs of appliances when assessing energy efficiency.

## Advisory committees

The European Economic and Social Committee adopted an [opinion](#) (TEN/576) on 20 January 2016 broadly supporting the Commission proposal but including further recommendations. The Committee of the Regions chose not to issue an opinion.

## National parliaments

Parliaments in more than half of EU Member States [examined](#) the proposal. No reasoned opinions were received but some parliaments issued correspondence.

## 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+++), so the introduction of a new labelling system without + would be welcome. Instead of introducing new higher 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.

The European Parliamentary Research Service 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 noting that 'further details of SME input and implications would have been helpful'.

## Legislative process

The Commission [proposal](#) was referred to the Industry, Research and Energy (ITRE) Committee, which appointed Dario Tamburrano (EFDD, Italy) rapporteur. The ENVI committee adopted a supporting opinion. A series of legislative amendments were approved in a plenary session of the Parliament on 6 July 2016 (580 votes in favour, 52 votes against, 79 abstentions). The file was then referred back to ITRE, in order to commence interinstitutional 'trilogue' negotiations with the Council and Commission. These concluded in March 2017 with a provisional agreement. The [agreed text](#) was approved by the ITRE committee on 25 April 2017 and approved by the European Parliament at first reading on 13 June 2017. The file was then formally approved by the Council at [first reading](#) on 26 June.

On 26 November 2015, the Council had agreed a general approach (objected to only by Bulgaria), which recommended a number of changes to the Commission proposal. It proposed that there should only be **one empty top class (A)** of products after rescaling (instead of two). Member States should be allowed to maintain or introduce **national schemes for labelling of products**, so long as these are additional to the EU energy label and do not mislead or confuse customers on energy consumption. The Council supported the use of **implementing acts** for most aspects of the proposed regulation (product database, market surveillance procedures, harmonised standards, rescaling of labels and labelling requirements), and the use of **delegated acts** only for the specification of product groups. The Council proposed that the powers of the Commission to adopt delegated acts be conferred for five years, to be tacitly extended for a similar period of time (unless the Council or Parliament choose to revoke them). **Reviews of existing labels** would only occur after the Commission had carried out a preparatory study and one of two **conditions for rescaling** were met: *either* i) 30 % of existing products in the EU market fall into the top energy class and further technological development is expected soon; *or* ii) the existing label has been in operation for at least eight years and the Commission can demonstrate



that the 30 % threshold is likely to be exceeded over the next seven years. The Council proposed to **remove the requirement for all labels to be rescaled within five years** of the regulation entering into force, and sought to oblige the Commission to carry out a full consultation with Member State experts before adopting any delegated acts.

The legislative amendments [adopted](#) by the European Parliament on 6 July 2016 recommended several changes, some in line with the Commission proposal whereas others were more in line with the Council approach. The Parliament backed the Commission proposal to use **delegated acts** to rescale products and introduce new labels. Parliament wanted to confer the right to adopt delegated acts on the Commission for a period of six years, to be tacitly renewed for a similar period of time. Parliament maintained that all product groups should be **reviewed and rescaled within five years** of the regulation entering into force, and that any future rescale should aim for a validity period of at least ten years. Parliament proposed two **automatic trigger criteria** for future rescales: *either* when 25 % of products sold in the EU market fall into class A; *or* when 50 % of products sold in the EU market fall into classes A and B. Parliament supported leaving only the **top class empty** (A) after rescaling (in line with the Council position), but would leave both A and B classes empty for products showing rapid technological progress (closer to the Commission proposal). The **Union safeguard procedure** would have a short period of objection of only 28 days (60 in the Commission proposal) before taking effect. An **A-E scale** could be used when no F and G class models exist on the market because of ecodesign requirements, in such cases the redundant product classes would be displayed in grey on the standard label. Parliament maintained that new labels should also contain information about the **absolute energy consumption** of each product, while old labels should be **replaced in a short timeframe after rescaling**. Information campaigns promoting the new EU energy labels in the Member States should be coordinated by the Commission. Parliament provided numerous details about the operation of the **product database**, including its accessibility and security requirements. Parliament was supportive of **stronger market surveillance**, insisting that national authorities should perform compliance monitoring through physical product testing covering at least one product group per year, while the Member States should adopt market surveillance plans setting out how they intend to implement the regulation. These plans would be reviewed and adapted every three years. Finally, the Commission would be required to **review application of the regulation within six years** of its entry into force.

The text agreed by the Council and Parliament in trilogue makes several changes to the Commission proposal, while maintaining intact its objectives and many of its core features. **Delegated acts** (Article 16) would be used for most provisions of the regulation (notably rescaling of products and labels), **implementing acts** would be used for market surveillance and the product registration database. The Commission would be conferred the power to adopt delegated acts for a period of six years, to be tacitly renewed for a similar period of time. The agreed text clarifies a range of **obligations on both dealers and suppliers** (Articles 4-6), including the provision of product information and use of energy labels in online distance selling. The **Union safeguard procedure** is retained (Article 10), but without a strict timeframe for removal of products from the EU market. Instead the Commission would have to adopt an implementing act on whether the national measure is justified and whether it should be applied in the other Member States. The agreed text introduces a **staggered timeframe for rescaling existing labels** through new delegated acts introducing the A-G scale (Article 11). New delegated acts covering the most common product groups (washing machines, tumble driers, washer-driers, dishwashers,

refrigerators, televisions, electrical lamps) would need to be adopted within 15 months of the regulation entering into force. A handful of product groups (solid fuel boilers, space heaters, water heaters, storage tanks) could be reviewed up to eight years after the regulation enters into force, with new delegated acts adopted up to 13 years after the regulation enters into force. For all other product groups, the standard requirement is for delegated acts to be introduced within six years of the new regulation entering into force. Regardless of the differing timeframe for rescaling product groups, all new labels should be displayed in shops and online within 18 months of the relevant delegated act entering into force.

The agreed text includes two **conditions which would lead to obligatory rescaling** of the new A-G labels: *either* i) 30 % of units of models belonging to a product group sold in the EU belong to the highest class (A) *or* (ii) 50 % of units belong to the two highest classes (A, B). When a new label is introduced or rescaled, in general **only the top class (A) should be left empty**. However, where technology is expected to develop more rapidly, then the top two classes (A, B) should be left empty. When no products on the market belong to lower classes (E, F, G), then these should be illustrated in grey on the standard energy label.

The agreed text provides considerable detail about how the **product database** should operate (Article 12). It will consist of a public part, a compliance part, and an online portal giving access to these two parts. Its purpose is to support market surveillance; provide the public with information about products placed on the market; and provide the Commission with up-to-date information on the energy efficiency of products. The regulation specifies that 'consumers using the public part of the database should be able to easily identify the best energy class populated for each product group, allowing them to compare model characteristics and to choose the most energy efficiency products'.

The Commission would have to **review application of this regulation within eight years** of its entry into force, including any delegated or implementing acts relating to it (Article 19).

The [regulation](#) was published in the Official Journal on 28 July 2017, and applies as of 1 August, except for the obligations of suppliers relating to the product database, which will apply from 1 January 2019.

## References

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[eprs@ep.europa.eu](mailto:eprs@ep.europa.eu)

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