

Revision of the Energy Labelling Directive: Comments from Topten

Comments on the Commission proposal for an energy labelling framework regulation, version after Council discussions from November 6th 2015¹

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Summary

Topten supports the proposal, but recommends to better consider absolute energy consumption. At label rescales, classes A and B should be held empty initially. All labels with '+'-classes should be rescaled within 5 years.

General

The proposal provided by the Commission is highly welcome. The legal framework of the energy label needs to be revised, and we appreciate that the Commission is taking action. The energy label is a powerful tool to transform the ErP market towards higher energy efficiency and lower energy consumption. Today's Label with most products in classes A+ to A+++ is no longer effective to its full potential. A revised legal framework can restore its full effect to have a maximum impact on consumers, showing them clearly the most efficient products, and on manufacturers, providing them an incentive to continue to innovate towards higher efficiency. Loopholes for current labels with '+'-classes must be avoided. In order to guarantee that the energy label contributes to reaching the greenhouse gas emission targets, absolute energy consumption needs to be better addressed than the proposal does.

Comments on specific aspects

Good: A to G scale, not showing classes that have been banned

We support the proposal to rescale the labels to have the products in the original classes A to G. We also support the proposal to delete from the Label classes that have been banned by Ecodesign requirements. This redesign will improve consumer understanding of and trust in the label and strengthen the Label's impact.

Good: Regular rescales, but empty classes A and B and effective trigger needed

The announcement of regular rescales to remain with the A to G scale is highly welcome. The conditions for a rescale should be formulated cautiously, to avoid the current situation with too late revisions and few three top classes being populated:

- Market share in the two top classes: 40% of the models or sales, or
- Less than 5 classes are populated, or
- If the market share in the top class is more than 50% in X countries or for Y% of the EU population.

The current formulation (only rescale trigger: > 30% in top class) contains a big loophole for existing labels with '+'-classes, which could persist for another ten years or so.

Not only class A, but also class B should be kept empty initially after a rescale: this is the only realistic way to ensure that a labelling scale remains effective for several years. If only class A is kept empty, there is the risk that rescaled labels become out-dated quickly. The improvement rate has been underestimated many times in the past, with label scales being out-dated only two years after their introduction (e.g. washing machines, dishwashers, air

¹ http://www.topten.eu/uploads/File/ELrevision-Council-6_11_15.pdf

² Michel, Attali, Bush: Energy efficiency of white goods in Europe: monitoring the market with sales data. Topten International, June 2015. www.topten.eu/uploads/File/WhiteGoods_in_Europe_June15.pdf

conditioners). To avoid the risk of constant transition periods, the two top classes should be held empty after rescales.

The clear provisions for the transition period are welcome.

Good: Product registration database

This is very welcome. It will provide an overview on the products on the market, facilitate market surveillance and provide independent market information for preparatory studies and impact assessments, for the preparation and evaluation of policies. The provision that the information in the database is publicly available is key. Topten also supports the proposal to have all the information that is public today (information provided on energy label and label fiche) in this publicly accessible section. Test reports that have been obtained with public money could also be in this section.

It should be ensured that the data is available in a format that allows for easy filtering and ordering of the products according to various aspects: the database needs to be searchable, and results must be available for download. Such a database will ensure that all stakeholders have access to the same information and can provide well-informed input to the policy making process, and it can be a basis for consumer information tools (e.g. mobile apps) or, in the future, digital labels.

The database also needs to provide an overview on 'equivalent' models (technically identical models). Otherwise it does not help market surveillance authorities in sharing test results internationally.

More information:

Topten recommendations and discussion paper: *Why and how Europe should introduce mandatory product registration and a public database for energy related products* (Nov 2015)

http://www.topten.eu/uploads/File/Topten-recommendations-product-registration-database_Nov_15.pdf

Absolute energy consumption: needs to be better considered

It is key that the absolute energy consumption is shown on the label. This is what finally matters for reaching greenhouse gas reduction goals, but it is missing in the current proposal.

Article 12. 2. (l) in the working document does address the issue of 'efficient' products with high energy consumption by introducing the possibility that 'larger appliances require a higher level of energy efficiency to reach a given energy class'. We appreciate that the issue is addressed, but Article 12 (l) should be reformulated to tackle the problem at its source: the definition that states for each product category what is an energy efficient model (the efficiency / energy efficiency index (EEI) formula).

Instead of suggesting different label scales for larger products (which does not cover all of today's problems (see below) and would simply split the incentive to larger products to the size categories), we recommend that the framework regulation lays out basic guidelines for these efficiency definitions, e.g.: *'energy efficiency' should be defined in such way that those products with lower energy consumption can reach better efficiency classes more easily than those with higher energy consumption.* This would also cover aspects other than the size, such as extra features or different types (more about this topic in the Annex).

Efficiency definition is a key topic, because with today's situation it can be tricky to define ambitious MEPS based on the energy label: such Ecodesign requirements would phase out small TVs or washing machines, simple refrigerators without extra features – products that consume less energy than larger or more complex models, which however are considered to be more efficient. Also subsidies programmes, aiming at lowering energy consumption, can miss their goal and have counterproductive effects, if based on a labelling scale that does not favour low-energy-consuming products.

Annex: Why efficiency definition details matter

The evaluation of existing regulation (see 3.1.6 in the Commission's proposal) and the Topten market monitoring study from June 2015² have shown that in some cases the reduction in energy consumption does not go hand in hand with efficiency improvements, and that the most efficient products are not always the least energy consuming ones. E.g. in the case of washing machines, the market monitoring study has shown that better energy classes are clearly correlated with larger capacities, but hardly with low energy consumption. For refrigerators the study shows that efficiency has improved by 34% over the last 10 years, but energy consumption has only been reduced by 25% - even though refrigerators have not increased in size. The definition of 'efficiency' – for most product categories this is the energy efficiency index (EEI) formula – is key, and if better efficiency is to secure energy savings (and contribute to reaching the 2030 greenhouse gas reduction goal), 'efficiency' should be defined in such way that those products with lower energy consumption can reach better efficiency classes more easily than those with higher energy consumption. This can be achieved if the EEI formula follows the following principles:

- **Digressive reference lines** (a size-energy curve that becomes flatter with increasing size and higher energy) make sure that it is not easier for larger products to meet better efficiency classes.
Current negative examples:
 - Washing machines: the current Label supports the trend to larger washing machines (9 kg and more). The reference line is strictly linear (+30% capacity allows for +30% energy consumption), and it seems to be easier for manufacturers to reach better efficiency by adding more kg capacity than by reducing the energy consumption. Oversized washing machines can waste a lot of energy and water.
 - TVs: also here the strictly linear reference line has supported the trend to larger screen sizes. A++ TVs consume on average more energy than A-class TVs.
- **Neutrality towards technologies and types:** the same requirements and efficiency definitions should apply to different technologies or types, so that the Label can bring real transparency to consumers, showing which are the most efficient models. Inefficient technologies or types should not be protected by less ambitious Labelling scales or formulas, which are hiding their lower efficiency.
Current negative examples:
 - Air conditioners: Inefficient single and double duct air conditioners have a separate labelling scale. The efficiency of their class A corresponds more or less to class F of split air conditioners.
 - Household refrigerators: Combined refrigerator-freezers have a less ambitious (steeper and higher) reference line than refrigerators without freezer compartment, and the same applies to upright and chest freezers. Thanks to the higher reference line, a specific A+ cooling compartment can consume 70% more energy if it's part of a combi instead of a refrigerator model.
- **'Efficiency' should be defined based on a product's primary function only** - no 'discounts' or allowances should be granted to extra features. If extra features contribute to higher energy consumption, the Label should make this transparent.
Negative examples:
 - Household refrigerators: 'correction factors' in the formula for refrigerators hide the extra energy consumption of tropic (=oversized) compressors, a frost-free function, inbuilt models and a chill compartment.

² Michel, Attali, Bush: Energy efficiency of white goods in Europe: monitoring the market with sales data. Topten International, June 2015. www.topten.eu/uploads/File/WhiteGoods_in_Europe_June15.pdf